

Tough Times, Tough Choices



February 9, 2009

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● The next issue of
● Capitol Journal will be
● available on February 16th.
●

Top Story

*With state budgets
bleeding historic
levels of red ink,
most — but far from
all — governors are
pushing Congress hard
to approve President
Obama's economic
stimulus package.*

SNCJ Spotlight

Stimulus plan stirs governors' debate

Congressional Republicans may be skeptical of President Obama's \$800 billion-plus economic stimulus plan, but governors of both parties do not share their reticence. With state budgets bleeding vats of red ink, many are instead pushing hard for Capitol Hill to approve the plan, which would provide the states with billions of dollars to pay for education, Medicaid and infrastructure projects.

“As the executive of a state experiencing budget challenges, Gov. Douglas has a different perspective on the situation than Congressional Republicans,” said Dennise Casey, deputy chief of staff for VERMONT Gov. Jim Douglas (R).

So apparently do Republicans like ALASKA Gov. Sarah Palin, CALIFORNIA Gov. Arnold Schwarzenegger and FLORIDA Gov. Charlie Crist, each of whom has also been actively lobbying their Congressional delegations and GOP leaders in an effort to grab their state’s share of the stimulus package.

The bipartisan National Governors Association also is putting on the pressure, issuing a statement last month in support of the measure, saying “States are facing fiscal conditions not seen since the Great Depression — anticipated budget shortfalls are expected in excess of \$200 billion,” and noting that “Governors...support several key elements of the bill critical to states — increased federal support for Medicaid and K-12 and higher education; investment in the nation’s infrastructure; and tax provisions to spur investment.”

Nineteen governors — including Republicans Crist, Schwarzenegger and Douglas as well as CONNECTICUT Gov. M. Jodi Rell — followed suit last week with a letter to President Obama expressing their support for the plan, dubbed the American Recovery and Reinvestment Act (ARRA).

There are minor differences between the House and Senate versions of the bill, but most observers believe the final package will include \$150 billion in new federal spending for cash-strapped school districts, child care centers, and universities, with states most likely receiving at least \$27 billion for highway construction projects, \$7.5 billion for public transit, and \$1.1 billion for airport projects. Another \$79 billion could go into a new general assistance “State Fiscal Stabilization Fund.” State lawmakers would be required to spend at least 61 percent of that total on K-12 and

higher education, with the remaining 39 percent going toward public safety and other government services.

In spite of strong reservations, GOP governors like MINNESOTA Gov. Tim Pawlenty, LOUISIANA Gov. Bobby Jindal and MISSISSIPPI Gov. Haley Barbour, all of whom have decried the

stimulus proposal in recent months, concede that they will probably take the money if and when it comes their way. That doesn’t mean, however, they are thrilled with the idea. Pawlenty, a potential presidential candidate in 2012, complained that governors have little choice but to accept the relief being offered. “States have to balance their budgets,” he said. “So if we’re going to go down this path, we are entitled to ask for our share of the money.”

Like many of their Congressional brethren, the Republican governors contend the plan won’t produce the jobs and economic boost it is intended to create. They

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further say it will saddle the nation with too much long-term debt, and could lead to a large spike in inflation.

“It’s incumbent on me as one of the nation’s governors to speak out against what I believe is ultimately incredibly harmful to the economy, to taxpayers and to the worth of the U.S. dollar,” said SOUTH CAROLINA Gov. Mark Sanford (R), the stimulus plan’s most vocal critic. “This plan is a huge mistake and is going to prolong and deepen this recession.”

Sanford last week urged the U.S. Senate Republican Caucus to reject the proposal, calling their vote on the matter a “gut check” that requires them to decide whether the nation is a market-based economy or a “savior-based” one.

Pawlenty echoed those sentiments, saying “I’m quite concerned about the federal government spending money it doesn’t have,” Pawlenty said.

“We’re on an unsustainable path of deficit spending and borrowing.”

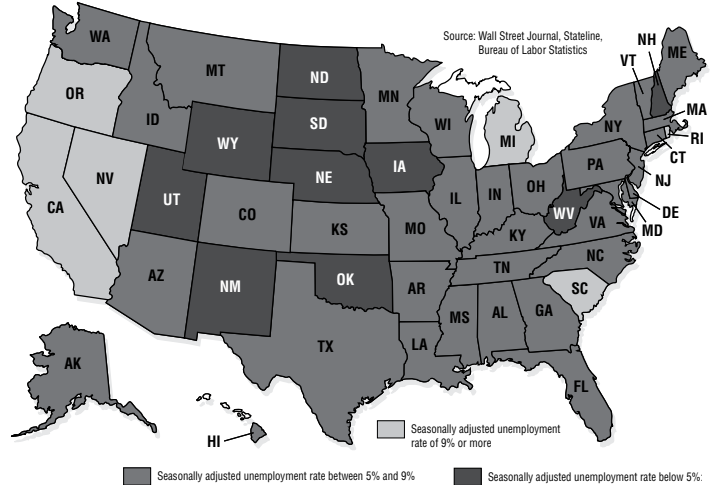
Despite those misgivings, most observers expect the Senate to endorse the stimulus package, perhaps as soon as this week. For many governors and state legislative leaders, it can’t come too soon. “States need this money, and they need

“This plan is a huge mistake and is going to prolong and deepen this recession.”

it soon,” says Joe Hackney, president of the National Conference of State Legislatures and the Democratic speaker of the House in North Carolina. “It’s the right move for America at this point in time.” (ASSOCIATED PRESS, BURLINGTON FREE PRESS, WALL STREET JOURNAL, US NEWS & WORLD REPORT, POST & COURIER [CHARLESTON], CALIFORNIA GOVERNOR’S OFFICE)

— Compiled by RICH EHISEN

Bird’s eye view



Joblessness up in every state

All 50 states saw an increase in their unemployment rate in December, according to a U.S. Bureau of Labor Statistics report released last month. Some of the biggest jumps came in states with a large concentration of jobs in the financial sector. NEW YORK’s rate, for instance, rose a percentage point to 7 percent. But joblessness rates in the states that slid into recession first — generally those heavily dependent on housing and manufacturing — aren’t showing any signs of improvement. FLORIDA’s rate rose 0.7 percentage point to 8.1 percent, and CALIFORNIA’s increased 0.9 percentage point to 9.3 percent. Meanwhile, MICHIGAN’s unemployment rate, already the nation’s highest, rose one percentage point to 10.6 percent, more than 3 points above the national average.



OBAMA SIGNS SCHIP: President Barack Obama signed US HR 2, legislation last week extending the State Children’s Health Insurance Program, a measure that will enable states to cover more than four million uninsured children by 2013, while continuing coverage for the seven million kids already in the program. For the first time, SCHIP also allows states to cover some legal immigrants — namely, children under 21 and pregnant women — without enforcing the federal five-year mandatory waiting period. The measure does require states to verify that people covered by the program are United States citizens or legal residents, but rather than forcing people to produce documents showing citizenship, states can try to verify eligibility by matching a person’s name and Social Security number against federal records. The bill also requires states to offer “mental health parity,” or giving equal coverage to treatment for both physical and mental illness. (NEW YORK TIMES)

RENDELL PUSHES SLOTS FOR EDUCATION:

Faced with a projected \$2.3 billion current year budget deficit, PENNSYLVANIA Gov. Edward G. Rendell (D) has proposed a \$28.97 billion state budget for 2009-2010 that anticipates an infusion of \$3.5 billion federal economic stimulus funding over the next two years. Rendell’s budget would increase spending by 2.5 percent over the current level. It calls for significant increases in spending for education, public welfare and corrections, while most other areas would see cuts or remain as current. The proposal would not increase the broad-based income or sales taxes but would raise the cigarette tax by 10 cents a pack and impose a new tax on cigars and smokeless tobacco. Rendell also proposed regulating and taxing video games in private clubs and bars to fund tuition assistance to income-qualifying families of students at state universities and community colleges. (STATE NET)

BUDGETS IN BRIEF: The ARIZONA Supreme Court ruled last week that a plan by the Legislature to require a \$30 million payment from cities and towns to help balance the current-year budget is unconstitutional. The court said the Legislature cannot mandate the payment because it is not an appropriation (ARIZONA REPUBLIC [PHOENIX]). • OHIO Gov. Ted Strickland (D) said he will drain the Buckeye State’s \$1 billion “rainy day” fund in order to help balance the state’s two-year budget. Strickland’s budget also includes 10-20 percent across-the-board cuts

The week in session

States in Regular Session: AK, AL, AR, AZ, CA, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, MA, MD, ME, MI, MN, MO, MS, MT, NC, ND, NE, NH, NJ, NM, NV, NY, OH, OK, OR, PA, RI, SC, SD, TN, TX, US, UT, VA, VT, WA, WI, WV, WY

States in Special Session: CA “b”, CA “c”

States in Budget Hearings: DE

States in Committee Hearings: OH

States Currently Prefiling or Drafting for 2009: FL

States Adjourned in 2009: DC 2007-08, IL 2007-08, MA 2007-08, MI 2007-08, NY 2007-08, OH 2007-08.

State Special Sessions Adjourned in 2009: AZ “a”, CA “a”, CT “a”, DE “b”, FL “a” IL 2007-08 Special Sessions “a”-“z”

Letters indicate special/extraordinary sessions

— Compiled By JAMES ROSS
(session information current as of 2/06/2009)
Source: State Net database



for all government agencies (CLEVELAND PLAIN DEALER). • **CONNECTICUT** Gov. M. Jodi Rell (R) proposed an \$18.84 billion budget last week that would eliminate or consolidate 23 agencies and 70 commissions, close 81 local probate courts and cut over 800 state jobs. The plan also relies on collecting \$2 billion from President Obama’s stimulus plan and spending the Constitution State’s entire \$1.4 billion “rainy day” fund (HARTFORD COURANT). • **COLORADO** Senate President Peter Groff (D) asked the Legislature’s Select Committee on Job Creation and Economic Growth to approve Senate Bill 85, a proposal that would gradually eliminate the Centennial State’s highly unpopular business personal property tax over a 20-year period. The bill has drawn opposition from local governments, which count on the tax for up to a quarter of their revenue (DENVER POST). • A top GOP official in **CALIFORNIA** has submitted a resolution for the party’s convention later this month to formally censure any Republican who votes for new or higher taxes. Resolution author Jon Fleischman says the proposal is meant as a “stick” to dissuade GOP legislators from agreeing to any budget plan with higher taxes crafted with majority Democrats and Gov. Arnold Schwarzenegger (R). The resolution further calls for changing the group’s bylaws to allow the Republican Party “to campaign and contribute funds against these pro-tax Republican legislators in primaries, and in general elections” (SACRAMENTO BEE).

— Compiled by RICH EHISEN

Politics & leadership

C A PRISON HEALTH BATTLE RAGES: CALIFORNIA Gov. Arnold Schwarzenegger (R) and state Atty. Gen. Jerry Brown (D) have asked a federal judge to end court oversight of health care in Golden State prisons and return the inmate medical system to the state’s control. In the meantime, Schwarzenegger and Brown have gone on the offensive in the court of public opinion, assailing efforts by J. Clark Kelso, the court-appointed overseer of prison health care, to spend \$8 billion on what they deemed to be a “gold-plated utopian hospital plan” for 10,000 inmates.

Chief among their complaints are prison features that include a “holistic” environment with natural light and space for yoga, music, horticulture and art therapy. Kelso fired back last week, saying the facilities in question are for mentally ill inmates, and that he was simply following the state’s own example for treating them. As evidence he cited sexual predators forced to live at Coalinga State Hospital that have access to an electronic bingo board, a state-of-the-art gymnasium with a rubberized floor, a weight room and eight landscaped atriums.



“They are criticizing their own treatment program,” he said. “It does remind me of the poem, ‘I shot an arrow up into the air, it fell to Earth I know not where.’ Well, the arrow this time is falling on the state’s own Coalinga State Hospital, opened by the Schwarzenegger administration in 2005.”

Brown counter-argued that the Coalinga prison situation was entirely different because the sexual predators there had finished their prison terms and were now confined under the state’s civil commitment law.

“The bar is much higher in that case, because they’re being deprived of their liberty outside the criminal law,” Brown said. “It’s a totally separate legal situation.”

Matt Cate, Schwarzenegger’s corrections secretary, said the administration believes inmates need treatment, just not on the scale Kelso is asking for. “We don’t need a treatment room and a yoga room and a music room and a basketball court,” he said. “We need to get those inmates better so they can return” to the general prison population.

Kelso has since scaled back his original plans, but contends that most of its features are good ideas.

“I’d rather have inmates sitting in a small, relatively empty room practicing yoga than engaging in race riots or gang violence,” Kelso said. “I’m not exaggerating when I say that’s what can happen when you have overcrowded conditions and don’t provide medical care.”

“I’d rather have inmates sitting in a small, relatively empty room practicing yoga than engaging in race riots or gang violence.”

Schwarzenegger, however, is having none of it. “The receiver will never get that money,” he said during a recent appearance before the Sacramento Press Club, “because

I’m not going to give it to him. It’s outrageous, when we are seeing that programs for kids are being cut and where we have to make severe cuts in education and in health care...to have someone out there by himself running around with an \$8-billion project.” (STATE NET, LOS ANGELES TIMES)

FL HOUSE SPEAKER RESIGNS: FLORIDA House Speaker Ray Sansom (R) resigned last week amidst questions regarding his relationship with a Sunshine State university that gave him a \$110,000-per-year job after he funneled \$35 million to the school over the last two years. Sansom’s resignation came as House Republicans were meeting in an effort to remove him from his post. Republicans later unanimously voted House Speaker Pro Tempore Larry Cretul to replace him as head of the GOP Caucus.

Sansom had not yet presided over his first regular legislative session before being confronted with multiple investigations over his dealings with Northwest Florida State College. While Sansom has not been officially charged with wrongdoing, his colleagues said the distraction was too great for him to keep the post, even after he



agreed to temporarily step aside while the matter was being hashed out. The soft-spoken Cretul said Sansom would still be a valuable member of the Legislature, and that he intended to appoint him to some committees. Still, Cretul made it clear he wanted to move on and put the issue to rest.

“Our immediate focus now is to get back to the business of the FLORIDA House and also to the households of the state of Florida,” Cretul said. “I did not campaign for this position and I have no promises to fulfill.” (MIAMI HERALD)

<p style="text-align: center;">Upcoming elections 2/05/2009 - 2/26/2009</p> <p>02/10/2009 Kentucky Special Election Senate District 32</p> <p>02/17/2009 Pennsylvania Pre-election Senate District 029</p> <p>Wisconsin Primary Election Constitutional Officers: Superintendent of Public Instruction</p>
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POLITICS IN BRIEF: Last Thursday, the **ALABAMA** Senate elected Sen. Rodger Smitherman (D) President Pro Tem, making him just the second black lawmaker to serve in that position (MONTGOMERY ADVERTISER). • Former **MARYLAND** Lt. Gov. Michael S. Steele also made history last week, surviving a five-hour ballot marathon to win election as the first black Republican Party Chairman. The other top contenders were all sitting members of the Republican National Committee, which had not reached outside its membership for a chairman in a contested election in more than 30 years (BALTIMORE SUN).

— *Compiled by RICH EHISEN*

Governors

MD GOV PROPOSES SAME-SEX HEALTH BENEFITS: MARYLAND Gov. Martin O’Malley (D) has proposed extending health care benefits to same-sex partners of state employees. O’Malley’s proposal would allow state workers and retirees to add domestic partners and their dependents to health, dental and prescription drug plans, essentially putting gay couples on par with married spouses. As many as 300 state employees are expected to take advantage of the benefit option should it become available.

Lawmakers must ultimately approve the plan, which could cost anywhere from \$1 million to \$3 million. Gaining that endorsement could prove difficult in a year when the state is facing a \$2 billion budget deficit. O’Malley has proposed balancing the budget through a number of methods, including laying off 700 state employee and tapping reserve accounts.

O’Malley extended benefits to same-sex partners of city employees when he was mayor of Baltimore, and he made same-sex benefits a major part of his 2006



Rod Blagojevich (D) that he had rejected an offer from “leading senators” to stay on as “an incapacitated governor” if he agreed not to fill the U.S. Senate seat vacated by President Barack Obama. He did not specify which senators he was speaking of. Quinn flatly denied the claim, calling Blagojevich “yesterday’s tomatoes” (MSNBC.COM). • **IDAHO** Gov. C.L. “Butch” Otter (R) has proposed eliminating the state’s 62-year-old quota system that allots a single liquor license for every 1,500 Gem State residents. Under the proposal, cities and counties would issue the new licenses, but only to businesses with restaurant or lodging services. There would be no new state bar licenses. Lawmakers must approve the changes (IDAHO STATESMAN [BOISE]).

In case you missed it

States are likely to soon get the fiscal help from Washington they have been clamoring for. But as noted in the February 2nd issue of SNCJ, critics say the federal stimulus package could be both a blessing and a curse.

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

http://www.statenet.com/capitol_journal/02-09-2009/html

— *Compiled by RICH EHISEN*

Hot issues

BUSINESS: The **MONTANA** Senate indefinitely postpones SB 253, a bill that said if the federal minimum wage goes above \$6.90, Treasure State business owners could count tips received by their workers to meet the increase. The federal rate climbs to \$7.40 per hour in July (BILLINGS GAZETTE).

• The **VIRGINIA** Senate approves SB 1094, which would allow local governments more authority to consider buildings a danger to public safety if they are vacant, boarded up and not connected to utilities, such as electric, water or sewer, for more than six months. The measure also offers tax incentives and expedited application and permitting to property owners who agree to renovate or repair the structures, as well as refunds for permits and fees associated with timely demolition of such structures. A similar measure, HB 1671, was approved in the House (VIRGINIAN-PILOT [NORFOLK]).

CRIME & PUNISHMENT: Social networking site MySpace.com deletes the accounts of 90,000 users it says were registered sex offenders or predators. The action came at the urging of attorneys general from **NORTH CAROLINA** and **CONNECTICUT** (NEWS & OBSERVER [RALEIGH]). • **ARKANSAS** Gov. Mike Beebe (D) signs SB 77, which makes torturing a dog, cat or horse a felony on first offense, punishable by up to six years in prison and a fine of up to \$1,000. It becomes effective 90 days after the end of the legislative session (ARKANSAS NEWS [LITTLE ROCK]).



EDUCATION: A **VIRGINIA** House sub-committee endorses HB 1624, a measure that would require Old Dominion education officials to establish guidelines on “cyberbullying,” or the use of computers or personal wireless devices by students to bully or harass others. It moves to the full House Education Committee (VIRGINIAN-PILOT [NORFOLK]).

ENVIRONMENT: A **PENNSYLVANIA** court overturns a state regulation that that made the Keystone State the only one in the nation to require coal-fired power plants to cut mercury emissions beyond levels set by the federal government. The court called the law “unlawful, invalid and unenforceable.” Gov. Ed Rendell’s (D) administration is considering an appeal (MORNING CALL). • A **KENTUCKY** Senate committee approves SB 13, a measure that would end the Bluegrass State’s long-standing moratorium on the construction of new nuclear power plants. The bill moves to the full Senate (COURIER-JOURNAL [LOUISVILLE]). • The federal government cancels private leases to drill for gas and oil on 77 parcels of public land in **UTAH**, and withdraws eight more parcels from auction for similar exploration in **WYOMING**. Interior Secretary Ken Salazar said the leases, which totaled more than 100,000 acres across the two states, need more review before moving forward (CONGRESSIONAL QUARTERLY, NEW YORK TIMES).

HEALTH & SCIENCE: An **OKLAHOMA** House committee rejects HB 1312, which would have required health insurers to provide coverage for the treatment of autism. The committee instead approved HB 2027, legislation that would establish a licensing process for national board-certified behavioral analysts and would improve existing state programs to train doctors to diagnose and treat autism. It moves to the full House for consideration (OKLAHOMAN [OKLAHOMA CITY]). • The **WYOMING** Senate endorses SF 24, a proposal to create a one-year program that would offer state-funded health insurance coverage to 500 people who can’t afford it on the open market. The measure, which has the support of Gov. Dave Freudenthal (D), moves to the House for review (DENVER POST). • Still in **WYOMING**, the House approves HB 31, legislation that would enact a statewide ban on smoking in public buildings. The measure, which exempts private offices and bars and

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: 6,014

Number of Intros last week: 11,818

Number of 2008 Session Enacted/Adopted last week: 12

Number of 2009 Session Enacted/Adopted last week: 565

Number of Prefiles to date: 23,455

Number of Intros to date: 51,824

Number of 2008 Session Enacted/Adopted overall to date: 29,234

Number of 2009 Session Enacted/Adopted overall to date: 1,731

— Compiled By JAMES ROSS
(measures current as of 2/05/2009)
Source: State Net database



lawmakers are so far nonplussed. When queried about the matter, a House clerk replied, “Don’t they have anything better to do?”

RELEASE THE HOUNDS: When the OREGON Legislature convened this session, it did so without some of its most regular attendees — dogs. For years, many lawmakers made a habit of bringing their pooches along with them to the statehouse, a practice that ended last year when legislative leaders banned all but service dogs in an effort to increase professionalism and prevent “accidents” from despoiling the building’s brand new furniture and carpets. But for Sen. Vicki Walker, the change has not been for the better. To that end, the *Oregon Statesman* reports that Walker recently introduced SB 433, a measure that would end the hounds’ banishment. The bill is not gaining much support, however, particularly from Rep. Wayne Krieger, who told Walker he loves dogs but that he didn’t want them “under my seat, peeing on the wall or leaving mangy hair everywhere. This is the Capitol. It’s not a doghouse.” How about if they’re not mangy?

THE BILL OF THE WEEK comes from MAINE, where, State Net reports, Rep. Dean Cray recently introduced HB 237, a measure that says “the lienholder of a repossessed vehicle must return medical equipment found within that vehicle to the owner of the vehicle.” Uh, didn’t we learn not to take things that aren’t ours way back in kindergarten?

BILL OF THE WEEK II comes from MISSOURI, where Sen. Kevin Engler has clearly had it with litterbugs. As State Net reports, Engler recently introduced SB 273, which would have hit trash-tossers with the ultimate penalty: death. As Engler told the *Kansas City Star*, the measure would have a chilling effect on the “white trash” or “rednecks” who might even think about dropping garbage on a public street, saying “I think that if we kill just a couple of people we catch, the rest will catch on.” The *Farmington Republican* quickly noted that he was “doing this tongue in cheek, obviously” before withdrawing the bill.

— By RICH EHISEN



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