

July 21, 2008

A Downward Trend



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● The next issue of
 ● Capitol Journal will be
 ● available on August 4th.
 ●

Top Story

As noted in last week's SNCJ, a myriad of self-induced problems have combined to turn CALIFORNIA from a leader into a laggard. Now, using other states as a model, reformers are looking to return the Golden State to its once brilliant luster.

SNCJ Spotlight

California Dreaming

Leon Panetta, a CALIFORNIA dreamer with a practical streak, is co-chair of California Forward, a non-profit that seeks to reform the state's dysfunctional politics. Once a beacon of good government, CALIFORNIA is now a symbol of partisan gridlock that mirrors the dysfunction of the national government. Seven weeks after the deadline, the Legislature remains stalled along party lines on

A Cannon Perspective



With Lou Cannon

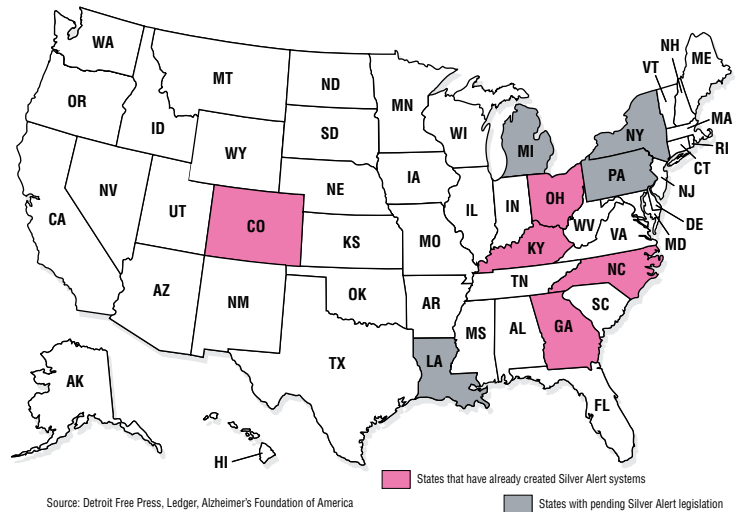
a state budget with a record \$15 billion budget shortfall. The state is also trying to fend off a federal court order that would require it to spend \$7 billion to upgrade prison health care. It is struggling to maintain roads and bridges during a summer when wildfires are adding to the toll on public infrastructure. As Governor Arnold Schwarzenegger observed after inspecting a Santa Barbara-area blaze that was turned back before it devoured 200 homes, the state no longer has a defined fire season. “We have fire season year round,” he said.

Most of the fires are the result of natural causes. But the state’s fiscal problems, the decline of its schools, the deterioration of its roadways, and the crowding of its prisons and jails are the product of decisions made by governors and legislators and — in a state that treasures the initiative process — by the voters. By mandating the proportion of the budget to be spent on education and other programs, initiatives

have hamstrung elected officials and provided cover for legislators who shrink from decision-making. Panetta, a former Democratic congressman and White House chief of staff, is now counting upon these voters to make things right. “CALIFORNIA is a microcosm of what’s happening nationally,” Panetta said in an interview. “We have gridlock, and I’m frankly frustrated. My hope is that people are also disgusted enough with what is going on that they will demand good governance.”

This frustration factor led to the creation of California Forward, which was formed by five foundations that funded it with \$16 million. Its co-chairs are Panetta and Thomas McKernan, chief executive of the Automobile Club of Southern California. Panetta, once an aide to Republican Sen. Thomas Kuchel, is a moderate Democrat who played an important role in congressional budget negotiations with

Bird’s eye view



States adopt Amber Alert systems for missing seniors

More than 5 million Americans currently suffer from Alzheimer’s disease or some other form of dementia, according to the Alzheimer’s Foundation of America. The organization says about 60 percent of those individuals wander off at some point, and half of the ones who aren’t found within 24 hours are seriously injured or die. Those grim statistics have spurred states to create ‘Silver Alert’ systems to notify the public about missing seniors, the way the Amber Alert system does for lost children. Several states already have Silver Alert systems in place, and at least four others have introduced legislation to do the same. With U.S. Rep. Gus Bilirakis (R-FLORIDA) having introduced a bill that would grant states \$100,000 or more to establish Silver Alert systems and the number of Americans with Alzheimer’s expected to reach 16 million by 2050, more states are likely to follow suit.



three Republican presidents. McKernan is a moderate Republican in a state where these two words describe few GOP officeholders except Schwarzenegger.

In the past, CALIFORNIA has often been on the cutting edge of change. Early in the 20th century CALIFORNIA was in the forefront of the Progressive movement that also put down roots in MINNESOTA and WISCONSIN. The Progressives detested political parties and tried to emasculate them. They nearly succeeded in CALIFORNIA where in 1946 the visionary Republican governor, Earl Warren, won the nomination of both major parties and a minor one as well. Warren failed by a single legislative vote to obtain a government health plan that anticipated present proposals. In 1967 Governor Ronald Reagan surprised nearly everyone by agreeing to increase the tax rate on corporations. In 1978 an angry populist named Howard Jarvis touched off the national tax revolt with Proposition 13, which put strict limits on taxation. MASSACHUSETTS and other states soon followed suit. Even today, when CALIFORNIA is more a laggard than a leader, reforms in the state would probably have a spillover effect, if only because it is home to one in eight Americans.

California Forward in the first weeks of its existence proposed basic budget principles. These included performance tests for state programs, an idea that is anathema to many Democrats. The non-profit also suggested extending the sales tax to services, a proposal opposed by most Republican legislators. California Forward also called upon legislators to update the tax system “to reflect the contemporary economy” and increase the state’s tiny rainy-day fund. States such as GEORGIA, NEBRASKA, VIRGINIA and WASHINGTON routinely do such things. (Disclosure: California Forward commissioned this columnist to analyze how Governor Reagan resolved a budget shortfall.)

The first test for the new reform organization will come in November when voters decide the fate of Proposition 11, an initiative promoted by Common Cause and the League of Women Voters that would transfer legislative redistricting from the Legislature to a 14-member bipartisan commission. California Forward has jumped into this fight, viewing redistricting as a means of obtaining a more productive state government. Presently, incumbents in CALIFORNIA are safe; only four of 495 congressional and legislative seats have changed partisan hands in the last three

The week in session

States in Regular Session: DC, MA, MI, NC, US

States in Recess: CA, IL, NJ, NY, PA

States in Special Session: AK “d”, MS “a”

Special Sessions in Recess: CA “a”, CA “b”, CA “c”, CT “b”, CT “c”, PA “a”

States in Skeleton Session: OH

States in Perfunctory Session: IL
Special Sessions “a”-“v”

States Currently Prefiling or Drafting for 2009: KY, MT, ND, NV

States Adjourned in 2008: AK, AL, AZ, CO, CT, DE, FL, GA, HI, IA, ID, IN, KS, KY, LA, MD, ME, MN, MO, MS, NE, NH, NM, OK, RI, SC, SD, TN, UT, VA, VT, WA, WI, WV, WY

State Special Sessions Adjourned in 2008: AK “c”, AL “a”, AR “a”, CT “a”, DE “a”, KY “a”, LA “a”, LA “b”, ME “a”, NC “b”, NH “a”, NV “a”, OR “a”, VA “a”, VA “b”, WI “c”, WI “d”, WI “e”, WV “a”, WV “b”

Letters indicate special/extraordinary sessions

— Compiled By JAMES ROSS
(session information current as of 07/18/2008)
Source: State Net database



elections. This gerrymandered system gives extremists an edge. Since virtually the only contests are within the parties, Republican officeholders worry about primary challenges from the right and Democratic incumbents about challenges from the left. When Panetta went to Sacramento and told Republican legislators that “everything should be on the table” in the budget negotiations, they replied that they would face primary opposition if they agreed to any tax increase.

Changing the system won’t be easy. The last attempt, in 2005, failed at the polls under scissor-like attacks from the Democratic Party and anti-tax groups. This time the backers of Proposition 11 have removed Congress from the jurisdiction of the commission, hoping to deter House Speaker Nancy Pelosi from funding opposition to the reform move, as she did last time. Panetta is optimistic. He notes that Proposition 11 will have a well-funded campaign and bipartisan backing from Governor Schwarzenegger and former Democratic Governor Gray Davis plus other Democrats.

As it presently stands, CALIFORNIA is a state where legislators choose their voters rather than the other way around. This is not unique. According to a report by the centrist Democratic Leadership Council, the same practice prevails in eleven other states, among them populous NEW YORK and NEW JERSEY. A study by DLC vice chairman Marc Dunkelman estimates that the 2006 voter turnout in these dozen states was 11 million lower than it would have been if congressional elections had been competitive. Although the study was limited to congressional districts, it seems likely that non-competitive legislative elections also suppress turnout.

Former CALIFORNIA Gov. Pete Wilson, a Republican, believes that redistricting reform is necessary. Wilson pushed a court-directed reapportionment in the early 1990s that produced a more balanced Legislature than the one that emerged from the 2001 gerrymander. Wilson also knows how to resolve budget gridlocks. In 1991, when the aerospace industry collapse sent the state economy into a tailspin, Wilson devised a budget that dismayed Democrats because of its spending cuts and angered Republicans because of its tax increases. In an interview Wilson recalled that he found the tax increases “distasteful” but preferable to “the slippery slope of deficit financing.”

CALIFORNIA, mimicking the nation instead of leading it, is now careening down that slope, with the bottom nowhere in sight. Leadership and reform are needed. As Charles Evan Hughes, then governor of NEW YORK, said nearly a century ago: “The future prosperity of the country must depend largely upon the efficiency of state governments.”

— *By Lou Cannon*

Budget & taxes

CALIFORNIA CONSIDERS PAY-AS-YOU-DRIVE AUTO INSURANCE:

A new kind of auto insurance that only charges motorists for the miles they drive is now available in 34 states. But the state with the largest auto insurance market in the nation, CALIFORNIA, isn't one of them. That might change soon.

Assemblyman Jared Huffman (D) has introduced AB 2800, a measure authorizing "pay-as-you-drive" in the Golden State, which is cruising through the Legislature.

"This is a tool to reward drivers who actually drive less," Huffman said.

GMAC Insurance Group, in fact, says its customers, whose mileage is tracked by the company's OnStar system, have reduced their premiums by 13 to 54 percent. Which stands to reason since people whose premiums are tied directly to the number of miles they drive are likely to drive as little as possible.

Proponents say that's another benefit of pay as you drive: it saves motorists money on gasoline. And with gas prices approaching \$5 a gallon, they say, now is the

perfect time to push the idea.

The benefits of pay as you go could actually extend well beyond cutting drivers' insurance and gas bills. A recent study by the Brookings Institution stated that, if applied nationwide, pay as

"It's going to give insurance carriers your exact location at all times and could wind up being subpoenaed in divorce proceedings and other lawsuits."

you drive would save \$52 billion a year, by reducing accidents, traffic, pollution and dependence on foreign oil.

Some critics, however, think that while pay as you go might be good for drivers who live in the city and don't have to use their cars much, it might not be so good for rural drivers.

"The grocery store could be nine miles away," said Assemblyman Joel Anderson (R), who opposes the bill. "I don't want to punish people" who live in the country.

Privacy advocates also worry that insurers will track more than just drivers' mileage. With sophisticated GPS devices installed in their customers' cars, they could keep tabs on where those customers travel or whether they speed or drive recklessly.

"It's going to give insurance carriers your exact location at all times and could wind up being subpoenaed in divorce proceedings and other lawsuits," said Paul Stephens of the Privacy Rights Clearinghouse.

Huffman said he took such concerns into account in drafting his bill. It allows the tracking of mileage but doesn't endorse GPS surveillance, although it leaves it up to



the California Department of Insurance to figure out an alternative. State Insurance Commissioner Steve Poizner said he intends to explore possibilities such as using electronic monitors that only check odometer readings or having smog inspection stations report mileage readings.

Should AB 2800 happen to get detoured, however, the number of miles Californians drive each year will continue to be just one major factor insurers use to compute premiums, a factor that is based on policyholders' estimates of how much they drive. According to a 2006 Department of Insurance study, those estimates are underreported 56 percent of the time, which largely explains why insurers support pay as you drive. As the Personal Insurance Federation of California, a trade group, stated in a letter to the Assembly Insurance Committee: "Allowing drivers to submit 'estimates' of inaccurate mileage breaks the connection between conduct and consequences." (LOS ANGELES TIMES)

GOOD NEWS, BAD NEWS FOR MI ECONOMY: MICHIGAN's economy suffered a major setback last week, when German automaker Volkswagen revealed that it had chosen Chattanooga, TENNESSEE over Detroit for its new \$1-billion U.S. plant, expected to employ 2,000 people. But the economic news wasn't all bad for the Wolverine State. Dow Chemical Co. announced the launch of a joint venture with a large Kuwaiti oil firm that would be headquartered in southeast MICHIGAN and provide 800 jobs. And just hours later, the state approved \$44.4 million in tax breaks for 13 companies planning to build or expand their operations in MICHIGAN, potentially supplying another 4,000 jobs. Granholm said the \$231 million in new investments by the companies, which will make, among other things, solar panels, jet engine parts and car audio systems, shows the state's economy is diversifying. "Michigan is a great place to do business," she said. "Michigan's workforce is second to none. It has great incentive tools, and truly, Michigan will give you the upper hand if you compete here." (DETROIT FREE PRESS, CHATTANOOGA TIMES FREE PRESS)

BUDGETS IN BRIEF: The CALIFORNIA Assembly approved legislation (SB 974) last week that would impose a \$60 fee on all shipping containers going

Upcoming elections

07/16/2008 - 08/06/2008

07/29/2008

Oklahoma Primary Election

House (All)
Senate (Odd)
US Senate (Inhofe)
US House (All)

08/05/2008

Kansas Primary Election

House (All)
Senate (All)
US House (All)
US Senate (Pat Roberts)

Michigan Primary Election

House (All)
US House (All)
US Senate (Carl Levin)

Missouri Primary Election

House (All)
Senate (Odd)
Constitutional Officers: Governor,
Lieutenant Governor, Secretary of State,
Treasurer, Attorney General
US House (All)

08/07/2008

Tennessee Primary Election

House (All)
Senate (Even)
US House (All)
US Senate (Lamar Alexander)



through the ports of Los Angeles, Long Beach and Oakland. The \$400 million generated annually from the charge would be used to alleviate traffic congestion and air pollution caused by the ports, which handle over 40 percent of the goods shipped throughout the country. The measure was headed back to the Senate for final approval (LOS ANGELES TIMES). • **ILLINOIS** Gov. Rod Blagojevich (D) said the new Batman movie “The Dark Knight” pumped nearly \$40 million into the state’s economy. The movie, shot in the Chicago area last year, generated about 4,500 jobs paying \$17 million in wages, and \$22 million in sales to local businesses (ASSOCIATED PRESS, CHICAGO TRIBUNE). • **MASSACHUSETTS** Gov. Deval Patrick (D) vetoed \$122.5 million from the state budget, including cuts to 260 legislative pet projects. “While there is merit to many of the budget items I have eliminated or reduced, our present circumstances demand increased restraint,” Patrick said (BOSTON GLOBE). • Also in **MASSACHUSETTS**, a review of state documents revealed that on top of the \$15 million construction bill that the Big Dig project ran up — 73 percent of which was charged to **MASSACHUSETTS** drivers and taxpayers — Bay State residents will have to cover another \$7 billion in interest (BOSTON GLOBE). • **NEW YORK** Attorney General Andrew Cuomo has sent out 200 letters to lawyers employed by towns, counties, sewer districts and other government agencies asking for pension and employment information dating back eight years. His office said the action was “a new phase” in its ongoing probe of private lawyers and others believed to have accrued public pension credits improperly by being listed as school district employees instead of independent advisers or contractors (ALBANY TIMES UNION). • **ILLINOIS** Gov. Bobby Jindal (R) vetoed legislation (SB 262) that would have required him to provide more information about proposed changes in state spending. In his veto message, the governor said the measure was “redundant” (ADVOCATE [BATON ROUGE]).

— *Compiled by KOREY CLARK*

Politics & leadership

BONUSGATE’ CHARGES FILED IN PA: Twelve current and former PENNSYLVANIA lawmakers and legislative aides were indicted July 10 for allegedly pressing state employees into working political campaigns on state time and then rewarding them with millions of dollars in bonuses from state coffers, a scandal that has been dubbed “Bonusgate.”

Among those charged in the grand jury investigation by state Attorney General Tom Corbett were former House Minority Whip Michael Veon, credited with engineering the Democrats’ recapture of the chamber in 2006; current state Rep. Sean



M. Ramaley (D); Jeff Foreman, Veon’s former chief of staff; and Michael Manzo, chief of staff to House Majority Leader Bill DeWeese (D) until last year.

Corbett emphasized that the charges he announced were only the “initial” ones.

“Let me make this perfectly clear: this is not the conclusion,” he said. “This is an ongoing investigation.”

The Democrats’ and Republicans’ practice of dolling out year-end bonuses had been a longstanding but secret one in Harrisburg until the *Patriot-News* made it

“Let me make this perfectly clear: this is not the conclusion. This is an ongoing investigation.”

public knowledge in early 2007. Party leaders in the House and Senate initially refused to release details about the bonuses. But it eventually

came out that at the end of 2006, House Democrats handed out nearly \$1.9 million in bonuses to 717 aides, in large part for thwarting third-party candidate Ralph Nader’s presidential challenge to John Kerry in the state; House Republicans awarded \$270,000 in bonuses to 45 aides; Senate Republicans gave \$180,000 to 16 staffers; and Senate Democrats gave \$38,000 to a dozen staffers.

Corbett’s investigation focused from the start on House Democrats, ostensibly because of the volume of their bonuses. But Brett Cott, Veon’s former administrative director who was also charged by Corbett, seemed to think the course of the

“Look, a pox on everybody’s house. A pox on everything that’s going on here.”

prosecution was an outgrowth of Harrisburg’s political culture, Corbett being a Republican.

“There may be a culture here. There may be campaigning going on. Whatever.

But for a systematic, focused effort to look at just one party, one house, one chamber — it’s very disappointing,” he said.

Cott evidently sees himself as a victim of that culture, something like the unfortunate Mercutio in *Romeo and Juliet*, who ends up taking a sword because of the Capulets’ and Montagues’ feuding. When asked last October about the apparent blurring of the line between government and politics, he said: “Look, a pox on everybody’s house. A pox on everything that’s going on here.” (PITTSBURGH POST-GAZETTE, PHILADELPHIA INQUIRER)

POLITICS IN BRIEF: The CALIFORNIA Supreme Court ruled unanimously last week that a voter initiative to reinstate a ban on same-sex marriage should remain on the November ballot, rejecting arguments that the initiative, Proposition 8, was an illegal revision of the state Constitution and that voters who’d signed petitions to place it on the ballot were misled. The decision comes just two months after the court struck down the ban (LOS ANGELES TIMES). • Weeks after stunning Albany with the news that he would not be seeking reelection in the fall, former NEW YORK



cynicism” about the process. Many Americans, Rendell said, see infrastructure spending as synonymous with “pork-barrel” projects like ALASKA’s now-infamous “bridge to nowhere.”

But Rendell warned that to delay fixing rapidly decaying roads, bridges and railways will only make those repairs more expensive when they are finally undertaken. He noted that in PENNSYLVANIA, road-building costs alone have risen 34 percent in the last three years due to higher prices for concrete and steel.

Several governors also called on the federal government to help pay for those repairs and upgrades, likening it to the \$130 billion federal stimulus package recently proffered to taxpayers. Pumping a similar amount into state infrastructure projects, they say, would not only increase public safety but also significantly boost each state’s economy. NEW JERSEY Gov. Jon Corzine (D) said spending on such infrastructure projects “would last much longer than the rebates,” suggesting that each billion dollars could create 3,000 to 4,000 jobs.

While the NGA is shifting its focus, it does not intend to drop the energy issue entirely. However, gaining a consensus position on climate change, nuclear expansion or the future of coal is proving to be somewhat problematic. The group’s 14-member natural resources committee drafted a letter to Congress and the White House expressing strong support for new nuclear plants and a push for clean coal technology, but backed off that stance when it could not get similar support from the full body of governors. The group instead settled for a letter calling on Washington to extend solar and wind energy tax credits for five more years. (SALT LAKE TRIBUNE, PHILADELPHIA INQUIRER, ASSOCIATED PRESS)

CULVER ORDERS CONTRACTOR CRACKDOWN: IOWA Gov. Chet Culver (D) issued an executive order last week that will create a special task force aimed at closing loopholes in state employment laws that allow employers to avoid paying workers overtime and make it easier for them to employ illegal immigrants. Under EO 8, a state Independent Contractor Reform Task Force will review and make recommendations on state regulations regarding “employee misclassification,” where employers hire workers as “independent contractors” rather than regular employees to avoid having to ensure they are legally able to work in the United States. “I believe a fair and just workplace is the right of every worker,” Culver said in announcing the order. “Employers who contribute to the local economy should not have to compete with those employers who choose to break the law by knowingly misclassifying their employees.” (DES MOINES REGISTER, QUAD CITY TIMES [DAVENPORT])

Upcoming stories

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

- **Nuclear power**
- **Prison health care**
- **No Child Left Behind**



GOVERNORS IN BRIEF: Calling it “essentially our national motto,” **KENTUCKY** Gov. Steve Beshear (D) said he will seek legislation authorizing an “In God We Trust” auto license plate when lawmakers return to session early next year. Beshear wants Bluegrass State drivers to be able to choose the license plate as an alternative to the current “Unbridled Spirit” plate the state issues (COURIER-JOURNAL [LOUISVILLE]). • **SOUTH CAROLINA** Gov. Mark Sanford (R) says he has no plans to get behind a renewed push from the NAACP to remove the Confederate flag from the Palmetto State capitol grounds. Sanford says he wants to spend his final two years in the governor’s office working on “things that will make the biggest difference in the most people’s lives” (AUGUSTA CHRONICLE). • Former **NEW YORK** Gov. Eliot Spitzer (D) has returned approximately \$1.5 million of the \$3.3 million in campaign contributions his principal re-election committee had gathered in the first half of the year. Spitzer resigned in March over his involvement in a prostitution scandal (NEWSDAY [NEW YORK]). • **LOUISIANA** Gov. Bobby Jindal (R) vetoed HB 922, a measure that would have created an exception in the state ethics code to allow a doctor who sits on a hospital service district board to contract with someone who does business with the board. Jindal called the bill unnecessary (TIMES-PICAYUNE [NEW ORLEANS]). • **ARIZONA** Gov. Janet Napolitano (D) said she will team with a coalition of private and public partners to create a non-profit organization to promote teacher recruitment, training and retention, generate interest in math and science among preschool through high-school students, and

**“If self-pity did any good,
I would be all for it.”**

encourage college students to pursue degrees in related fields. The new body will be called the Science, Technology, Engineering and Mathematics Education Center (ARIZONA REPUBLIC [PHOENIX]). • **VERMONT** Gov. James Douglas (R) said he would call a special session of the Legislature to address amending the state’s sex offender laws only if lawmakers can agree beforehand on what changes should be considered. Douglas wants lawmakers to consider civil confinement, an expanded sex offender registry and an increase in mandatory minimum sentences for convicted sex offenders (TIMES ARGUS [BARRE/MONTPELIER]). • **OHIO** Gov. Ted Strickland urged Ohioans to stop being so negative about themselves 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: 120

Number of Intros last week: 280

Number of bills enacted/adopted last week: 434

Number of prefiles to date: 21,157

Number of Intros to date: 86,901

Number of bills enacted/adopted overall to date: 24,802

— Compiled By JAMES ROSS
(measures current as of 07/17/2008)
Source: State Net database



focus instead on more positive aspects of the Buckeye State. “If self-pity did any good, I would be all for it,” he told the City Club of Cleveland. “But a negative self-image undercuts a community’s morale, and it undercuts a community’s prospects” (CLEVELAND PLAIN DEALER). • **GEORGIA** Gov. Sonny Perdue (R) said he believes that guns should be allowed in public areas of Hartsfield-Jackson Atlanta International, one of the nation’s busiest airports. Perdue signed legislation earlier this year that allows Peach State residents who have passed criminal background checks to carry concealed weapons onto mass transit and into state parks and restaurants that serve alcohol. Gun rights supporters recently filed a federal lawsuit seeking to be able to carry weapons at the airport (AUGUSTA CHRONICLE).

— *Compiled by RICH EHISEN*

Hot issues

B **USINESS:** The **CALIFORNIA** Assembly gives final approval to AB 97, which would make the Golden State the first in the nation to ban restaurants and other food facilities from using trans fats in their products. Trans fats, or partially hydrogenated oils, have been connected to heart disease and other illnesses. The measure now goes to Gov. Arnold Schwarzenegger (R) for review (SAN FRANCISCO CHRONICLE). • **NEW HAMPSHIRE** Gov. John Lynch (D) vetoes HB 1333, a bill that that would have allowed successful bidders in foreclosure auction sales to immediately start eviction proceedings against tenants on the property. Lynch said the law would have allowed tenants to be forced out before the property had officially changed ownership (NASHUA TELEGRAPH). • Still in **NEW HAMPSHIRE**, Lynch signs SB 378, legislation that creates a specialized court docket to handle only business-related issues, much the same way that family court handles divorce and child custody cases (UNION LEADER [MANCHESTER]). • **MICHIGAN** Gov. Jennifer Granholm (D) signs legislation that requires retailers that sell gift cards to honor those cards for five years after the purchase. Retailers would also be required to accept gift cards for purchases made during a sale, closeout or liquidation. The new law will apply to all gift cards sold on or after November 1 this year (CRAIN’S DETROIT BUSINESS). • The **NORTH CAROLINA** Senate endorses legislation that would require home mortgage lenders to give homeowners 45 days notice before starting foreclosure proceedings on subprime mortgages. The measure also gives Tar Heel State officials the power to stall foreclosures for 30 days so homeowners can try to create a new repayment plan. It moves to the House (WINSTON-SALEM JOURNAL).

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CRIME & PUNISHMENT: The **RHODE ISLAND** Supreme Court rules that people who serve alcohol to guests are not liable for drunken-driving casualties later caused by those guests. The court said the state doesn't hold social hosts liable for drunken-driving casualties except in certain cases, such as when they allow underage drinking. The ruling came in the case of an Ocean State woman who sued over injuries from a car crash she said was caused by the driver being served too much alcohol at a party (PROVIDENCE JOURNAL). • The **NORTH CAROLINA** Legislature endorses HB 274, legislation that, among other things, defines the specific crime of a "pattern of criminal street-gang activity." The measure also makes it a felony to join a gang or prevent someone from leaving a gang. The bill heads to Gov. Mike Easley (D) for consideration (CHARLOTTE OBSERVER). • A federal court rules that **MISSOURI's** lethal injection procedure does not constitute cruel or unusual punishment. Capital punishment foes are expected to appeal the decision (ST. LOUIS POST-DISPATCH).

EDUCATION: The **NEW JERSEY** Board of Education approves new rules that require Garden State students in grades 5 through 8 to score at least 50 on state exams in math and reading in order to prove their proficiency in those areas. The so-called "cut score" had previously been as low as 33 percent (STAR-LEDGER [NEWARK]). • **NEW HAMPSHIRE** Gov. John Lynch (D) signs legislation that extends to 2009 a state mandated timetable for all Granite State school districts to offer kindergarten. Lawmakers originally required all school districts to have kindergartens in place by September 2008, but they extended the time frame when it became clear that at least a dozen systems were not going to meet the deadline (CONCORD MONITOR).

ENVIRONMENT: A federal court rules that the federal Environmental Protection Agency overstepped its authority when it established the Clean Air Interstate Rule (CAIR), a cap-and-trade system intended to reduce air pollution in Northeastern and Midwest states. The system had been challenged by a coalition of companies — which argued that the EPA pollution limits were arbitrary — and the state of **NORTH CAROLINA**, which claimed the program would actually allow utilities to create even more pollution than under current conditions (WASHINGTON POST). • President George W. Bush lifts a presidential moratorium on oil drilling off the Atlantic and Pacific coastlines. Lifting the ban has no immediate effect on exploration because Congress has the ultimate authority to approve all offshore oil drilling (WASHINGTON POST).

HEALTH & SCIENCE: The **CALIFORNIA** Assembly approves AB 1155, a measure that would allow the state to penalize health maintenance organizations and preferred provider organizations that are found to regularly underpay their bills to doctors and other specialists. The bill goes to Gov. Arnold Schwarzenegger (R) for consideration (LOS ANGELES TIMES). • **NEW HAMPSHIRE** Gov. John Lynch (D) allows SB 312, a measure that would require health insurers to cover the



cost of gastric bypass surgery, to become law without his signature. The procedure reroutes the gastrointestinal system to help a chronically obese person lose weight (NASHUA TELEGRAPH).

HOMELAND SECURITY: The **NORTH CAROLINA** House approves legislation that would bar the Tar Heel State from adhering to the federal Real ID Act unless the federal government fully covers the cost of the program. It moves to the Senate (WINSTON-SALEM JOURNAL).

SOCIAL POLICY: The **MASSACHUSETTS** Senate approves a measure that would overturn a law banning marriages in the Bay State that would be illegal in the couple’s home state. The 1913 law was originally intended to block interracial marriages, but has been used since 2004 to similarly prevent same-sex weddings. It heads to the House (BOSTON GLOBE). • **NORTH CAROLINA** Gov. Mike Easley (D) signs legislation that allows Native American chiefs and spiritual leaders to perform marriage ceremonies and sign marriage licenses. In addition, Easley signs another bill that removes restrictions on the use of wild turkey feathers, which are used in traditional Native American clothing and crafts (STATE [COLUMBIA]). • A **CALIFORNIA** court rejects a request to remove an initiative to constitutionally ban same-sex marriage from the November ballot. Opponents claimed the ballot measure is an illegal constitutional revision (LOS ANGELES TIMES). • Citing federal law, U.S. Census officials announce they will not count same-sex marriages in their 2010 census survey. The agency said that same-sex partners in both **CALIFORNIA** and **MASSACHUSETTS** who list themselves as spouses will be recorded instead as “unmarried partners” (WASHINGTON POST).

POTPOURRI: **LOUISIANA** Gov. Bobby Jindal (R) allows legislation making the Sazerac the official cocktail of New Orleans to become law without his signature (TIMES-PICAYUNE [NEW ORLEANS]).

— *Compiled by RICH EHISEN*

Once around the statehouse lightly

WHAT IS THIS BUDGET OF WHICH YOU SPEAK? With the state budget now more than a month overdue, one might presume a sense of urgency would be growing among **CALIFORNIA** lawmakers to



knuckle down and get a deal done. That presumption would be wildly incorrect. While top legislative leaders make noise about working a deal, the *Sacramento Bee* reports that the rest of both houses of the Golden State Legislature have gone on vacation until August 4th – several days past when pretty much everyone involved admits the state will begin to run into serious cash flow problems. That has clearly irked Gov. Arnold Schwarzenegger, who took pains last week to note that he always turns in his own budget proposals on time. “I can only get the horse to the water, but I can’t make it drink,” Schwarzenegger lamented.

In case you missed it

In the July 14 issue of SNCJ, we revealed how a collection of bad luck, bad timing and bad planning has left CALIFORNIA lawmakers with a plethora of budget and other woes that point to the Golden State enduring a long, bleak summer.

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

http://www.statenet.com/capitol_journal/07-14-2008/html

DÉJÀ VU ALL OVER AGAIN: Golden State lawmakers are not the only ones who have gone AWOL. As reported by the *Chicago Tribune*, the ILLINOIS Senate is also steering clear of Springfield these days, ostensibly to ensure they won’t have to vote on a proposed 7.5 percent pay hike for themselves until after the November elections have safely passed. According to Prairie State law, the solons get raises every few years unless each legislative chamber rejects them. The House has already voted down this year’s proposed hike, placing the ball clearly in the Senate’s court. Of course, Senate President Emil Brown denies the potential raise has anything to do with him keeping lawmakers away. Just like it didn’t two years ago, when lawmakers faced the exact same scenario...and Brown refused to allow a vote until after the elections were over. And yes, the Senate then approved those raises.

BRIGHT LIGHTS, BIG BLUNDER: It seems that just about every GOP governor out there is considered as a possible running mate for presumptive GOP presidential nominee John McCain, including SOUTH CAROLINA Gov. Mark Sanford. But as noted by the *Charleston Post & Courier*, Sanford didn’t help his cause at all last week when he tried to talk up McCain during an appearance on CNN. When asked how McCain differs from President George W. Bush, Sanford stumbled repeatedly over his answer, admitting at one point that he was “drawing a blank.” Sanford finally cited the North American Free Trade Agreement (NAFTA), which program host Wolf Blitzer quickly pointed out both Bush and McCain support. Oops. The anti-McCain folks pounced, and video of the flub-fest soon made the rounds of TV shows and the Internet. But Sanford took it all in stride, saying “I’m an imperfect messenger of ideas.”

SO WHAT? As bad as Sanford may have flubbed his big TV moment, he can take solace in knowing it could always be worse. For instance, he could have been the SOUTH CAROLINA state Department of Parks, Recreation and Tourism (PRT) worker who came up with the following slogan meant to attract gay tourists to the



Palmetto State: “South Carolina is so gay.” As Columbia’s *The State* newspaper reports, the grand proclamation drew howls of protests from conservative South Carolinians, including a call by at least one Republican lawmaker to have the agency audited. When the dust cleared, the creative but clueless employee had resigned and the PRT dropped the message. All of which only created even more outrage, this time from the gay and lesbian community, who felt they were being unfairly dissed. There is no word yet on a new campaign slogan.

— By RICH EHISEN

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