

Potomac Fever

November 10, 2008



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● The next issue of
 ● Capitol Journal will be
 ● available on November 17th.
 ●

Top Story

It was a historic victory for ILLINOIS Sen. Barack Obama last week. Now he may sweep several Democratic governors along with him to Washington.

SNCJ Spotlight

Obama win may soon have Democratic govns on the move

With last week's historic election now complete, President-elect Barack Obama has turned his attention to putting together the team that will accompany him to Washington D.C. for at least the next four years. While Obama is keeping a tight lid on who he is focusing on, several current Democratic governors are reportedly under consideration for key posts in the new administration.

The chief executives said to be on that list include ARIZONA Gov. Janet Napolitano, a candidate for U.S. Attorney General or director of Homeland

Security; NEW MEXICO Gov. Bill Richardson, a potential secretary of state or secretary of the interior; KANSAS Gov. Kathleen Sebelius, who is said to be a contender for U.S. health secretary and VIRGINIA Gov. Tim Kaine, a possibility for education secretary. MASSACHUSETTS Gov. Deval Patrick, a long-time friend of Obama's, could also be in line for the attorney general slot. All of these governors are among the president-elect's earliest and staunchest state-level supporters.

Three other governors who supported U.S. Sen. Hillary Clinton (D-NEW YORK) in the Democratic primaries, Jon Corzine of NEW JERSEY, Ed Rendell of PENNSYLVANIA and Jennifer Granholm of MICHIGAN, are also thought to be in the mix. Several reports last week had Corzine, a former CEO at Goldman

“[Obama] will be looking for the best of talent, and we have our share of talent here in the West.”

Sachs, being vetted as a possible head of the U.S. Treasury, while Granholm has been mentioned previously as a candidate for a federal judgeship or even for a spot on the U.S. Supreme Court should one become open during an Obama administration. Rendell,

a major advocate for more federal support for states to upgrade their infrastructure, may be in line for running the Departments of Energy or Transportation.

Some Western governors are also drawing their share of speculation. Within days of the election, U.S. Sen. Ken Salazar (D-COLORADO), who many credit with delivering the Centennial State's nine electoral votes to Obama, was calling on the president-elect to choose a Westerner as a senior-level official because the region has major issues that

“I ran a business before I ran the business of the state of Montana. And I like running a business, not getting calls from somebody telling me I'm off to some place to do something else.”

the new administration must address, including federal land use and water.

“[Obama] will be looking for the best of talent, and we have our share of talent here in the West,” Salazar said.

Salazar has already suggested Richardson

and Napolitano for key positions, and in addition has asked that Obama consider WYOMING Gov. Dave Freudenthal or MONTANA Gov. Brian Schweitzer as secretary of the interior.

The names of a few former governors have also cropped up, including former IOWA Gov. Tom Vilsack as a potential head of the Department of Agriculture. Former NORTH CAROLINA Gov. James B. Hunt Jr. has been mentioned in tandem with a pair of former VIRGINIA governors, W. Gaston Caperton III and Robert E. Wise Jr., for the top spot at the Department of Education.

The Obama camp has been decidedly tight-lipped about who it is considering for any spot in the new regime, making it tough to discern how much of the name-dropping

is based in fact and what portion is simply the usual post-election chatter. For their part, the bulk of the governors mentioned have deflected discussion of the matter, though many carefully avoided entirely shutting the door on taking a high-level job should it be offered.

“I never say never, but I am anticipating being governor for two more years. I love my job. I’m not looking for a job. I am not campaigning for any job,” said Richardson, who sought the Democratic presidential nomination himself before dropping out and endorsing Obama. Freudenthal and Schweitzer have also rejected the idea of moving east, with Schweitzer adamantly insisting last week that he is not interested in taking orders from anyone at the moment.

“I ran a business before I ran the business of the state of Montana,” Schweitzer said last Wednesday. “And I like running a business, not getting calls from somebody telling me I’m off to some place to do something else.”

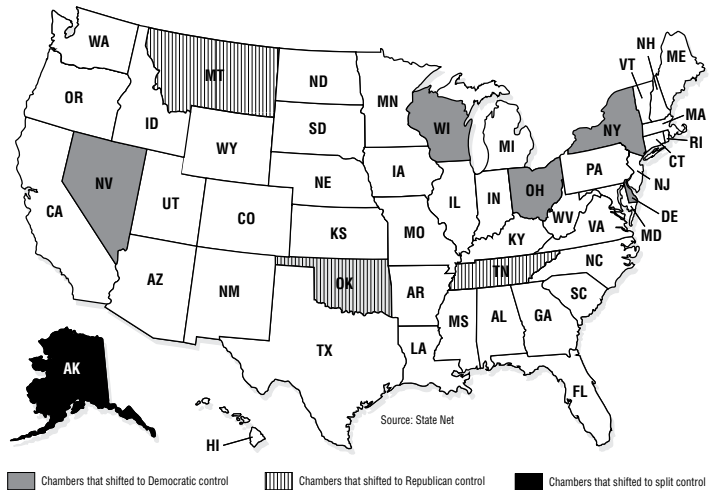
Patrick and Kaine have been equally insistent that they are not interested, though Kaine said he would be open to the possibility after his current gubernatorial term expires in January of 2010.

Others, however, have not been so quick to dismiss the idea out of hand. Corzine, for instance, said that while he has not spoken with anyone about the possibility of taking on the Treasury post, he would consider the idea if approached. “I’m not going to say never to anything,” Corzine said.

Sebelius also did not reject the possibility, saying that she was “honored and humbled to be mentioned in this way” and that she would “contribute in any way I can” to the Obama administration.

The greatest speculation of all, however, has centered on Napolitano. Obama named the ARIZONA governor to his transition team last week, and Napolitano press

Bird’s eye view



Parties swap statehouse control

Heading into Election Day, Democrats held a 27-20 lead over Republicans in control of the nation’s state senates (two others were tied and the NEBRASKA Legislature is unicameral) and a 30-19 lead in the lower chambers. On November 4, Democrats scored a major victory in NEW YORK, picking up the Senate, which will give them control of all three branches of the state’s government for the first time since the Great Depression. The Democrats also claimed the House in DELAWARE, the home state of Vice President-elect Joe Biden. But the Republicans had some big wins as well, picking up the TENNESSEE House and Senate, and OKLAHOMA’s Senate, giving them control of both statehouses for the first time in history. In all, 10 chambers saw partisan shifts (five in favor of the Democrats, four benefiting the Republicans and one — the ALASKA Senate — going from GOP to split control).



Budget & taxes

MD VOTERS APPROVE SLOT MACHINE GAMING: MARYLAND lawmakers have been debating about slot machines for years, with Gov. Martin O'Malley (D) championing them as a way to close the state's budget holes and opponents arguing that expanding gambling would increase crime and addiction. Last year, politicians punted the issue to the voters in the form of a referendum authorizing 15,000 slot machines at five locations around the state. And last Tuesday, the voters spoke, approving Question 2 by a margin of 59 percent to 41 percent. The measure won support across a wide range of demographics, including age, sex, race, income and party affiliation, according to exit polls conducted by Edison Media Research. Those who were very worried about the economy and those with young children were particularly likely to back the proposal, the survey found. O'Malley was pleased that the measure drew support "in every part of our state." Opponents naturally felt differently. "For me, it's been a long fight, and it's a bitter defeat," said W. Minor Carter of Stop Slots Maryland. (BALTIMORE SUN, INITIATIVE AND REFERENDUM INSTITUTE)

BUDGETS IN BRIEF: Voters in **ARIZONA** rejected Proposition 200, which would have allowed payday loan companies to continue in the Grand Canyon State after 2010. In contrast, **OHIO** voters endorsed Issue 5, an initiative capping annual interest rates at 28 percent, effectively outlawing payday lenders, whose business model has depended on average annual rates of 391 percent. Payday lenders poured \$30 million into the two initiatives (STATE NET, WALL STREET JOURNAL). • **MAINE** voters decisively repealed the beverage tax passed to help pay for the state's universal healthcare program, Dirigo Health. Unofficial results showed Question 1 passing 64 percent to 36 percent (PORTLAND PRESS HERALD, INITIATIVE AND REFERENDUM INSTITUTE). • **COLORADO** Gov. Bill Ritter (D) proposed what he called a "frugal, conservative" budget. It calls for a 4.98 percent increase in the general fund, raising it to \$7.9 billion, and the establishment of the state's first rainy-day fund (DENVER POST). • **CALIFORNIA** Gov. Arnold Schwarzenegger (R) proposed several steps last week aimed at closing the Golden State's \$11.2 billion budget gap, including a temporary 1.5-cent increase in the state sales tax and new taxes on liquor and oil production. Schwarzenegger also proposed once-monthly unpaid furloughs for state workers for the next 19 months and rescinding two of their 13 paid holidays. He also called for \$4.5 billion in spending cuts, including \$2.5 billion from elementary and high schools. Lawmakers are currently meeting in special session to consider ways to deal with the budget shortfall (SACRAMENTO BEE).

— Compiled by KOREY CLARK

Politics & leadership

VICTORIES ALL AROUND IN STATEHOUSE RACES: The Democrats had a pretty good day at the races last week. On top of claiming the White House and more than 20 seats in Congress, they also picked up majority control of five statehouse chambers.

Their biggest prize was NEW YORK's Senate, which had been led by the Republicans since 1966. The Dems already controlled the House and governor's office, so the win also gives them a monopoly on NEW YORK lawmaking for the first time since 1935.

“After 40 years in the wilderness, we are now in charge of the New York State Senate.”

“After 40 years in the wilderness, we are now in charge of the New York State Senate,” said Senate Democratic leader Malcolm A. Smith at a party in Midtown Manhattan.

Empire State voters turned out in historic numbers and handed the Democrats 32 of the Senate's 62 seats, according to unofficial results, in the process ousting a couple of Republican senators in their 70s and 80s who'd put off retirement to help the party hold onto its majority. One of them, Sen. Caesar Trunzo, who's been in office since the Nixon administration, lost to the son of a candidate whom he'd defeated back in the early 1980s.

“The people have spoken,” Trunzo said.

Democrats also claimed the DELAWARE House for the first time since 1984, giving the party control of every legislative chamber north of VIRGINIA except for the PENNSYLVANIA Senate. The Dems also picked up the OHIO House, WISCONSIN's Assembly and NEVADA's Senate, and earned shared control of ALASKA's previously GOP-controlled Senate.

The candidates at the top of Democratic ticket had something to do with those gains, according to Tim Storey, elections expert at the National Conference of State Legislatures.

“Obama's coattails definitely helped Democrats win legislatures in the presidential battleground states of NEVADA, WISCONSIN and OHIO,” said Storey. “Biden's place on the Democratic ticket certainly helped take the DELAWARE House.”

Republicans hardly went away from Election Day empty-handed, however. They scored big wins in the South, claiming the Senate in OKLAHOMA and both the House and Senate in TENNESSEE, giving them total control over both legislatures for the first time in history. The Republicans also took back control of the MONTANA Senate from the Democrats, who won it four years ago.

State GOP leaders savored the victories.

“The election of a Republican majority in the General Assembly is historic in its own right, and even more so given the strong Democratic tide across much

of the country,” said TENNESSEE Republican Party Chairman Robin Smith. “Our victories send a national message that Republican values still resonate with mainstream America.”

NCSL’s Storey, once again, saw a connection with the top-ticket race.

“Republicans did well in a couple of states where McCain ran strong — OKLAHOMA and TENNESSEE.”

Women also passed a major milestone last Tuesday, becoming a majority in a state legislative chamber — NEW HAMPSHIRE’s Senate — for the first time. (NCSL.ORG, NEW YORK TIMES, CHATTANOOGA FREE PRESS)

VOTERS ALL OVER MAP ON BALLOT MEASURES: The prediction that the current state of the economy might make the nation’s voters more likely to vote ‘no’ on this year’s crop of ballot measures wasn’t really born out last week. Of the 153 initiatives on the ballot in 36 states — six of which were yet to be decided at press time — 90 were approved and 57 rejected, a passage rate (61 percent) only marginally below the 67 percent rate in 2004 and 2006.

In fact, voters seemed to pick and choose among the measures in a way that showed little indication of a prevailing national — or, in some cases, even local — mood. In CALIFORNIA, for instance, voters passed the high-profile constitutional ban on same-sex marriage (Proposition 8) but rejected a measure that would have required parental notification before a minor could have an abortion (Prop. 4). They also voted down several funding measures but approved the priciest one on the ballot,

“This is just one of those times you say, hey, voters are unpredictable.”

providing nearly \$10 billion to build a high-speed rail system between San Francisco and Los Angeles (Prop. 1A). At the same time, they rejected a pair of other environmentally-friendly proposals (Props. 7 and 10) by sizeable margins. And after decades of apathy about the issue of redistricting reform, they appeared to have finally embraced the idea of turning over the job of drawing legislative districts to an independent commission (Prop. 11).

“This is just one of those times you say, hey, voters are unpredictable,” said Republican strategist Ken Khachigian.

On social issues, conservatives scored with same-sex marriage bans in ARIZONA (Prop. 102) and FLORIDA (Amendment 2), in addition to CALIFORNIA’s Prop. 8, but progressives fought off abortion restrictions in SOUTH DAKOTA (Initiated Measure 11) and COLORADO (Amendment 48), along with CALIFORNIA’s Prop. 4. NEBRASKA voters passed the measure on their ballot ending affirmative action (Measure 424), but COLORADO voters were failing theirs (Amendment 46).

The electorate was unpredictable even when it came to fiscal matters, despite the national economic crisis. MASSACHUSETTS voters rejected Question 1, aimed at repealing the state income tax, by an even wider margin than they rebuffed a



virtually identical proposal in 2002 (70 percent-30 percent versus 55 percent-45 percent). And nationally, voters were on their way to approving 12 of the 15 bond measures on the states' ballots, authorizing billions of dollars in borrowing.

The number of initiatives on COLORADO's ballot did appear to have some impact on voter reception there, however. Of the 14 measures up for consideration, 10 were going down to defeat. One of them, ironically, was Referendum O, which would have made it more difficult to qualify constitutional amendments for the ballot. (INITIATIVE AND REFERENDUM INSTITUTE, NATIONAL CONFERENCE OF STATE LEGISLATURES, BOSTON GLOBE, LOS ANGELES TIMES)

TENSION BUILDS IN STEVENS RE-ELECTION DRAMA: Sen. Ted Stevens (R-ALASKA) is on the verge of making history by becoming the first convicted felon ever to be re-elected to the U.S. Senate. At press time, he held a 3,257-vote advantage over his Democratic opponent, Mark Begich. But even if Stevens manages to hang on to the lead after all the absentee and other uncounted votes are tallied, he's not likely to be able to keep his job on the Hill. "The reality is that a convicted felon is not going to be able to serve in the United States Senate," said Senate Majority Leader Harry Reid (D-NEVADA). "And as precedent shows us, Senator Stevens will face an ethics committee investigation and expulsion, regardless of his appeals process." Should that actually turn out to be the case, the Last Frontier State will have to choose Stevens' replacement. And the rumor buzzing around last week was that Gov. Sarah Palin (R), fresh from her turn on the national stage, might consider the role. A law passed by the ALASKA Legislature after former Gov. Frank Murkowski (R) appointed his daughter to fill his U.S. Senate seat would bar Palin from appointing herself to Stevens' post, but she would be a frontrunner in a special election to determine his successor. (WASHINGTON POST)

POLITICS IN BRIEF: A pair of Republican state House leaders — DELAWARE Speaker Terry Spence and UTAH Speaker of the House Greg Curtis — suffered surprise losses in their re-election bids last Tuesday. Two Democratic state Senate leaders were also shown the door by voters: IOWA Senate President Pro Tem Jeff Danielson and RHODE ISLAND Senate President Joseph Montalbano (NATIONAL CONFERENCE OF STATE LEGISLATURES). • All four current

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 2008 prefiles last week: 20

Number of 2009 prefiles last week: 79

Number of Intros last week: 169

Number of bills enacted/adopted last week: 17

Number of 2008 prefiles to date: 21,550

Number of 2009 prefiles to date: 1,903

Number of Intros to date: 91,879

Number of bills enacted/adopted overall to date: 27,885

— Compiled By JAMES ROSS
(measures current as of 11/06/2008)
Source: State Net database



Republicans enjoyed their biggest victory in INDIANA, where incumbent Mitch Daniels routed Democrat Jill Long Thompson. VERMONT Governor James Douglas also won a clear majority against two opponents, Democratic state House Speaker Gaye Symington and independent Anthony Pollina, taking about 55 percent of the vote. UTAH Gov. Jon Huntsman, Jr. and NORTH DAKOTA Gov. John Hoeven were also re-elected by wide margins. (CONGRESSIONAL QUARTERLY, INDIANAPOLIS STAR, NEW YORK TIMES, SEATTLE POST-INTELLIGENCER, BILLINGS GAZETTE, KANSAS CITY STAR).

Upcoming stories

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

- **Nuclear power**
- **No Child Left Behind**
- **Fed/state bailouts**

GOVERNORS IN BRIEF: The Council of Great Lakes Governors sent a letter to U.S. Secretary of Defense Robert Gates and Secretary of Homeland Security Michael Chertoff asking them to hurry along operation of a new \$9 million electric fish barrier designed to keep Asian carp from invading the lakes. The barrier was finished more than two years ago, but federal officials in charge of the project won't activate it because of worries about the danger the electrified water could pose to barge operators traveling along the Chicago Sanitary and Ship Canal (MILWAUKEE JOURNAL-SENTINEL). • **CALIFORNIA** Gov. Arnold Schwarzenegger last week proposed a 90-day freeze in pending home foreclosures to give the state's financially troubled homeowners more time to get new or more affordable loans. Under the governor's plan, lenders could avoid the 90-day freeze if they proved they were aggressively rewriting loans so that homeowners could afford to make lower payments and avoid foreclosures. Schwarzenegger made his proposal to lawmakers, who are meeting in a special session to deal with the state's budget crisis (LOS ANGELES TIMES). • The lawyer for embattled **NEVADA** Gov. Jim Gibbons (R) said he has been told by federal prosecutors that the governor will not be charged with improperly receiving gifts from a software company that received military contracts while he was in Congress. Gibbons has denied any wrongdoing (RENO GAZETTE-JOURNAL). • Federal prosecutors declined to press charges against former **NEW YORK** Gov. Eliot Spitzer (D) for his role in a high-priced prostitution scandal. U.S. Attorney Michael Garcia said that after a thorough investigation, his office found no evidence that Spitzer or his office misused public or campaign funds for prostitution. Spitzer resigned in March after his use of the call girl service was revealed (ASSOCIATED PRESS).

— *Compiled by RICH EHISEN*



Wolverine State the 13th to allow seriously ill patients to buy, grow and use small amounts of marijuana (LANSING STATE JOURNAL).

HOMELAND SECURITY: The U.S. Dept. of Homeland Security announces new rules governing the \$3 billion in annual counterterrorism grants handed out to states. The new guidelines allow states to spend up to 50 percent of their grants for personnel expenses, up from 25 percent; ease a 25 percent local-match requirement for rail, transit and port security aid; lift a three-year limit on funding for intelligence analysts in law enforcement “fusion” centers, which police chiefs nationwide have requested; spread aid for immigration law enforcement to states with international water as well as land borders, and allow grants to be used to store emergency supplies such as prepackaged food, water and medicines (WASHINGTON POST).

IMMIGRATION: **ARIZONA** voters reject Proposition 202, which would have reduced employer responsibility for identifying illegal immigrants (ARIZONA REPUBLIC [PHOENIX]).

SOCIAL POLICY: **NEBRASKA** voters endorse Initiative 424, which bars public agencies from considering race, gender and ethnicity when handing out contracts, hiring employees and awarding scholarships. A similar initiative in **COLORADO**, Amendment 46, was rejected (OMAHA WORLD-HERALD, STATE NET). • **WASHINGTON** voters approve Initiative 1000, which allows doctors to prescribe lethal doses of medication for terminally ill patients seeking to hasten their deaths (SEATTLE POST-INTELLIGENCER). • **ARKANSAS** voters approve Act 1, which bars unmarried couples from adopting children (ARKANSAS NEWS BUREAU [LITTLE ROCK]). • **COLORADO** voters reject Amendment 48, which defined a “person” as a human being from the moment of fertilization (DENVER POST). • **SOUTH DAKOTA** rejects Initiated Measure 11, which would have banned abortions except in cases of rape or to protect the health of the mother (INITIATIVE AND REFERENDUM INSTITUTE). • Voters in three states — **CALIFORNIA** (Proposition 8), **ARIZONA** (Proposition 102) and **FLORIDA** (Amendment 2) — approve constitutional amendments that ban same-sex marriage. Opponents in CALIFORNIA have already filed a trio of lawsuits seeking to overturn the election results in the Golden State (LOS ANGELES TIMES).

POTPOURRI: **WASHINGTON** voters reject I-985, which would have allowed all drivers to use freeway carpool lanes outside of rush hour (INITIATIVE AND REFERENDUM INSTITUTE).

In case you missed it

A dozen initiatives appeared on CALIFORNIA's election ballot last week, but none sparked more passion than Proposition 8, the controversial measure to constitutionally ban same-sex marriage.

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

http://www.statenet.com/capitol_journal/11-10-2008/html

Once around the statehouse lightly

FREEBIES GALORE: Last week's historic elections drew a record number of voters, most presumably because they wanted to support the candidate or cause of their choice. We say presumably because, as the *New York Daily News* reports, companies across the country were offering all sorts of juicy incentives to folks who braved the lines and the cold to cast their ballots, including free java at Starbucks, red-white-and-blue-sprinkled, star-shaped donuts at Krispy Kreme and music downloads from Rock the Vote. But by far the most unusual chotchkie of the day came from the New York City outlets of Babeland, which offered diligent voters a sample from among its plethora of what some folks used to call marital aids. No word how many folks said "yes we can" to that inducement.

FLUSH THAT IDEA: San Francisco has long had a well-deserved reputation as the mother ship of all things liberal. As such, the City by the Bay has not exactly enjoyed the last eight years so much. Thus, to commemorate the changing of the presidential guard, San Franciscans last week weighed in on Proposition R, a mostly lighthearted measure that would have renamed a local water treatment plant the George W. Bush Sewer Plant. But as the *San Jose Mercury News* reports, the idea drew criticism from all sides: Republicans denounced the measure as childish and stupid, while some others said it was an insult to the hard-working sewer plant. Alas, voters were not thrilled with the estimated \$50,000 it would take to change the name on the facility and its accompanying letterhead, rejecting the measure by almost 70 percent.

PALIN PUNKED: It wasn't the best of weeks for ALASKA Gov. and Republican Veep candidate Sarah Palin. Not only did she and running mate John McCain come out on the wrong end of a serious election thumping, the Associated Press reports that she was also the butt of a highly public practical joke. According to the AP, Palin was tricked by a Canadian comedy duo called "The Masked Avengers," famous for tricking celebrities and politicians with prank phone calls, into believing she was speaking with French President Nicolas Sarkozy. In an exaggerated French accent, the fake Sarkozy got Palin to accept an invitation to hunt baby seals as well as his praise for an alleged documentary on her life that is actually a pornographic movie. Palin also did not catch on when the caller referred to Stephen Carse as Canada's prime minister. Stephen Harper is Canada's prime minister; Carse is a singer.



GONNA HAVE TO PAY, PAL: It is clearly time for former eBay CEO Meg Whitman to make her best offer and get on with it. Whitman has long been rumored to be mulling a run for CALIFORNIA governor when Arnold Schwarzenegger is termed out in 2010, something she would neither confirm nor deny while keeping herself busy as a senior adviser to John McCain's presidential campaign. Alas, cybersquatters wait for no one, not even big time CEOs. As reported by the Sacramento Bee, Whitman recently filed a petition with the World Intellectual Property Organization in an effort to claim several domain names that some savvy gent managed to wrap up while she was otherwise occupied. You might say the cat is definitely out of the bag now. The domain names in question are: *megwhitmanforgovernor.com*, *megwhitman2010.com*, *meg2010.com*, *whitmanforgovernor.com* and *whitman2010.com*.

— by *RICH EHISEN*



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