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Top Story

Almost half of the 11 governor's races this year are guaranteed to produce a fresh face in the statehouse corner office, proving that it isn't always an advantage to be an incumbent.

SNCJ Spotlight

Change will dominate 2004 governors' races

Leadership is usually not for the timid, nor apparently is being an incumbent governor. Seldom has greater proof of that existed than in this November's gubernatorial elections, where at least five of the 11 races are guaranteed to produce a new chief executive. Perhaps most striking is that not a single one of the five current governors absent from the November ballot is leaving office due to term limits.

Three of the five governors leaving office — WASHINGTON's Gary Locke (D), MONTANA's Judy Martz (R) and WEST VIRGINIA's Bob Wise (D) — have voluntarily chosen to step aside, although all three were eligible to run again. Wise would more than likely have been the odds-on favorite to win a second term in the Mountain State, but his admission last year to having an affair with another married government worker put him suddenly and irreversibly on the ropes, and he announced shortly thereafter that he would be one and done.

Martz suffered no such salacious scandal, but rather suffered through a long, steady decline in popularity fueled by a lingering reputation of being beholden to business interests.

These troubles, coupled with a few well-publicized lapses in ethical judgment, would most likely have made her very vulnerable in a new campaign. The governor, a former speed skating champion and the first female governor in Montana history, also cited her desire to spend more time with her husband for her decision not to test the will of the voters this year.

The popular Locke would also have been a heavy favorite to win his third term in November. Locke, the nation's first Chinese-American governor, was often cited as a rising star in the Democratic Party, but he opted to return to a "normal" life with his wife and two small children.

The two remaining incumbents had no such control over their fate, with MISSOURI Gov. Bob Holden (D) getting the heave-ho from voters in the Show Me State primary and UTAH Gov. Olene S. Walker (R) getting the same treatment from her own party at the state's GOP convention. Walker served only a portion of a term, taking over for Gov. Mike Leavitt after the popular Republican was tabbed to run the federal Environmental Protection Agency, which left her little opportunity to gather enough support for her own candidacy. Holden, however, suffered through a full, dismal single term, at one point in 2003 coming out on the losing end of three veto overrides, matching in a single year the total number of vetoes overridden by Missouri lawmakers since the Civil War.

While the five open gubernatorial seats have already provided tight, hotly contested races, several other incumbents, particularly NEW HAMPSHIRE Republican Craig Benson and INDIANA Democrat Joe Kernan, also face difficult challenges on November 2.

Benson would seem to be a logical choice in his state, which is heavily Republican, but his often-abrasive management style has fostered a very poor

*State Recaps
available this
week on the
State Net Web site*

AK, AL, CA, CO, CT, FL,
GA, HI, IA, ID, IL, IN, KS,
KY, LA, MD, ME, MN, MO,
MS, NC, NE, NH, NM, OK,
RI, SC, SD, TN, UT, VA, VT,
WA, WI, WV, WY

2003-04 State Session
Recaps showcase legislative
statistics for each state.

relationship with the GOP-controlled Legislature, and frequent ethical lapses in his administration have hurt his public image. Benson has also struggled to get his budgets passed, including a 2004 impasse that came close to shutting down the state government. In what has become an increasingly nasty race, his Democratic challenger, businessman John Lynch, has used such events to question Benson's integrity and competence. Taxes are also an issue, with both men promising to veto any new tax hikes next year in spite of an anticipated \$24 million budget deficit. The Granite State has never rejected a governor after only one term, but Benson is definitely not a sure thing.

The nice talk is also over in Washington, where Republican state Sen. Dino Rossi is vying with Democratic Attorney General Christine Gregoire to replace Locke. Gregoire is the Evergreen State's first-ever female attorney general, but is probably best known for her lead role in the landmark 1998 \$206 billion settlement between the states and the tobacco industry. Both have made job growth their key issue, with Gregoire proposing to use \$500 million of the state's tobacco money to fund biotech research, and specifically embryonic stem cell research. Rossi calls that plan "more of a political ploy than anything else." Although the two have had three face-to-face debates, critics complain that both candidates have been more concerned with attacking each other than addressing the issues. Rossi is facing long odds, as Democrats have held a stranglehold on the governor's office for almost 20 years.

INDIANA has become perhaps the most competitive of all the gubernatorial races. Democratic incumbent Joe Kernan has at times seemed uninterested in being the governor, even telling his party in 2002, when he was the Hoosier State's lieutenant governor, that he would not run for the top job. But the sudden death of Gov. Frank O'Bannon in September of 2003 put Kernan in the corner office, and he has now decided to seek a full term of his own. The opposition is

The Week in Session

In Regular Session: DC, NJ, PA

In Perfunctory Session:
IL (House Only)

In Recess:
CA "d", CA "e", DE "c", IL (Senate Only),
MA, MI, NY, US

In Skeleton Session: OH

Currently Prefiling
(Drafts for 2005):
CO, FL, IN, KY, MT, NH, NV, VA

Adjourned:
AK, AL, AZ, CA, CO, CT, DE, FL, GA, HI,
IA, ID, IN, KS, KY, LA, MD "2003 session",
MD, ME, MN, MO, MS, NC, NE, NH, NM,
OK, RI, SC, SD, TN, UT, VA, VT, WA, WI,
WV, WY

In Special Session Adjourned:
AK "a", AR "b", CA "a", CA "b", CA "c", CT
"a", CT "b", CT "c", CT "d", DE "a", GA "a",
IA "b", IL "a-q", LA "a", ME "a", ME "b", MS
"a", MS "b", NY "a", OK "a", OR "a", TX
"d", UT "a", UT "b", UT "c", VA "a", VA "b",
WA "a", WA "b", WA "c", WI "d", WI "e", WI
"f", WI "g", WV "a", WV "b", WY "a"

With Projected Adjournment:
KY "a"

Letters indicate special/extraordinary sessions
Source: State Net, 10/15/04



former White House budget director Mitch Daniels, who has campaigned on a promise to revive the state's moribund economy and to quell a series of recent government scandals. Kernan has also promised to initiate new job training programs and jump onto the Canadian drug importation move taken on by ILLINOIS, MINNESOTA, WISCONSIN and NEW HAMPSHIRE. With two weeks to go, the two men have already spent close to \$30 million on their campaigns, easily a record for an Indiana governor's race. Most recent polls show the race will likely go down to the wire, with Daniels currently holding only a slight edge.

The race to replace Martz is also close, with most polls showing Republican Sect. of State Bob Brown in a dead heat with Democrat Brian Schweitzer, a farmer and former candidate for the U.S. Senate. Brown spent a quarter century in the Treasure State Legislature, including a stint as the youngest Senate president in state history. Schweitzer has never held public office. Montana has not had a Democratic governor in 14 years.

UTAH is the battle of "The Juniors" — Democrat Scott Matheson Jr. and Republican Jon Huntsman Jr. Matheson is the dean of the University of Utah and the son of former governor Scott Matheson Sr., who held the post from 1977-1985. Matheson Sr. was also the last Democrat to serve as Utah's governor. Huntsman is the CEO of the petrochemical company that brought the world the Big Mac container, and has also previously spent time as the U.S. Ambassador to Singapore and an aide in the Reagan White House. The overriding issue both men face is what to do about No Child Left Behind, which neither favors. Matheson wants to change the system, while Huntsman wants to eliminate it entirely.

The margin in Missouri is also expected to be razor thin, with Democratic state auditor Claire McCaskill running against Republican Sect. of State Matt Blunt, the son of U.S. House Majority Whip Roy Blunt, the third-ranking House Republican. McCaskill's task here is formidable. She is following a very unpopular member of her own party in a race against an opponent who not only has positive name recognition, but is a member of the Navy reserve who was the first statewide elected official to be called into active duty. Blunt served six months in Afghanistan.

The race in West Virginia is not expected to be close at all, as Sect. of State Joe Manchin III (D) is the clear favorite over Republican Monty Warner, a developer and former Army colonel. Warner has made waves by accusing Democrats of buying votes in certain counties, and claiming that Manchin has been "complicit" in the process. So far it has not done much to help his flagging campaign. Whoever wins will have to deal with rising workers compensation costs and the continuing decline of jobs.

The balance of the races are as follows:

DELAWARE — Gov. Ruth Ann Minner (D) is facing Republican Bil Lee, a retired superior court judge, and Independent Frank Infante. Minner is expected to retain her office.

NORTH CAROLINA — Gov. Mike Easley (D) faces off with Republican state Sen. Patrick J. Ballantine. Easley is the favorite.

NORTH DAKOTA — Republican Gov. John Hoeven is being challenged by Democrat Joe Satrom, a former state senator, and independent Roland Reimers. Hoeven is the favorite.

VERMONT — Gov. Jim Douglas (R) is expected to defeat Democratic challenger Peter Clavelle and Progressive Peter Diamondstone.

(ASSOCIATED PRESS, INDIANAPOLIS STAR, NORTHWEST INDIANA NEWS, SEATTLE POST-INTELLIGENCER, SEATTLE TIMES, STATELINE.ORG, WASHINGTON POST, USA TODAY, SAN FRANCISCO CHRONICLE)

— By *RICH EHISEN*

Budget & taxes

STATES GRAB FEDERAL DOLLARS: ALASKA, CALIFORNIA, NEW YORK and VIRGINIA grabbed the greatest share of federal dollars last year, according to information released Oct. 7 by the U.S. Census Bureau. Alaska topped the nation in per-capita federal spending, at \$12,200 per person. Other big winners in that category were Virginia, MARYLAND, NEW MEXICO and NORTH DAKOTA. NEVADA ranked last, taking in only about \$5,000 per capita, with MINNESOTA, WISCONSIN, NEW HAMPSHIRE and INDIANA rounding out the bottom five. This year, the Census Bureau also provided a breakdown of Department of Homeland Security spending for the first time and, unsurprisingly, New York was the largest recipient of those funds, taking in \$3.8 billion. Second to New York was TEXAS, followed by LOUISIANA, and NORTH CAROLINA. California won the biggest federal jackpot, \$39.2 billion in defense spending. Virginia and Texas did nearly as well in that category, bringing in \$32.7 billion and \$30 billion, respectively. Virginia

also secured the most money in federal contracts. The federal spending data was compiled in two Census Bureau reports, the 110-page "Consolidated Federal Funds" and the 56-page "Federal Aid to States." (STATELINE.ORG)

Upcoming Elections (10/13/2004 - 10/27/2004)

There are no elections scheduled during the next two weeks.

CONGRESS APPROVES DISASTER RELIEF: Billions of dollars in federal aid may soon be on the way to states devastated by various forms of weather catastrophe this year. Last Monday, the U.S. Congress passed \$11.6 billion in relief for FLORIDA and other hurricane-ravaged states. It's unclear exactly how much of that money will go to Florida, but the Sunshine State, which was slammed by four hurricanes in six weeks — and which is a key state for Democrats and Republicans alike in the presidential race — will likely receive the bulk of it. A separate aid package secured by Florida Gov. Jeb Bush (R) will raise the federal government's share of hurricane-related reconstruction projects in the state from the usual 75 percent to 90 percent. And still another package will provide \$3.9 billion in relief to farmers and ranchers in the Plains states hit by drought and states in the Midwest, South and mid-Atlantic damaged by flooding. Election-year politics also shaped that legislation; Senate Democratic Leader Tom Daschle, who is seeking a fourth term representing SOUTH DAKOTA, said of the measure, "It's a win for farmers and ranchers all across our country, but especially in South Dakota." (ORLANDO SENTINEL, ST. PETERSBURG TIMES, ARGUS LEADER [SIOUX FALLS])

STATES RECOVER SALES TAX DEDUCTION: Residents of several states will get a big break on their federal taxes next April thanks to legislation passed by the U.S. Congress over Columbus Day weekend. Under a provision tacked onto a massive corporate tax bill, American taxpayers were granted the option of deducting their state sales taxes instead of their state income taxes on their federal returns for the next two years. While that measure may mean little to most taxpayers, who typically pay more in income taxes than sales taxes, the change is very welcome news to residents of seven states that have no state income tax: FLORIDA, NEVADA, SOUTH DAKOTA, TEXAS, TENNESSEE, WASHINGTON and WYOMING. The provision actually restores an exemption that was eliminated under the tax reforms of the Reagan administration. And although the states were somewhat disappointed that the reinstated deduction was not made permanent, they viewed the action as a major victory after years of lobbying for the change. Supporters estimate the deduction could save individual taxpayers



between \$300 and \$600 per year. Another provision contained in the same bill provides for a \$10.1 billion buyout of VIRGINIA's tobacco quota system, which has artificially inflated tobacco prices by restricting production since the Depression. (STATELINE.ORG, ASSOCIATED PRESS, VIRGINIAN-PILOT [NORFOLK], SEATTLE POST-INTELLIGENCER, LAS VEGAS SUN)

— *Compiled by KOREY CLARK*

Across state lines

Home values still bubbling upward

HAWAII no longer has the highest median home prices in the nation, according to an annual survey by the U.S. Census Bureau. That honor now belongs to CALIFORNIA, which boasted a median price of \$334,426 in 2003.

While nobody should be overly surprised that the Golden State is now leading what has been a red hot national housing market, it is the first time in at least three years that Hawaii has been knocked from the top spot. The Aloha State did come in as a close runner up with a \$324,661 tally, well ahead of third ranked MASSACHUSETTS, which posted a mark of \$309,736. No other state topped the \$300,000 barrier. California's median home price in 2002 was \$275,526.

Although all median home values rose in 2003, a significant increase in some states forced others down in the rankings. WASHINGTON, for example, was ranked 8th in 2002 with a median home value of \$189,148, but only 10th in 2003 despite that value rising to \$200,235.

The top and bottom five states did not change between 2002 and 2003, although there was some shifting around within the two groups. NORTH DAKOTA, which was ranked 48th in 2002 with a median value of \$80,317, fell to 51st in 2003 although its median home value actually rose slightly to \$81,796. The 47-50 spots were held, in order, by WEST VIRGINIA, OKLAHOMA, MISSISSIPPI, and ARKANSAS. All of the units considered were owner-occupied and carried an active mortgage, with all dollar figures adjusted for inflation. The accompanying chart shows the ranking of all 50 states and the District of Columbia. For more information, please visit the U.S. Census Web site at <http://www.census.gov/acs/www/>.

— *By RICH EHISEN*

Median Housing Value (Specified Owner Occupied Units)

State	Rank	2003	Rank	2002
Alabama	45	96,106	44	93,917
Alaska	13	174,146	13	162,526
Arizona	21	146,124	21	136,434
Arkansas	50	83,699	51	79,043
California	1	334,426	2	275,526
Colorado	7	210,398	6	199,039
Connecticut	6	226,202	7	196,143
Delaware	17	165,739	20	145,004
Dist. Of Columbia	4	248,171	4	212,428
Florida	22	144,507	25	128,120
Georgia	24	140,734	23	131,221
Hawaii	2	324,661	1	291,576
Idaho	33	118,174	31	115,744
Illinois	19	160,551	18	147,353
Indiana	38	106,840	38	100,762
Iowa	46	91,427	46	88,176
Kansas	41	100,257	43	94,005
Kentucky	39	104,103	39	98,132
Louisiana	42	99,215	40	94,786
Maine	26	134,846	28	121,036
Maryland	12	186,139	11	165,784
Massachusetts	3	309,736	3	249,161
Michigan	23	141,413	22	133,270
Minnesota	16	169,778	16	155,212
Mississippi	49	85,142	50	79,425
Missouri	37	108,625	37	102,252
Montana	31	118,887	34	106,735
Nebraska	40	100,539	42	94,191
Nevada	15	170,333	15	157,407
New Hampshire	8	208,403	10	173,699
New Jersey	5	245,573	5	210,483
New Mexico	32	118,764	32	116,080
New York	11	198,883	9	176,438
North Carolina	28	125,428	27	121,181
North Dakota	51	81,796	48	80,317
Ohio	30	118,956	32	113,072
Oklahoma	48	85,502	49	79,839
Oregon	14	171,039	14	160,185
Pennsylvania	35	110,020	36	102,871
Rhode Island	9	205,244	12	165,458
South Carolina	29	121,290	29	116,614
South Dakota	44	96,977	45	90,022
Tennessee	36	110,000	35	106,070
Texas	43	99,139	41	94,559
Utah	20	156,657	17	151,775
Vermont	25	138,457	24	130,492
Virginia	18	162,080	19	145,437
Washington	10	200,235	8	189,148
W Virginia	47	85,709	47	81,695
Wisconsin	27	131,908	26	122,259
Wyoming	34	116,360	33	110,586

Source: U.S. Census Bureau, 2003 American Community Survey



sure of his first signing session, the celebrity governor managed to get in a few of the jibes at legislators that have become his trademark. In his veto message for a bill to allow schools to teach students how to manage their personal finances, for instance, he stated that although schools already had that authority, “Requiring legislators to take a refresher course on managing finances may be the wisest investment the state could ever make. California may never have found itself in the deep fiscal crisis that it has had to endure if such a requirement were signed into law earlier.” (SACRAMENTO BEE, SAN DIEGO UNION-TRIBUNE)

POLITICS IN BRIEF: Women in **WASHINGTON** and **MICHIGAN** rank highest in the nation in their level of participation in the political process, according to a national study released last week. The “Women’s Political Participation Index,” compiled by the Washington, D.C.-based Institute for Women’s Policy Research, takes into account voting trends and the composition of those holding public office, among other things (BOOTH NEWSPAPERS [LANSING], DETROIT FREE PRESS). • **MARYLAND** Gov. Robert L. Ehrlich (R) and legislative leaders say a special session on medical malpractice is imminent, but they have yet to agree on the details of a bill. The Old Line State’s General Assembly has not met in special session since 1992 (CAPITAL NEWS SERVICE). • The **CALIFORNIA** secretary of state’s office is looking into allegations of voter fraud in two counties that will see one of the few competitive state legislative races this year. Assemblywoman Bonnie Garcia (R), who is running for reelection in California’s 80th Assembly District — and who won her seat by less than 2,500 votes in 2002 — claims she has found more than 2,000 fraudulent voter registrations in Riverside and Imperial counties (LOS ANGELES TIMES).

— *Compiled by KOREY CLARK*

Hot issues

B **USINESS:** The U.S. Supreme Court agrees to decide whether a **HAWAII** law that imposed caps on retail gasoline prices is unconstitutional. Lower court rulings have allowed the caps (See June 7, 2004 *SN CJ Capitol Journal*), saying they protect independent dealers and promote competition, but oil retailers have objected, calling the law an illegal interference into their lease arrangements with private gas station operators (HONOLULU ADVERTISER).



Gov. Jeb Bush (R) announces plans to speed up the \$8 billion effort to restore the Everglades ecosystem by shifting the bulk of control over the project from the federal government to the state. Bush's plan calls for the completion of eight major projects designed to expand water storage, improve water quality and restore water flows within the Everglades by 2010. The current plan, which is the most expensive environmental initiative in U.S. history, is a 30-year project. The new effort also calls for the Sunshine State to take on \$1.5 billion of the plan's cost and to take the lead on its design (WASHINGTON POST).

Quote...

"The governor didn't want to wait a thousand years to see results...We're saying: Enough paralysis by analysis. Let's get some projects in the ground."
—Michael Collins, a South Florida Water Management District board member explaining Gov. Jeb Bush's decision to accelerate an \$8 billion cleanup of the Everglades that was initially scheduled to take 30 years.

HEALTH: The NEW JERSEY Assembly approves AB 3256, a measure that will allow towns and counties to provide needle-exchange programs for drug users in an effort to slow the spread of AIDS and other blood-borne diseases. The Assembly also approves AB 3257, which will allow Garden State pharmacies to sell up to 10 needles at a time to users bearing a prescription. Both measures now head to the Senate (STAR-LEDGER [NEWARK]).

SOCIAL POLICY: A federal appeals court upholds the constitutionality of a MASSACHUSETTS law that creates buffer zones around clinics that perform

abortions. The court determined that the law has been evenly applied to both abortion protesters and supporters since its inception in 2000. The law prohibits protesters or "sidewalk counselors" from coming within six feet of a patient who is within 18 feet of a clinic entrance without that person's consent. Violators face up to two years in jail and a \$5,000 fine (BOSTON GLOBE). • CALIFORNIA officials approve new regulations that require gay and lesbian public officials with domestic partners to comply with the same financial disclosure requirements as spouses. This means public officials will now be required to disclose property, stocks and business interests considered to be community property under

... unquote

"Now they're saying they're going to do right by the Everglades? Where have they been for the last four years?"

— Shannon Estenoz, a former co-chairman of the Everglades Coalition, an environmental group that has accused Gov. Bush's administration of relaxing water-quality standards in the Everglades to appease the sugar industry. (WASHINGTON POST)



lobbied heavily for the past three years against any and all animal-welfare bills. The controversy arose after a videotape revealed circus elephants being struck by pole-wielding trainers.

GAG HIM, NOW. He meant the prizes as a joke, but some MICHIGAN Republicans weren't amused when film maker Michael Moore — he of "Fahrenheit 9/11" fame — offered voting slackers gifts as incentives to cast ballots this November. The state GOP, reports the *Detroit Free Press*, asked prosecutors in four counties to file charges against Moore for violating a state law that prohibits anyone from offering something of value in trade for an agreement to vote. All four DAs refused, saying that election-law violations were the province of the state attorney general, who also refused unless he received a complaint from the state secretary of state, who wanted nothing to do with the matter. Among the gag prizes offered by Moore — clean underwear and fast food.

— *By A.G. BLOCK*

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