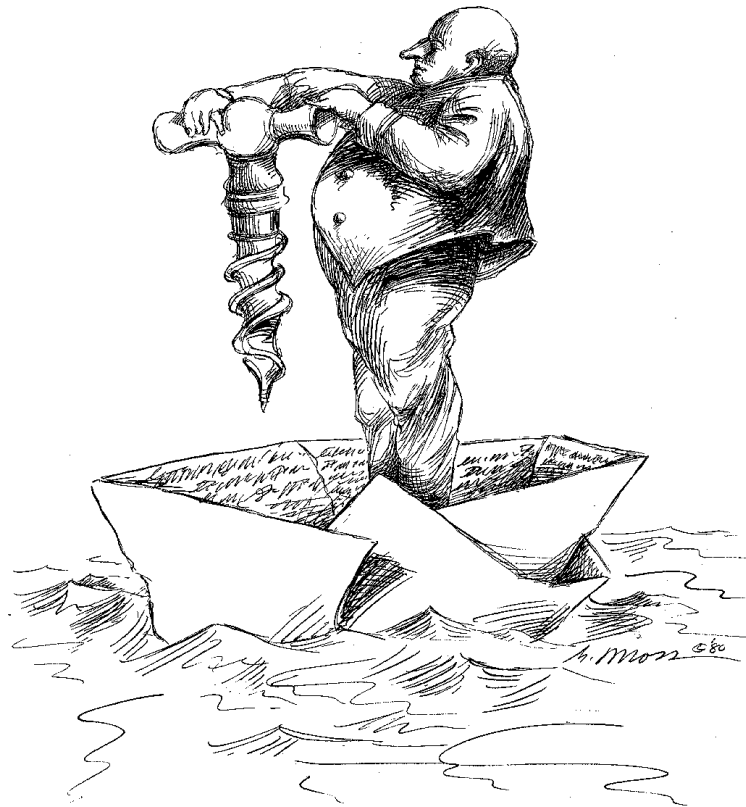


August 1, 2005

## Pensions sinking budgets?



Budget & taxes	
Special session follies in TX	6
Politics & leadership	
Economic shift upsetting federal-state balance	8
Governors	
Pataki rules out fourth NY term	11
Bird's eye view	3
Hot issues	13
Once around the statehouse lightly	15

### Top Story

*Government jobs are often viewed as a trade off — less money for better benefits. But those benefits are now running states billions of dollars into debt and raising the specter of Draconian budget cuts and big tax hikes.*

## SNCJ Spotlight

### Public pensions, public problems

Ask government employees to name the best part about working in the public sector, and most will likely say it is the benefits. Those perks, many of which grew vigorously during good fiscal times, often include a generous pension that can pay workers significantly more in retirement than they ever made on the job. But now, with financial markets in an extended lull and state budgets struggling to make ends meet, state and local retirement systems are facing hundreds of billions of dollars in unfunded pension debt.

State and local governments in NEW YORK, NEW JERSEY, CALIFORNIA, MASSACHUSETTS, VERMONT and COLORADO are just a few of those feeling the enormous weight of underfunded public pensions. Analysts calculate that as of 2003, the 123 largest state and city funds were collectively around \$366 billion short of meeting their retirement funding liabilities, a whopping \$611 million turnaround from where they stood in 2000.

Some pension experts think the situation could be even worse than it appears. Barclays Global Investors, one of the nation's largest pension-fund investment managers, says states are publicly softening the blow of this impending payout by using liberal accounting practices not accepted in the private sector. Using private industry's more rigid standards, Barclays estimates states are actually more than

\$700 billion in the red. And that does not even include retiree health care costs.

Whatever the method of calculation, pension-debt is growing faster than anyone seems to have predicted. Just last month, for example, KANSAS learned that the unfunded liability of the state's Public Employee Retirement System grew by \$1 billion between 2003 and 2004, from \$3.58 billion to \$4.74 billion. Sunflower State officials did not expect that debt to reach \$4 billion until at least 2011.

And how has this almost unfathomable reversal of fortune happened? The "dot.bomb" tech collapse certainly played a major role. That crash and subsequent prolonged bear market wiped out state coffers, spawning Draconian budget cuts and painful tax hikes from which states are only now beginning to recover.

Lawmakers on both sides of the aisle are also to blame for handing out ever-more luxurious defined benefits to government employee unions, both during and after the tech boom. Many reasoned that stock windfalls alone would pay for all the additional goodies, making it a no-risk deal for everyone.

Guided by that logic, former California Gov. Gray Davis (D) couldn't hand out enhanced benefits fast enough between 1998 and 2001. But the market crash resulted in the state's annual pension fund payment rising from an all-

## *The Week in Session*

States in Regular Session:  
MA, NC, OR, US

States in Special Session:  
ME "b", TX "b"

States in Recess:  
CA, DC, IL, MI, NH, NJ, NY, OH, PA, WI

Special Sessions in Recess:  
CA "a", DE "a", OK "a"

States Adjourned in 2005:  
AK, AL, AR, AZ, CO, CT, DE, FL, GA, HI, IA, ID, IN, KS, KY, LA, MD, ME, MN, MO, MS, MT, ND, NE, NM, NV, OK, RI, SC, SD, TN, TX, UT, VA, VT, WA, WV, WY

States in Special Session  
Adjourned in 2005:  
AK "a", AL "a", CT "a", KS "a", ME "a", MN "a", MS "a", MS "b", MS "c", MS "d", NV "a", TX "a", UT "a", VT "a", WI "a", WV "a", WV "b", WV "c"

Letters indicate special/extraordinary sessions

Source: State Net, 7/29/05

time low of \$157 million in 2000 to \$2.5 billion for the fiscal year that just ended. The state's non-partisan Legislative Analyst's Office says that at least \$600 million of that figure — almost 25 percent — is a direct result of increases handed out during the tech boom. That doesn't sit well with many public policy advocates.

"Politicians have systematically, over a period of years, over-obligated the system," says Larry McCarthy, president of the California Taxpayer's Association, a Sacramento-based group. "The stock market spike was just an excuse to justify giving public employees even greater benefits."

Many of those same lawmakers have also been guilty of consistently underfunding or raiding those plans in order to cover budget shortfalls. This has long been the case in ILLINOIS, where the pension systems are already underfunded by \$35 billion, the largest such deficit of any state.

But that didn't stop Prairie State lawmakers from issuing \$10 billion in pension-obligation bonds last year, with proceeds intended to fund the state's five public employee pension systems.

Pension bonds are an opportunity for governments to take out low interest loans, then invest the money in the hope of earning enough back to cover their pension obligations. It is a great deal...as long as the investments pay more than the loan costs. They have worked well in places like Oregon, which has seen a projected \$17 billion pension gap shrink to \$6 billion through bond sales. But a state Supreme Court ruling in March invalidated other cost savings measures, leading critics to contend that state is again vulnerable to a severe market downturn.

Numerous cities and counties nationwide are also struggling with massive

## Bird's eye view



### States link up to stop sex offenders

Tracking convicted sex offenders across multiple states got easier last month when the U.S. Department of Justice went online with the National Sex Offender Public Registry (NSOPR) Web site. The site currently links the sex-offender registries of 21 states and the District of Columbia, with all 50 states expected to eventually be similarly linked. The registry, which drew more than 22 million hits in its first 12 hours of operation, allows the public to use a single query to search out information about registered sex offenders. Each state is responsible for providing its own information. The accompanying map shows which states are currently on the site, which can be viewed at [www.nsopr.gov](http://www.nsopr.gov).



pension debt problems, much of them a product of their own making. San Diego, for example, has become the poster child for highly questionable pension management for its use of the deferred-retirement option plan (DROP), which allows city workers to start drawing their pension — usually equal to 90 percent of their normal salary — as soon as they become eligible, while also continuing to work at their regular salary. The retirement money is sent into a special account where it draws a guaranteed *minimum* of 8 percent interest as well as annual 2 percent cost-of-living increases. That allows workers making \$50,000 a year to collect a lump sum of \$300,000 at retirement, with higher paid workers walking away with nearly \$1 million.

In 1998, the city of Houston adopted its own DROP, this one with a guaranteed minimum return of 8.5 percent. Houston's pension fund quickly went \$1.9 billion into the red, dropping from being funded at 91 percent all the way down to 60 percent, even after city officials raised the payroll contribution toward pensions from 9.5 percent to 32 percent. Worse, an outside actuary brought in to study the situation determined that under some scenarios, a lifelong employee retiring with a \$92,000 annual salary could expect to see as much as \$420,000 a year in benefits.

The fallout in San Diego has been severe. In April, mayor Dick Murphy resigned amidst a federal probe into allegations of fraud in his handling of that pension fund, which is now sporting a deficit of at least \$1.37 billion. Many other city officials have followed Murphy's lead, including the city councilman who was serving as his interim replacement. Houston officials have fared somewhat better. Although Texas voters in 2003 approved a constitutional amendment barring governments from taking back pension benefits promised to workers, they did allow cities a one-time opportunity to do so as long as voters approved. Last May, Houston voters did just that, ending the city's DROP system.

But many governments are still fighting the battle of the pension bulge. At stake is not whether government workers will get their pensions — that is pretty much guaranteed by law. The question, rather, is whether major tax hikes or drastic cuts in public services — schools, police officers, firefighters — will have to be made to fund those pensions. The alternative question, of course, is whether lawmakers will have the political will to work out a better way than either of those two options.

Some states, including MICHIGAN, FLORIDA and Oregon, have already started placing new public employees into 401(k)-style defined-contribution plans instead of the luxurious defined-benefit programs older workers enjoy. ALASKA joined that group last week when Gov. Frank Murkowski (R) signed SB 141, which mandates that pensions for all teachers and state employees hired after July 1, 2006 be defined contribution plans. The Last Frontier is facing a pension shortfall of over \$6 billion.

As might be imagined, these changes do not sit well with public employee unions. Just ask California Gov. Arnold Schwarzenegger (R), who tried to muster public support for a defined-contribution proposal earlier this year. The Governor, once the most popular politician in the state, was met with such a ferocious union counter attack — which basically claimed he was trying to rip the pensions out of the hands of police and fire widows — that he dropped the issue from his “Year of Reform” agenda.

That unexpected trip to the woodshed tarnished Schwarzenegger’s once-golden image, starting a slide in popularity that has seen his approval ratings spiral downward into the Davisesque range and threatening to torpedo the rest of his reform proposals. The governor has vowed to bring the issue up again in 2006.

It is possible that Schwarzenegger’s experience could make other reform-minded lawmakers hesitant to tackle the issue in the future. Larry McCarthy doubts that will be the case in California, noting that “there is no question Schwarzenegger has the political courage” to make another go at pension reform. But McCarthy also warns that the more the public becomes aware of the issue, the more likely they will support changing the system.

“At some point, there has to be a groundswell from the citizens, because we can’t just let this deprive our kids in school” he says. “The question is, ‘Are taxpayers indignant enough to do something about this?’”

That is open to debate, as Schwarzenegger’s experience shows. But while doing something — anything — with public employee pensions appears treacherous, the opposite option seems much worse.

“This is not legislation that necessarily solves the problem,” says Murkowski of SB 141. “We think this change will stop the so-called bleeding.”

“It’s always easier to do nothing,” adds Alaska Senate Finance Committee Chairwoman Lyda Green (R). “We were rapidly facing a dangerous future if we did nothing.” (SACRAMENTO BEE, NEW YORK TIMES, BUSINESS WEEK, SAN FRANCISCO CHRONICLE, FORTUNE, BERGEN COUNTY RECORD, MINNEAPOLIS STAR TRIBUNE, LAWRENCE JOURNAL WORLD, ANCHORAGE DAILY NEWS)

## In case you missed it: Eminent Domain

The July 18 issue of the State Net Capitol Journal took a close look at one of today’s hottest issues — how states are reacting to the recent U.S. Supreme Court ruling on eminent domain. As noted there: The recent U.S. Supreme Court ruling allowing governments to seize private property to foster private economic development has brought often bitter political rivals together to clarify, modify or just plain reverse state eminent domain laws.

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In case you missed it, the full story can be viewed on our Web site at [www.statenet.com](http://www.statenet.com).

— By *RICH EHISEN*

# Budget & taxes

**SPECIAL SESSION FOLLIES IN TEXAS:** The TEXAS Legislature’s 30-day special session on school finance reform and property tax relief came to an end two weeks ago without resolution of either issue. Gov. Rick Perry (R) immediately called legislators into a second special session. But, so far, it hasn’t looked any more promising. Last week, after House Republicans tried and failed to bring their school finance bill up for a vote without debate, Democrats, with a little help from some GOP members, managed to tack amendments onto the measure which were so unpalatable to the GOP leadership that they turned on the bill themselves and engineered its 79-62 defeat. The House membership was decidedly less ambivalent about the companion tax-relief measure, voting it down 124-8. Perry refused to give up, saying “I still believe where there is a will, there’s a way,” and pointing out there’s still plenty of time left in the session — which can run up through Aug. 19 — to achieve its aims. House Speaker Tom Craddick (R), however, wasn’t quite so resolute. “I don’t know where we go from here,” he said. Theoretically, the Senate could still advance the school finance and tax-swap issues, but they face strong opposition in that chamber as well. The dismal state of affairs has some lawmakers talking about waiting until the state Supreme Court rules on an appeal of last year’s court decision which mandated that the state change its school funding system — and ultimately led to the current mess. That ruling may not come until late August or September. (DALLAS MORNING NEWS, SAN ANTONIO EXPRESS-NEWS, HOUSTON CHRONICLE, AUSTIN AMERICAN-STATESMAN)

**IL EXPANDS MEDICAID COVERAGE:** Last year, nearly half of the states made cuts to their Medicaid programs in an effort to balance their budgets, including TEXAS, which dropped 149,000 children from its Medicaid rolls, and TENNESSEE, which removed more than 300,000 adults. But ILLINOIS is bucking that trend. This year, the Prairie State will add about 313,000 adults and children to its Medicaid program. Even more curious is that those additions were authorized without a tax increase, despite the fact that the state was already facing a projected budget deficit of at least \$2 billion. But state Medicaid director Ann Murphy says the expansion will save the state money in the long run. “If you cut Medicaid, you lose the federal match, private insurers pay more, and people don’t get preventative care,” she said at a news conference last week. “If you invest now, you cut down on future costs.” (ST. LOUIS POST-DISPATCH)



and the business community. According to Paul Posner, managing director of federal budget and intergovernmental relations with the Congressional Government Accountability Office, while businesses and state governments were allies in the past, the “globalized economy, an increasingly nationalized media culture and a more centralized political system” are prime indicators that federalism is on the way out. Posner writes that now, “big business has become a foe of state innovation and a friend of federal preemption.” Richard Nathan, co-chair of the NEW YORK-based Rockefeller Institute of Government, concurs that there are powerful centralizing forces currently at work, but he contends that despite those forces, states aren’t cowing to Washington — as evidenced by their defiance on such issues as stem cell research, prescription drug importation, medicinal marijuana and the No Child Left Behind Act. As Nathan sees it, the fact that the states have been able to create effective policy in spite of “a Republican regime” that is “so strong, bold, conservative” and not particularly interested in states’ rights is proof that federalism is working. (STATELINE.ORG)

#### **NC WEIGHING BOTH SIDES OF VOTER-REGISTRATION**

**REFORM:** NORTH CAROLINA lawmakers considering a bill to let residents register to vote up to three days before an election learned an interesting fact recently, courtesy of the U.S. Elections Project at George Mason University: last year, voter turnout in the six states that allowed registration right up through Election Day averaged 74 percent, while turnout in the other 44 states was only 60 percent. Kenneth Mayer, a political science professor at the University of Wisconsin at Madison, expanded on that statistic. “Political science research indicates that same-day registration is probably responsible for somewhere in the neighborhood of 7 to 10 percent turnout,” he said. But despite the evidence that easing the state’s current requirement that residents must register at least 25 days before Election day might improve its meager 59 percent turnout rate, Tar Heel State lawmakers remain divided along party lines over the issue. Democrats contend the state should do everything in its power to get as many people to vote as possible, while Republicans argue that same-day registration would increase voter fraud. Mayer says that’s a legitimate concern. “[Same-day registration] does increase the probability of ineligible people casting ballots. The reason we have registration is that we know someone is eligible.” Democrats do control both chambers of the state’s General Assembly, as well as the governor’s office, but the bill, having just passed out of a House committee last week, still has a long way to go. (WINSTON-SALEM JOURNAL)





**MEDICAID MEMO SPARKS LATE FIRE-  
WORKS IN MISSOURI:** The head of MISSOURI's Division of Family Support, Janel Luck, recently issued a memo to the agency's caseworkers instructing them not to encourage Medicaid clients to contact their lawmakers about changes in the program's eligibility requirements enacted by the Legislature earlier this year. Evidently, Luck was tired of hearing from angry lawmakers who, in turn, were tired of hearing from angry Medicaid recipients whose benefits had been cut and who reportedly claimed their caseworkers had told them to take up the matter with their elected representatives. The memo stated: "We need to provide clear information to our clients about the specific impact any program change may have on the client. Clients may indicate their intent to call their legislators, but staff should not initiate this type of discussion." The Democratic minority in the Legislature saw the directive as an opportunity to take a shot at the GOP. "There's absolutely no reason underpaid state employees should be falling on their sword for Governor [Matt] Blunt and the Republican Legislature," said Democratic Party spokesman Jack Cardetti. "They [Republicans] want to gloss over the fact that they took health care away from 100,000 people. When these people have questions, it's now 'inappropriate' to direct them to the governor's office or legislators." Gov. Blunt's spokesman returned fire: "That is a wild and ridiculous allegation from the party that believes government can never be big enough and taxes can never be high enough." A hint, perhaps, of things to come as lawmakers across the nation struggle with the explosive issue of Medicaid reform (KANSAS CITY STAR).

*Upcoming Stories*

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

- The high cost states pay to attract industry
- Tracking the progress of the year's biggest legislative issues

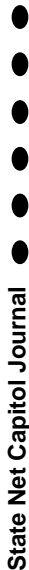
And many more...

— *Compiled by KOREY CLARK*

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# Governors

**PATAKI RULES OUT FOURTH NY TERM:** NEW YORK Gov. George E. Pataki (R) announced last week that he will not seek a fourth term as governor. Pataki has long been thought to be mulling a presidential bid in 2008. That possibility has met with mixed emotions from national and state GOP operatives, many of whom think Pataki — who supports both abortion and gay rights — is too liberal to win over the red states. His decision to announce his plans more than a year before the 2006 governor's election was met with relief by state Republicans anxious to turn their full efforts toward fending off state Attorney General Eliot Spitzer, the leading Democrat in the field. Spitzer has developed a





strong national profile for his aggressive investigations of corporate malfeasance and was considered to be the frontrunner even if Pataki had chosen to seek another term. No clear Republican successor to Pataki has emerged. A pair of potential candidates mentioned in recent months — former New York City mayor Rudolph Giuliani and current mayor Michael Bloomberg — have both said they have no interest in the job. (NEW YORK TIMES, ASSOCIATED PRESS)

**GOVS SAY REAL ID WILL BE REAL**

**EXPENSIVE:** Several attendees at last month’s National Governors Association conference voiced strong complaints to federal Homeland Security Secretary Michael Chertoff about the cost of complying with the new federal REAL ID Act. The law, passed in June, will require states to verify that driver’s license applicants are American citizens or legal residents. Angry governors say that will cost states hundreds of millions of dollars, lead to a tripling of fees for motorists and create even longer lines at state DMV’s. Many echoed the words of incoming NGA chairman and ARKANSAS Gov. Mike Huckabee (R), who said “It’s outrageous to pass this off on states. You’re essentially asking the front-line clerks at the DMV to become an INS agent and a law enforcement agent.” Chertoff assured governors that the feds will work with states to make the system efficient, and claimed REAL ID will help fight crimes like identity theft. NEW MEXICO Gov. Bill Richardson (D) was unconvinced, calling it a “short-sighted, ill-conceived initiative” that crosses constitutional boundaries in several areas. Richardson also said his state will challenge REAL ID in court. (ASSOCIATED PRESS, NEWS JOURNAL NEW CASTLE-WILMINGTON)

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**Quote...**

“George Pataki both defeated Mario Cuomo and learned from Mario Cuomo. Cuomo left office seeking a fourth term and went out a loser. Now George Pataki will retire from state politics undefeated.”

— **Republican strategist Nelson Warfield on NEW YORK Gov. George Pataki’s (R) decision not to seek a fourth term.**

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**... unquote**

“We should all be clear about this — if he thought he could be re-elected, he’d run again.”

— **Howard Wolfson, a strategist for the state Democratic Party. (ASSOCIATED PRESS)**

**TOO EARLY FOR PARDONS IN**

**KENTUCKY HIRING FLAP:** KENTUCKY Gov. Ernie Fletcher (R) said last week that it is too early to consider granting pardons to eight members of his administration recently indicted on charges of violating Bluegrass State civil service hiring laws. But Fletcher also would not rule out that option, saying only that “it is inappropriate to talk about it at this time.” The idea was broached by a former GOP gubernatorial candidate Larry Forgy after his federal lawsuit



# Hot issues

**B** **USINESS:** The **CALIFORNIA** Supreme Court rules that workers may sue employers for sexual harassment even if the boss never asked for sex or made inappropriate sexual advances. The court's decision now allows workers to file suit if they suspect they have lost promotions to colleagues who are engaging in sexual relationships with managers or employers (LOS ANGELES TIMES). • Still in **CALIFORNIA**, Gov. Arnold Schwarzenegger (R) signs AB 68, which allows automotive consumers to purchase a two-day "cooling off" period when acquiring a used car. The measure applies to cars valued at less than \$40,000 and caps dealer fees for the service at \$250 (SAN FRANCISCO CHRONICLE). • **ILLINOIS** Gov. Rod Blagojevich (D) signs a measure that prohibits the sale or rental of violent or sexually explicit video games to minors. Within an hour, several retail associations filed a lawsuit in federal court challenging the law's constitutionality. The statute imposes a \$1,000 fine on clerks who rent the videos to anyone under 18 (CHICAGO TRIBUNE). • A **MICHIGAN** court upholds the Wolverine State's law requiring contractors to pay union wages and benefits to workers on public projects. The builders group that brought the suit says it will appeal the decision to the state Supreme Court (DETROIT FREE PRESS). • The **ALABAMA** House unanimously endorses a proposal to bar governments from taking private property in non-blighted areas to make way for private development. The measure heads to Gov. Bob Riley (R), who has said he will sign it (BIRMINGHAM NEWS).

**CRIME & PUNISHMENT:** The **MONTANA** Supreme Court rules that law enforcement officials do not need a search warrant to rummage through a private citizen's garbage cans in pursuit of evidence. The Court's ruling concludes that garbage is intentionally abandoned property, which is not constitutionally protected against invasion of privacy (BILLINGS GAZETTE). • The **ALABAMA** House unanimously approves a measure that calls for a mandatory 20-year sentence for Class A felony sexual offenses committed against a child. It also would require certain offenders to wear a global positioning ankle bracelet for more than a decade after serving their term. It heads to Gov. Bob Riley (R) (BIRMINGHAM NEWS). • **CALIFORNIA** Gov. Arnold Schwarzenegger (R) signs AB 1741, which bars foreign workers from handling personal information from state voters lists or petition drives. Bill supporters said the measure was sparked by the fact that some petition groups were using firms located in foreign countries to verify signatures, which they claim made voters more vulnerable to identity theft (SACRAMENTO BEE).



**EDUCATION:** The **NORTH CAROLINA** House approves a proposal to bar sugar-filled soft drinks from middle school vending machines. Sodas would also not be able to make up more than half of the available options in high school vending machines. The measure now moves to Gov. Mike Easley (D) (**CHARLOTTE OBSERVER**). • The **ALABAMA** Legislature okay's a measure that makes American Sign Language an official foreign language in Heart of Dixie schools. It now goes to Gov. Bob Riley (R), who has not indicated if he will sign it (**MONTGOMERY ADVERTISER**).

**ENVIRONMENT:** A federal appeals court upholds a lower court's order that the government must spill water through five Northwest hydroelectric dams to aid young salmon in migrating to the Pacific Ocean. Dam operators say that doing so will cost them \$67 million in lost revenue, which they will likely pass on to customers in **WASHINGTON, IDAHO, OREGON** and **MONTANA** (**SAN DIEGO UNION TRIBUNE**).

**HEALTH & SCIENCE:** The **OREGON** House approves SB 782, which would exempt as many as 10,000 Oregon Health Plan recipients from paying premiums for participating in the plan. The exemptions would be for people earning less than 10 percent of the federal poverty level. It now goes to Gov. Ted Kulongoski (D), who is expected to sign it (**STATESMAN JOURNAL [SALEM]**).

**HOMELAND SECURITY:** **MISSOURI** Gov. Matt Blunt (R) reorganizes the Show Me State's homeland security bureaucracy by creating a new 17-member advisory council responsible for recommending improvements to current state and local security plans. The council will also provide suggestions for how to spend federal homeland security funding (**KANSAS CITY STAR**).

**SOCIAL POLICY:** A federal court rules that **CALIFORNIA** courts have the right to remove Native American children from their parents on reservations and place them into foster care. The Congressional Indian Child Welfare Act of 1978 gives tribes exclusive jurisdiction over custody issues on reservations, "except where such jurisdiction is otherwise vested in the state under existing federal law." (**LOS ANGELES TIMES**). • **MASSACHUSETTS** Gov. Mitt Romney (R) vetoes legislation that would have allowed pharmacists to dispense "morning-after" birth control pills without a prescription and required hospitals to offer it to rape victims. Legislative leaders in both the House and Senate — where the measure was approved by veto-proof margins — say they will attempt to override Romney's veto (**BOSTON GLOBE**).



**POTPOURRI:** The **CONNECTICUT** Supreme Court grants lawyers who represent children in custody disputes absolute immunity from being sued by angry parents. A lower court had earlier granted only limited immunity in such cases (**HARTFORD COURANT**). • **KANSAS** Gov. Kathleen Sebelius (D) vetoes a proposal to require state agencies to put disclaimers in their advertising to indicate the ads were paid for with tax dollars. Sebelius said the measure was confusing and would waste more money than it saved (**WICHITA EAGLE**). • The **ALABAMA** Legislature approves a measure that would bar employers from making workers called to jury duty use sick leave and vacation time during their service. It would also triple the fine — from \$100 to \$300 — for those who skip out on jury duty. It now awaits judgement from Gov. Bob Riley (R) (**MONTGOMERY ADVERTISER**).

— Compiled by *RICH EHISEN*

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# Once around the statehouse lightly

**P**OLICE MUG SHOT OF THE WEEK comes from OHIO and is noted here if only to demonstrate that nothing in life is so bizarre as, well, the real deal. This little nugget comes to us courtesy of *The Smoking Gun* and Poynter Institute’s Romenesko.com Web site: <http://www.thesmokinggun.com/archive/0721051gold1.html>. No, the subject is not a state legislator.

**REAL CRIMINAL ACTIVITY OF THE WEEK** was perpetrated in WISCONSIN where a homeowner in Greendale had the audacity to put a sculpture of Big Bird on the chimney of his historic home. The large blue ornament, reports the *Milwaukee Journal-Sentinel*, was received by neighbors with a mix of anger and dismay, so village trustees voted to deny the owner — an artist who also manufactures the ornaments — a special use permit to display the “Sesame Street” icon. Big Bird apparently had turned the quiet street into a gawkers’ paradise, upsetting other residents.

**BAD DAY ON THE STREET:** Gov. Mitt Romney just wanted to reassure Bostonians that public transit was safe in the wake of the London subway bombings. But as the *Boston Globe* reports, the MASSACHUSETTS chief exec had a bad day mixing with constituents. First, he didn’t know how much it cost to ride the subway, guessing “a buck” when asked by a reporter. The actual cost, reflecting a 2004

increase, is \$1.25. Later, a homeless man loudly demanded to know if Romney was running for president and a locally infamous “cat lady” accused him of killing her animals. Not the kind of stuff that the governor’s taxpayer-funded “image team” is likely to promote.

**IF THE LABEL STICKS:** Once upon a time, the Black Panther Party of Oakland gained fame for attending a session of the CALIFORNIA Legislature while fully armed. They gained infamy for a variety of gang-related incidents but also created a wide range of social programs designed to improve the lives of ghetto children. Despite that mixed activity, the Panthers, founded by Huey Newton and Bobby Seale, were anything but a mainstream political or social organization. Newton, in fact, spent time in prison and was shot to death by a drug dealer in 1989. But as the *San Francisco Chronicle* reports, the Black Panther legacy has gone very mainstream. Newton’s widow is marketing a hot sauce called “Burn Baby Burn” — a play on the slogan used by the Panthers during urban riots a generation ago. She hopes the provocative label will highlight the group’s social heritage. Or not.

**ROOM WITH A VIEW:** That’s all Juren Ding wanted — a nice panorama of Anderson Lakes from his little \$1 million cottage not far away. The only problem: nearly 40 pesky clumps of vegetable matter obscured the view from his deck. So, notes the *Minneapolis Star-Tribune*, the 39-year-old MINNESOTA resident cleared his sightlines. Never mind that the procedure involved the removal of 37 trees located on city parkland. Someone — perhaps a neighbor — complained to the city, and Ding now faces criminal charges, including possible jail time and a \$10,000 fine. Apparently, he did it twice, the second time after being warned by the city.

**KEYSTONE KOPS:** The effort to battle terrorism is no joke, but the list of CALIFORNIA sites eligible for federal protection money had some Golden State officials both baffled and amused. On the list, reports the *San Jose Mercury-News*,

## *In the Hopper*

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

Number of 2005 prefiles last week: 47

Number of 2005 Intros last week: 767

Number of bills enacted/adopted last week: 557

Number of 2005 prefiles to date: 33,732

Number of 2005 Intros to date: 155,362

Number of enacted/adopted overall in 2005: 35,868

— Compiled By JAMES ROSS  
(Measures current as of 7/28/05)  
Source: State Net

were a Sunnyvale amusement center known as “Golfland,” San Jose State’s football stadium, HP Pavilion, Compaq Center, and a shopping center known as “Candlestick Mills.” Why amused? “Golfland” has a capacity of 750 yet was given the same status as Disneyland and Great America. The stadium is a third the size of Stanford Stadium, which was not on the list. HP Pavilion and Compaq Center are the same place yet each was listed as a separate facility eligible for federal funds. And “Candlestick Mills” does not exist. Oh, and the Golden Gate Bridge was not mentioned. Yep, we feel more secure already.

— *By A.G. BLOCK*

**Editor:** Rich Ehisen — [capj@statenet.com](mailto:capj@statenet.com)

**Associate Editor:** Korey Clark — [capj@statenet.com](mailto:capj@statenet.com)

**Contributing Editor:** A.G. Block — [capj@statenet.com](mailto:capj@statenet.com)

**Editorial Advisor:** Lou Cannon

**Correspondents:** Richard Cox (CA), Steve Karas (CA),  
Bruce McKeeman (CA), Linda Mendenhall (IL),  
Lauren King (MA) and Ben Livingood (PA)

**Graphic Design:** Richard Hansen, Heather Conway

©2005 State Net ISSN: 1521-8449



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the insider’s source for political and legislative news  
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State Net Capitol Journal is published 40  
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