

Capitol Journal

News & Views from the 50 States

The Art of Governing



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The next issue of Capitol Journal will be available on January 9th.

Top Story

Despite another year of partisan gridlock in Congress and growing public disenchantment with lawmakers across the board, some governors and legislatures rose above partisanship and wrote a record of accomplishment in 2011.

SNCJ Spotlight

Some bright spots in the states

Public confidence in U.S. political and economic leadership is close to non-existent. Nearly three-fourths of Americans believe our country is headed down the wrong track, according to an average of opinion surveys by *RealClearPolitics*. Few officeholders command positive approval ratings. For Congress and many state legislative bodies, approval ratings are in the teens.

A Cannon Perspective



With Lou Cannon

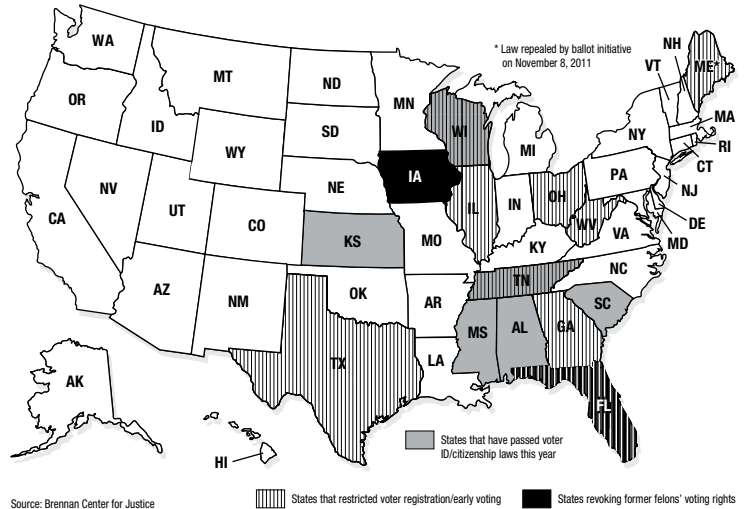
Despite these dismal appraisals and the gridlock gripping Washington in advance of an election year, some governors and legislatures rose above partisanship and wrote a record of accomplishment in 2011. A few states even demonstrated the prescience of Supreme Court Justice Louis Brandeis, who wrote in a famous dissenting opinion almost eight decades ago that states can serve as laboratories of democracy “and try novel social and economic experiments without risk to the rest of the country.”

Nevada has launched one such experiment. Trying to succeed where the federal government has failed, the state is holding mortgage companies to strict standards on home foreclosures. The spark for this action was the continuing collapse of home prices in Las Vegas, which has the highest rate of foreclosures and the steepest price declines

of any major metropolitan area in the country. Three of five homeowners in Nevada are underwater, owing more on their mortgages than their homes are worth. One of these underwater homes is owned by Nevada Attorney General Catherine Cortez Masto (D), who by dint of office and circumstance takes an exceedingly dim view of fraudulent foreclosures. Spurred by Masto, the Democratic-controlled Legislature passed and Republican Gov. Brian Sandoval signed a measure requiring mortgage companies to file an affidavit proving they have a right to foreclose and increasing criminal and civil penalties for use of fraudulent documents in such actions. Masto said the law was directed only against the “criminal element,” but it has prompted all financial companies holding mortgage papers to proceed cautiously. According to market researcher RealtyTrac, home foreclosures in Nevada dropped an astonishing 75 percent in October.

Across the country in Rhode Island, a heavily Democratic legislature and Gov. Lincoln Chafee, an Independent who supported President Barack Obama and was in


Bird's eye view



New state voting laws will impact millions of voters

States across the country have enacted an array of new laws that will make it harder for more than five million voters to cast ballots next year, according to a new report from the Brennan Center for Justice at the New York University School of Law. Seven states have passed legislation requiring voters to show photo identification to vote, and Mississippi voters approved a photo ID ballot initiative in November. Three states have passed laws requiring proof of citizenship, such as a birth certificate, to vote. Six states passed laws restricting voter registration privileges, such as Election Day and same-day voter registration. Five states have limited their early voting periods. And two states have reversed executive orders allowing former felons to vote.





turn supported by him, broke ranks with the labor unions and approved the nation's biggest public pension cutbacks. The legislation Chafee signed into law just before Thanksgiving will boost most state retirement ages to 67, freeze cost-of-living increases for retirees, and create hybrid retirement accounts that shift investment risks from the state to individual workers. In taking action Chafee cited the recent bankruptcy of the city of Central Falls, Rhode Island, where pension benefits have been wiped out. Chafee told *Stateline.org* that the Central Falls saga was a reminder of how "real" pension problems have become for states and municipalities. Rhode Island is on the cutting edge of what has become a national movement to reduce public pension liabilities that collectively amount to \$1.26 trillion, according to a report by the Pew Center on the States. Two-thirds of states have in recent years changed their pension systems, none as ambitiously as Rhode Island. More changes are on the horizon: a major battle next year looms in California where Gov. Jerry Brown (D) has proposed a 12-point plan to overhaul the state pension system.

Just as troublesome as public debt and the housing crisis is lagging economic growth. On this front, states are captive of the lagging recovery, but Georgia has demonstrated that job retraining can help on the margins. An eight-year-old bipartisan program known as Georgia Works enables employers to train jobless workers for up to eight weeks while they continue to receive their unemployment checks. More than 32,000 workers and 16,000 companies have participated in Georgia Works, and a fourth of those workers were hired by the firms with which they trained. President Obama incorporated features of this program in his jobs bill, which was rejected by Congress for other reasons. But Georgia Works has shown that retraining can make a difference, and limited versions have been copied by other states.

State revenues that collapsed during the Great Recession slowly began to recover in 2011. The increase in the revenue stream and tight budgeting has eased the fiscal crisis for many states. A recent report from the National Conference of State Legislatures found only four states facing mid-year budget shortfalls compared to 15 at this time last year. Nevertheless, 2011 was no walk in the park for the states, which since July have had to make up lost federal revenues previously provided by the American Recovery and Reinvestment Act, the Obama stimulus bill. The most notable fiscal comeback occurred in Minnesota, where a partisan battle shut down the government for 20 days last summer. The shutdown came when Gov. Mark Dayton (D) rejected demands of the Republican-controlled legislature to close a projected \$5 billion deficit entirely with budget cuts. Eventually, Dayton acceded to most of the GOP demands, which have helped produce rapid and largely unforeseen results. Instead of a deficit, Minnesota is now projecting an \$876 million surplus for the fiscal year. The *Washington Post* gave much of the credit to Minnesota businesses, which have bounced back more rapidly than their counterparts in other states. (The latest Minnesota unemployment rate was 6.4 percent, compared to 8.6 percent nationally.)



“Obviously, the private sector deserves huge credit,” said Larry Jacobs, a University of Minnesota political scientist, who said the budget cuts also played a significant role.

Unlike the federal government, all states except Vermont are legally required to balance their budgets. This requirement, coupled with a lower level of partisanship in many legislatures than in Congress, has enabled governors with a pragmatic bent to govern effectively. Two governors — Republican Rick Snyder of Michigan and Democrat Andrew Cuomo of New York — stood out in 2011.

Those of us who have welcomed the new open primary in California as an alternative to the present ideological rigidity in both parties are hoping for candidates such as Snyder, a political novice who won the GOP nomination in 2010 in an open primary in which Independents and Democrats participated. He went on to become governor in a year in which the GOP also won control of both Michigan legislative chambers. From the start Snyder showed little interest in the culture wars or in pursuing red-meat policy solutions that would encourage liberals to dig in their heels. He refused to join other members of his party in targeting the Michigan Education Association, pushing right-to-work legislation, or joining other Republican governors in opposing President Obama’s health care law. For his pains, Snyder, who calls himself a conservative, was derided by critics on the right as a “RINO” — a Republican in name only. However that may be, he has been an effective governor, who, in the words of *Holland Sentinel* columnist Jim Timmermann, pushed “through sweeping budget and tax reform packages that slashed business taxes and remade the landscape of state government.” He also successfully urged legislation that curtailed public employee benefits and gave school districts new powers to evaluate teachers.

Meanwhile, in New York, the liberal Cuomo, also elected in 2010, stood up to the left wing of his party by refusing to endorse continuation of the so-called “millionaires’ tax,” in reality a surcharge on individuals earning over \$200,000 a year. Instead, Cuomo negotiated with hospital workers and health care interests to accept spending caps and \$2.8 billion of cuts in Medicaid and then presented a \$132.5 billion budget that wiped out a \$10 billion deficit and won legislative approval before the April 1 deadline, unusual in New York State. “He said what he was going to do and pretty much did it,” said Kathryn Wylde, president of the Partnership for New York City, a business group, told me earlier this year. Ever since, however, Cuomo has come under fire from true believers who, ignoring his campaign promise not to raise taxes, complain that he compromised too much on the surcharge. Emboldened by the Occupy Wall Street protests, liberals tried again this month to extend the surcharge, which expires at the end of the year. Working with both the Republican-controlled State Senate and the Democratic-controlled Assembly, Cuomo once more

Upcoming stories

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

- **More 2012 previews**
- **Health care**
- **The economy**



crafted a compromise that will create a higher tax bracket for the wealthiest New Yorkers while reducing the tax rates for millions of middle-class citizens. The fact that no one is completely satisfied speaks well of the Democratic governor.

For all the current public unhappiness with politics, the examples provided by Snyder and Cuomo and the constructive performance of several legislatures show that the art of governance has not been lost in the United States. Wouldn't it be wonderful if Washington could learn that lesson?

— *By LOU CANNON*

Budget & taxes

NY RAISES TOP TAX RATE: This month New York Gov. Andrew Cuomo (D) agreed to do what he had repeatedly said he would not: raise taxes on his state's highest earners. Under the agreement passed by the Legislature, those making over \$2 million will actually pay less next year than they do now (8.82 percent versus the current effective rate of 8.92 percent), but only because the state's so-called "millionaire's tax" — more accurately a surcharge on incomes over \$200,000 — is expiring on December 31.

That's actually one of the things that made the tax reform deal possible — and desirable sooner rather than later: the fact that before the end of the year when the surcharge expires, the administration can make the case that the top tax rate is still going down, if not by as much as it would have otherwise.

Another big reason for Cuomo's sudden change of course was a midyear report showing the state faces a budget shortfall of \$350 million this year and a \$3.5 billion deficit in the fiscal year that begins April 1.

"This is a different economic reality than anyone could have anticipated," Cuomo said at a press conference in Albany after the Senate passed the tax plan. "For this new reality that we're facing, this is the best decision."

Some also credited the Occupy Wall Street movement for helping to create the political climate for the deal.

"It's a credit to the courage of the Occupy protesters on Wall Street, in Albany, in Buffalo and Rochester, and across the country," said Michael Kink, executive director of the labor-backed Strong Economy for All Coalition.

According to aides of the governor, 4.4 million state taxpayers will see a cut under the new tax code, which will at the same time generate \$1.9 billion in new revenue. The package also includes a \$1 billion fund for infrastructure projects, tax credits to boost employment of inner-city youth, \$50 million in flood relief and a \$250 million rollback of payroll taxes on businesses in Long Island and the Hudson Valley.

Senate majority leader Dean G. Skelos (R), for one, seemed pleased with the agreement.

“This comprehensive plan will reduce the tax rate for middle class families to their lowest levels in more than 50 years, create thousands of new private sector jobs and begin to turn our economy around,” he said in a written statement.

The deal also drew praise from both the business community, which applauded its devotion to job creation, and labor unions, which said the additional revenue it provides will help ensure the governor follows through on his promise to increase education and health care spending next year.

“We participated very heavily in reaching out to legislators to strike a deal that provided adequate revenues,” said Richard C. Iannuzzi, president of New York State United Teachers. “It looks like they’ve done that.”

Still, there were critics of the agreement. A coalition of good-government groups, including the League of Women Voters and Common Cause, said the secretive way Cuomo and legislative leaders reached the deal was “a continuation of the backdoor deal-making that has defined Albany culture.”

Conservatives, meanwhile, accused the governor of breaking his campaign promise not to raise taxes.

“New York already has the highest taxes in America, and the governor was elected on a firm pledge of no more tax hikes,” said Liz Feld of New Yorkers for Growth.

And many observed that the \$1.9 billion in revenue the deal is expected to generate won’t be enough to close the \$3.5 billion budget deficit projected for next year, unlike the \$5 billion that would likely have come from extending the current income tax surcharge.

“I don’t see how we plug all those holes,” said Ron Deutsch of New Yorkers For Fiscal Fairness.

Nevertheless, Cuomo and state lawmakers appear to have ended the year with what the *Times Union* described as “another display of bipartisan accommodation.”

“It’s a good deal. We’ve all compromised a bit, but we’re on our way,” said Assembly Majority Leader Ron Canestrari (D). (TIMES UNION [ALBANY], NEW YORK TIMES, BLOOMBERG BUSINESSWEEK, PROPUBLICA)

STATE REVENUE GROWTH STREAK CONTINUES: State tax collections grew for the seventh straight quarter — after five quarters of Great Recession-related declines — according to the Nelson A. Rockefeller Institute of Government. Preliminary data from 48 early reporting states show state tax collections increased by 7.3 percent in the third quarter of 2011 compared to the same quarter of last year.

Of those 48 states, all but three showed gains in the third quarter. Personal income taxes were again particularly strong, growing \$5.1 billion or 9.2 percent. And for the

fourth consecutive quarter, sales taxes also rose, but more modestly, at 3.9 percent.

The states' overall growth rate too, while still strong, was more moderate than that of the previous three quarters, including last quarter's 10.8 percent year-over-year rate. (NELSON A. ROCKEFELLER INSTITUTE OF GOVERNMENT)

BUDGETS IN BRIEF: Last week **CALIFORNIA** Gov. Jerry Brown (D) announced nearly \$1 billion in new state budget cuts to higher education, services for the disabled, public libraries and prisons. The cuts, which will take effect January 1, are among those set up in the budget Brown and lawmakers approved in June to automatically kick in if revenue failed to meet projections.

And Brown warned more cuts are coming in the spending plan for 2012-13, which will be unveiled next month (LOS ANGELES TIMES). • A Denver judge ruled this month that **COLORADO's** school funding system is not "thorough and uniform" as mandated by the state constitution. Studies have estimated the state is underfunding its public schools by as much as \$4 billion (DENVER POST). • Fortune 500 companies DuPont, Intel, Goodrich and International Paper paid no net state taxes on their income between 2008 and 2010, according to a study by the Institute on Taxation and Economic Policy and Citizens for Tax Justice. The pair of Washington-based think tanks, which advocate for more progressive tax systems, found that dozens of other companies didn't pay state corporate income taxes in at least one of those three years (STATELINE.ORG). • **TEXAS** could end next fiscal year with a \$1.6 billion surplus, according to State Comptroller Susan Combs. Combs reported last week that state sales taxes are expected to grow 10 percent and natural gas-related revenues 25 percent next year (STATELINE.ORG). • Months after a partisan standoff shut down its government, **MINNESOTA** is projecting an \$876 million budget surplus over the next two years (WASHINGTON POST). • **FLORIDA** Gov. Rick Scott (R) introduced a budget for 2012 that calls for increasing public school spending by slightly more than \$100 per student or \$1 billion overall. Scott came under fire a few months ago for pushing school funding cuts (MIAMI HERALD). • **UTAH** Gov. Gary Herbert (R) unveiled a \$12.9 billion budget last week that allocates \$2.5 billion for education (DAILY HERALD [PROVO]). • **INDIANA** Gov. Mitch Daniels (R) said his state has \$320 million more to spend than it thought. The governor attributed the windfall to a programming error discovered only recently by a state employee (INDIANAPOLIS

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: 622

Number of Intros last week: 536

Number of Enacted/Adopted last week: 161

Number of 2011 Prefiles to date: 39,880

Number of 2011 Intros to date: 137,729

Number of 2011 Session Enacted/Adopted overall to date: 47,307

Number of Measures currently in State Net Database: 157,587

— Compiled By OWEN JARNIGAN
(measures current as of 12/14/2011)
Source: State Net database



STAR). • **ILLINOIS** lawmakers approved tax breaks for companies including retailer Sears Holdings Corp. and exchange operators CME Group Inc. and CBOE Holdings Inc. The companies had threatened to move parts of their operations to other states after **ILLINOIS** raised its corporate tax rate from 4.8 percent to 7 percent in January to help plug a budget hole. CME, the world’s largest futures-exchange operator, said the change increased its annual tax bill by \$50 million (WALL STREET JOURNAL).

• Medicaid accounted for 21.9 percent of total state spending in 2009 and 22.3 percent in 2010, and is expected to account for 23.6 percent in 2011, according to a report by the National Association of State Budget Officers. Spending on elementary and secondary education, meanwhile, dropped from 21.5 percent of total spending in 2009 to 20.1 percent in 2011 (NEW YORK TIMES).

– *Compiled by KOREY CLARK*

Politics & leadership

O BAMA ADMINISTRATION JOINS BATTLE OVER VOTING RIGHTS: This year more than a dozen states have passed new voting laws that supporters say were necessary to deter fraud and opponents say will dampen minority voter turnout in next year’s elections. Last week the Obama administration placed itself squarely if circumspectly in the latter camp, with Attorney General Eric Holder’s announcement that the Justice Department would be aggressively reviewing the new laws.

In a speech delivered at the presidential library of Lyndon B. Johnson, who signed the Voting Rights Act in 1965, barring the discriminatory voting practices that had disenfranchised African Americans mostly in the South, Holder declared that protecting the right of all Americans to vote “must be viewed not only as a legal issue but as a moral imperative.” He went on to urge citizens to “call on our political parties to resist the temptation to suppress certain votes in the hope of attaining electoral success and, instead, achieve success by appealing to more voters.”

Holder prefaced a brief discussion of current Justice Department activity on the new voting laws with a quote from U.S. Rep. John Lewis (D-Georgia), who stated in a speech on the House floor this summer that voting rights are “under attack...[by] a deliberate and systematic attempt to prevent millions of elderly voters, young voters, students, [and] minority and low-income voters from exercising their constitutional right to engage in the democratic process.”

Holder said some of the new laws passed since January (see Bird’s eye view) were already under review by his department, in accordance with the “preclearance” provision — Section 5 — of the Voting Rights Act. That provision requires 16 states

HIGH COURT THROWS TX REMAP AND PRIMARY INTO LIMBO: Texas' redistricting process is in chaos and its March 6 primary is in serious doubt, thanks to a six-sentence order from the U.S. Supreme Court on December 9 that began with "The applications for stay presented to Justice Scalia and by him referred to the Court are granted" and ended with "The cases are set for oral argument on Monday, January 9, 2012, at 1 p.m."

With those words — and the roughly 150 others separating them — the justices suspended the maps drawn late last month by a panel of judges in San Antonio, while the maps drawn by the state Legislature earlier this year await "preclearance" under the Voting Rights Act by a federal court in Washington D.C. And with the time it takes to print up ballots and get everything ready for voting, a primary the first week of March now seems unlikely.

"What it has done is injected an enormous amount of stress into the campaign system," said Bill Miller, a longtime political consultant based in Austin. "It's just like a snow globe that's been turned upside down."

Things won't begin to settle until the high court rules on which sets of maps, if either, are binding. The state's nearly 21 percent population boom over the past decade — fueled largely by growth of the state's Hispanic population — gave Texas four new seats in Congress, for a total of 36. The maps drawn by the Legislature grant Latinos little additional political clout and give Democrats fewer congressional seats than the maps created by the three-judge panel, which would give the Dems as many as four more seats.

"This thrusts the Supreme Court right into the partisan thicket," said Richard L. Hasen, an election law expert at the University of California, Irvine. "It is no exaggeration to say that with three or four additional Democratic seats at issue under the original court-drawn plan, the decision could help decide control of the House."

Voting rights advocates, meanwhile, worry the justices' decision to block the court-drawn maps could be a setback for Latino and other minority voters nationwide.

"The facts of this case that are undisputed are that Texas grew by four million people in 10 years, and 90 percent of that growth was minority, and 65 percent of that growth was Latino," said Texas state Rep. Trey Martinez Fischer (D), chairman of the Mexican American Legislative Caucus. "What the big chill [of the Supreme Court's decision] that should go up and down the spine of every Latino in the country is the fact that you could have an explosive growth not seen anywhere else in the country and not have an additional minority district."

"Then the Voting Rights Act will be meaningless," he said. "It will have no meaning in America." (NEW YORK TIMES, FOX NEWS, TEXAS TRIBUNE)

Upcoming elections

12/15/2011 - 1/5/2011

12/20/2011

Kentucky Special Election
House District 82

01/03/2012

Georgia Special Election
House District 68



OH GOP GRIPPED BY POWER STRUGGLE: Ohio’s GOP holds all five statewide executive offices and has majorities in both houses of the Legislature as well as the state Supreme Court. But a struggle for control of the Party has been playing out behind closed doors — until this month.

Gov. John Kasich (R), House Speaker William G. Batchelder (R) and their allies have reportedly been working behind the scenes to persuade the state’s Republican Central Committee, the Party’s 66-member governing body, to cast out Chairman Kevin DeWine, whom the committee unanimously elected to a second two-year term in January.

The internecine warfare spilled out into the public, however, after Batchelder sent a memo to House GOP members accusing DeWine, among other things, of undermining incumbents’ 2010 election campaigns by attempting to persuade donors not to give them money.

“I know you share my deep concern about the direction the state chairman is leading our party,” Batchelder stated in the memo. “It is especially distressing me to know that while we are working every day to improve our state, the leader of our political party is undermining the accomplishments we have made.”

DeWine then released to the public the email he sent to Batchelder expressing his shock about the memo and rebutting its claims. He stated that he wished Batchelder had contacted him to discuss “the points in your letter, which could have avoided you making false or misguided statements” instead of attacking him and the party “in a very public manner.”

Batchelder himself couldn’t be reached for comment, but a spokesman said he believes there must be a change in direction with the Party. DeWine’s allies, however, say the effort to oust him is being led by four of Kasich’s most-trusted confidants — his special assistant Jai Chabria and lobbyists Donald G. Thibaut, Robert F. Klaffky and Douglas J. Preisse — who they say view controlling the party as a crucial step to exerting long-term influence over the statehouse, an allegation DeWine doesn’t disagree with.

“This has nothing to do with ideology or political philosophy. It has nothing to do with performance,” he said. “It’s about the consolidation of power, it’s about money, and it’s about trying to control as much of the process as they can.”

And DeWine doesn’t appear willing to give up without a fight.

“I refuse to let this party be overtaken by lobbyists,” he said. “I will not let this party be dominated by a single officeholder. The Ohio Republican Party serves every Republican candidate from the federal level to the local level. That is our mission, and we will stay focused on it even at these times when people who should be our friends and allies should be supporting us.” (COLUMBUS DISPATCH)

“I refuse to let this party be overtaken by lobbyists.”



POLITICS IN BRIEF: The COLORADO

Supreme Court has approved new state legislative district maps drawn by state Democrats, which place a number of Republican incumbents in the same district. Earlier this year the court rejected another set of maps drawn by the Colorado Reapportionment Commission, siding with Republicans that the maps, approved on bipartisan votes, split too many counties. But in late November, the commission approved the maps drawn by the Democrats on 6-5 votes over Republican objections that they still split too many cities and counties (DENVER POST). • A Sacramento Superior Court judge ruled this month that the **CALIFORNIA** Assembly must disclose budget records of individual lawmakers. The ruling came as a result of a lawsuit filed against the Assembly by *The Los Angeles Times* and McClatchy Newspapers over the legislative body’s denial of records requests by *The Times*, the *Pasadena Sun* and the *Sacramento Bee* (LOS ANGELES TIMES). • **OHIO** lawmakers approved legislation last week (HB 369) setting March 6 as the sole date of the state’s 2012 primary — instead of the split primary set by Republicans in October, which had placed the presidential and congressional races in June — and approving a new Republican-drawn congressional map that is virtually identical to the one Democrats rejected in early November. The bill now heads to Gov. John Kasich (R) for his signature (COLUMBUS DISPATCH).

— Compiled by **KOREY CLARK**

In case you missed it

Although the economy is slowly improving, states will remain focused on pinching pennies in 2012. But lawmakers are also sure to tackle a broad range of other hot issues, including major reforms in public employee pensions, education and health care.

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

http://www.statenet.com/capitol_journal/12-05-2011/html#sncj

Governors

GREGOIRE ISSUES EDUCATION REFORM PROPOSAL: Saying “the system has failed teachers and principals and students,” Washington Gov. Christine Gregoire (D) last week proposed a series of reforms to the Evergreen State education system. Those changes include a four-tier teacher and principal evaluation system that could potentially place a large number of educators at risk of losing their jobs.

Under the current system, teachers and administrators are graded only as being “satisfactory” or “unsatisfactory.” Those deemed unsatisfactory are placed on probation, with the threat of termination if they fail to improve by the end of the academic year.

That would stay the same under Gregoire’s plan, but the grading system would expand, with educators deemed to be in one of four categories: unsatisfactory, basic, proficient or distinguished, with “basic” being roughly equivalent to a new teacher



or principal with three or less years of experience. The lowest performers would still earn probation and be in danger of being fired, but so would any teacher or principal with at least five years of experience earning a basic grade for two straight years, or in two out of three years.

Gregoire said her proposed changes were meant to instill confidence in the public school system.

“We need to address this concern out there that we have bad teachers,” she said last Tuesday in announcing the plan. “For the most part, we have very, very good teachers. We want to make sure the public feels confident that we have everybody at the proficiency-or-above level.”

Although teacher unions have traditionally resisted harsher evaluation systems, Washington Education Association President Mary Lindquist voiced support for the plan.

“We think when it’s fully implemented it’s going to make a significant difference to the students in our classrooms,” she said, noting that her organization helped to develop the pilot program the proposal is based on.

Other reforms the governor pitched included pairing a half dozen of the state’s lowest performing schools with a nearby college to help improve academics at the K-12 school and creating a Cabinet-level Office of Student Achievement to look into improving high school students’ transitions to two- and four-year colleges.

Lawmakers will take up the proposed reforms when they return to session in January (NEWS TRIBUNE [TACOMA], SEATTLE TIMES, KITSAP SUN, MYFOXSPokane.COM, WASHINGTON GOVERNOR’S OFFICE)

BREWER ARGUES AGAINST AZ MEDICAL POT LAW: Arizona Gov. Jan Brewer (R) said she will ask a federal judge to overturn a key portion of the state’s voter-approved medical marijuana law. Brewer spokesperson Matthew Benson said his boss is now taking the official position that federal law preempts a provision in last year’s initiative, which requires the state to issue permits for about 125 medical marijuana dispensaries. Brewer had filed suit seeking to have the court determine only if state employees can be prosecuted under the federal Controlled Substances Act for processing those permits. But U.S. District Court Judge Susan Bolton said last week she would consider tossing the state’s lawsuit unless it took one of two positions: Either federal law supersedes the 2010 initiative, or the Grand Canyon State can implement its law despite federal statutes. Brewer, who opposed the voter-endorsed measure legalizing medical marijuana use (Proposition 204), had previously avoided taking on the preemption issue. But faced with Bolton’s directive, the governor chose to ask the judge to rule that the federal statute means Arizona cannot process the applications from would-be dispensary owners. (ARIZONA CAPITOL TIMES [PHOENIX], EAST VALLEY TRIBUNE [MESA])

GOVERNORS IN BRIEF: U.S. District Judge James Zagel allowed former ILLINOIS Gov. Rod Blagojevich (D) to delay by one month reporting for his 14-

year prison sentence. Blagojevich, who was convicted on 18 counts of corruption, including trying to sell the U.S. Senate seat vacated by President Barack Obama, was originally scheduled to begin his sentence on February 16. He must now report to prison by March 15 (CRAIN'S CHICAGO BUSINESS). • **CALIFORNIA** Gov. Jerry Brown (D) said he will file a ballot initiative to raise the Golden State sales tax and the current levy on high wage earners. Brown said if voters go along, the estimated \$7 billion in new revenue would be spent "only on education" (SACRAMENTO BEE). • Heeding a request from the three co-chairmen of the Legislature's budget committee, **OREGON** Gov. John Kitzhaber (D) instituted a state government hiring freeze. The freeze order also asked government agencies to stop enrolling people in state-funded programs until lawmakers reassess the state's \$14.8 billion budget plan (OREGONIAN [PORTLAND]). • **MAINE** Gov. Paul LePage (R) announced the creation of a new State Workforce Investment Board, tasked with developing new job training policies while also ensuring federal funding earmarked for that purpose is used primarily on training programs rather than administration. The announcement came two months after a report showing that over the last two years less than a quarter of the federal job training funds the state received was spent for that purpose (BANGOR DAILY NEWS). • **NEW JERSEY** Gov. Chris Christie (R) ordered the deployment of additional state troopers in the city of Camden last week in an effort to help fight the city's rising crime rate. Camden, which laid off half its police force in January, has had 16 homicides since October (ASBURY PARK PRESS). • The **NEW MEXICO** Supreme Court invalidated a partial veto by Gov. Susana Martinez (R) of legislation (HB 59) that imposed \$128 million in taxes on businesses in order to bolster the state's near-bankrupt unemployment compensation fund. The court ruled the governor's veto was unconstitutional because it removed one of the variables needed to calculate employer contributions beginning in January 2012 (REPUBLIC [COLUMBUS]). • **MONTANA** Gov. Brian Schweitzer (D) approved a permit for Calgary-based TransCanada to construct a large oil pipeline across six Eastern Montana counties. The pipeline is part of a \$7 billion Keystone XL project that will ultimately cross five states and ship oil from northern Alberta to U.S. refineries in the Midwest and Gulf Coast. The U.S. Department of State must still approve the project before construction can begin (GREAT FALLS TRIBUNE).

— *Compiled by RICH EHISEN*

Hot issues

BUSINESS: The **MICHIGAN** Legislature gives final approval to HB 5002, a bill that would overhaul the state's worker's compensation system. Among other things, the measure would tighten up eligibility standards for work-

related disability payments and streamline the hearings and appeals process for workers who seek to qualify for benefits. The measure moves to Gov. Rick Snyder (R) for review (DETROIT NEWS). • Also in **MICHIGAN**, Gov. Snyder signs a package of bills that collectively replace the state's system of economic development incentives with smaller programs. The bills — SB 556, SBs 566-568 and SB 644 — create state programs to offer Wolverine State businesses up to \$100 million in grants, loans and other assistance (DETROIT FREE PRESS, MICHIGAN GOVERNOR'S OFFICE). • Still in **MICHIGAN**, Gov. Snyder signs HB 4293, which will allow the sale and use of powerful explosives such as firecrackers and some consumer-grade devices that shoot into the air, such as bottle rockets and Roman candles. Businesses will pay fees up to \$1,000 annually to be allowed to sell the fireworks (DETROIT FREE PRESS). • The **OHIO** House approves HB 275, which would allow businesses being sued for consumer fraud a chance to remedy the situation, including paying up to \$2,500 in legal fees, before the case goes to trial. If the plaintiff declines and the case goes forth, a state law allowing awards triple the damages would apply only if the court awards more than the company originally offered to settle the case. The bill moves to the Buckeye State Senate (COLUMBUS DISPATCH). • **WISCONSIN** Gov. Scott Walker (R) signs SB 12 c, a bill that caps attorney fees in civil cases at no more than three times any monetary damage award, though judges may exceed the limit if plaintiffs' attorneys prove it was unreasonable (MILWAUKEE JOURNAL-SENTINEL). • Also in **WISCONSIN**, Gov. Walker signs SB 107, which bars local governments from adopting ordinances that prohibit landlords from looking at a potential renter's income history, occupation or credit, criminal, rental and housing histories (MILWAUKEE JOURNAL-SENTINEL). • Still in **WISCONSIN**, Gov. Walker signs AB 63, which allows Badger State retailers to start selling beer and liquor at 6 a.m. Local governments may set later starting times for alcohol sales if they choose (MILWAUKEE JOURNAL-SENTINEL).

CRIME & PUNISHMENT: The **OHIO** House approves HB 24, which requires Buckeye State nursing homes to inform employees, residents and their families when a convicted sex offender moves into the facility. It moves to the Senate (COLUMBUS DISPATCH). • **WISCONSIN** Gov. Scott Walker (R) signs AB 69, so-called "Castle Doctrine" legislation that requires Badger State courts in most criminal and civil matters to presume that people using deadly force had acted reasonably against anyone unlawfully inside their residence, business or vehicle, whether the trespasser was armed or not (MILWAUKEE JOURNAL-SENTINEL). • The **PENNSYLVANIA** Senate approves SR 250, a resolution to create a state panel tasked with examining the state's child abuse laws, including laws regarding how such abuse is reported (PITTSBURGH TRIBUNE-REVIEW). • **NORTH CAROLINA** Gov. Bev Perdue (D) vetoes SB 9, which would have overturned a recent Tar Heel State law allowing statistical evidence of racial bias to be used to overturn death sentences (NEWS & OBSERVER [CHARLOTTE]).

Once around the statehouse lightly

PUT UP OR SHUT UP: When it comes to Florida Gov. Rick Scott's efforts to make welfare recipients pass a drug test in order to get benefits, Comedy Central's "The Daily Show with Jon Stewart" thinks what's good for the goose is good for the gander. As the *Miami Herald* reports, a "reporter" from the show attended a Scott press conference last week to ask a few questions about the drug screening program. Specifically, Aasif Mandvi asked Scott to "pee in a cup," reasoning that the gov had "benefited from hundreds of thousands of taxpayer dollars over the years" and should thus "prove to Florida taxpayers that you're not on drugs." Scott was nonplussed, quickly countering that he had "done it plenty of times." His sense of humor waned a bit, however, when Madvi had a cup passed his way, prompting Scott to bark, "You don't get to run this." He didn't take the cup.

OR MAYBE JUST SHUT UP: Florida of course isn't the only place where heat is building to ensure recipients of public benefits are high on life and nothing else. As the *New York Times* reports, Congress has its own drug screening advocates. This includes Georgia Rep. Jack Kingston, who has introduced a bill to make drug testing mandatory for anyone seeking unemployment benefits. The bill prompted California Rep. George Miller to question why Kingston didn't request drug testing for Wall Street executives instead, noting it was shenanigans in the financial markets that "directly contributed to the recession and high unemployment rate in the first place." Oh, snap!

A REAL TRAIN WRECK: It has been a summer of big news for the California High Speed Rail Authority, almost all of it bad. Things started over the summer when a CHSR official was caught napping at a community meeting where rail officials were getting an earful from Central Valley residents angry over the siting of a statewide bullet train project through their neighborhoods, sparking public outrage at the agency's perceived hubris. Then the high-powered PR agency the CHSR hired to sway public opinion its way announced it was bailing on them. Things only got worse when the agency later revealed the project, which was supposed to cost \$43 billion, will now cost \$98 billion, prompting howls of protest from opponents who say it is a fiscal boondoggle. Now, as the *Sacramento Bee* reports, the agency says it will handle its own PR in-house. To which one can only ask, "Really?"

DRESSED FOR SUCCESS: Most GOP governors have so far declined to endorse any of the Republican presidential candidates, a fact some observers attribute



to a hesitation to offend contenders Mitt Romney, Jon Huntsman and Rick Perry, all current or former governors themselves and all popular with their colleagues. But while Utah Gov. Gary Herbert is officially neutral for now, he does have a dream ticket: fellow Mormons Romney and Huntsman. Herbert, who is close with Romney and succeeded Huntsman as the Beehive State chief executive, said he wouldn't care which of the two was the top dog on the ticket. As *Politico* reports, he also dismisses talk that the country isn't ready for such a pairing. "The world is really used to seeing two Mormons walk around together in white shirts and ties," he says.

—By RICH EHISEN

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