

November 17, 2008

Is Help on the Way?



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The next issue of Capitol Journal will be available on November 24th.

Top Story

As the jaws of recession tighten upon the land, Congress has an opportunity to rescue the states even before President-elect Barack Obama takes the oath of office. But will they do it?

SNCJ Spotlight

The Best Stimulus: Saving the States

As the jaws of recession tighten upon the land, Congress has an opportunity to rescue the states even before President-elect Barack Obama takes the oath of office.

Congress will — or should — have a sense of urgency in the special session that begins this week. The economy is in true peril, with joblessness on the rise. Credit remains tight, and consumer sales are slumping.

A Cannon Perspective



With Lou Cannon



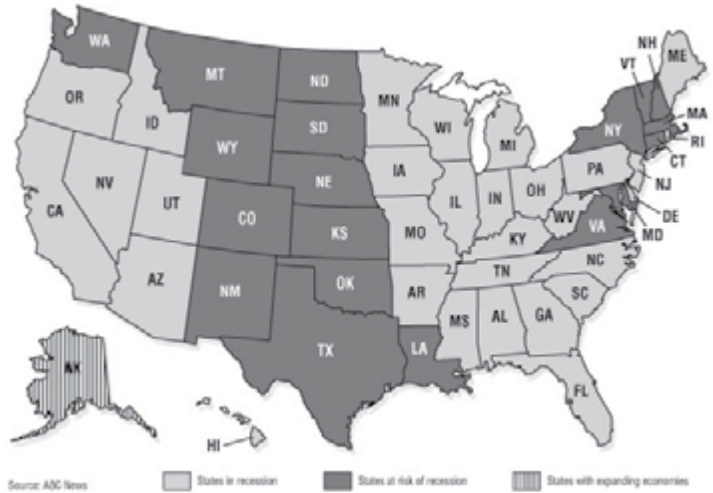
The federal government is lending additional billions to the troubled insurance giant, American International Group. Some two-dozen states face budget shortfalls, as tax receipts decline. Many states have pared services, often at the expense of children. The NEW YORK legislature meets this week to consider the roll back of an expansion of children's health insurance approved earlier this year. CALIFORNIA, which a few weeks ago approved a budget balanced mostly by gimmicks, could run out of cash early in 2009.

If all goes well in the special session, Congress will approve a massive stimulus package that outgoing President George W. Bush could sign into law as early as Christmas. All may not go well. While there is general agreement on the need for additional stimulus, there is no consensus on what the package should contain beyond extension

of unemployment insurance. Some members of Congress — and some members of Bush's economic team — favor sending checks directly to individuals, as the administration did earlier this year with mixed results. While this is theoretically an efficient stimulus, the impact is undermined if people are so worried about the near future that they sock the money away instead of spending it. With savings in individual retirement accounts plummeting, some economists believe that recipients who can afford to do so will do just that.

An alternative is funneling a large part of the stimulus, perhaps as much as \$100 billion, to the states where the money could provide jobs and build neglected infrastructure. The case for the states was made with particular urgency late last month by NEW YORK Gov. David Paterson (D) and NEW JERSEY Gov. Jon Corzine (D) in testimony before a House committee. "States need direct and immediate fiscal relief," Paterson said. "Washington needs to step up and help states address a problem that was not of their own making." This is an overstatement. While

Bird's eye view



Most states in or headed for recession

At least 30 states are currently in recession and 19 others are at risk, according to Moody's Economy.com. In March, Moody's considered only five states to be in recession: ARIZONA, CALIFORNIA, FLORIDA, MICHIGAN and NEVADA. But conditions have deteriorated quickly, with the trouble that began in the housing market now spreading to other sectors of the economy, particularly manufacturing and retail sales. According to Moody's, the only thing keeping states in the middle of the country from also slipping into recession is the continued strength of agriculture and energy. In fact, ALASKA's petroleum-propelled economy is the only one that is still expanding.





alone there are nearly \$1 billion of pending transportation projects that officials say could be begun within 60 days.

There are, of course, downsides to massive government spending for even the best of purposes. At the same Congressional hearing where Gov. Paterson pleaded for action, Gov. Mark Sanford (R) of SOUTH CAROLINA opposed burdening the struggling U.S. economy with billions of dollars of additional debt. “Simply throwing money into the marketplace in the hope that something will happen ignores that fact that the government has already put \$2 trillion into the system this year,” Sanford said. As a longstanding deficit hawk, this columnist is sympathetic to Sanford’s argument. For decades, the United States has been living on a credit card financed by China and other Asian countries. At some point the bill will come due, and our children and grandchildren will have to pay it.

But desperate times call for desperate measures, as the Bush administration has belatedly recognized since the economy imploded in mid-September. It makes little sense to talk of “socialism” or stint on the states when the government is nationalizing banks, bailing out the insurance (and soon) the automotive industries, and investing the full faith and credit of the taxpayers in the preservation of market capitalism. Jobs and savings must also be preserved, as experimental-minded President Franklin D. Roosevelt realized in 1933, and as many expect President Obama to recognize in 2009.

FDR and his successors were guided by the insights of the great British economist John Maynard Keynes, who demonstrated that government action was needed to restore a malfunctioning market economy. As celebrated free market economist, Milton Friedman, the architect of the Reagan Revolution, put it in a much less severe downturn, “We are all Keynesians now.” Keynes, a serious man who did not take himself too seriously, was once asked whether investment decisions should be based on long-term or short-term factors. “In the long run, we’ll all be dead,” he quipped. In the short run, it is wiser to take counsel of our hopes, rather than our fears, as FDR did. Congress not only has an opportunity to save the states and provide jobs for millions of Americans at this special session. It has an obligation to do so.

— *By Lou Cannon*



Budget & taxes

WESTERN GOVS SOFTEN ANTI-TAX STANCE: CALIFORNIA
W Gov. Arnold Schwarzenegger (R) launched his initial run for governor in August 2003 with a pledge not to raise taxes to balance the state budget. At his very first meeting with the press, he said Californians were already taxed too much.

“From the time they get up in the morning and flush the toilet, they’re taxed,” he said. “When they go and get a coffee, they’re taxed. They get into their car, they’re taxed. They go to the gas station, they’re taxed. They go for lunch, they’re taxed. This goes on all day long. Tax, tax, tax, tax, tax. Even when they go to bed, you can go to bed in fear that you are going to be taxed while you’re sleeping, that there is a sleeping tax.”

For most of the five years he’s been in office, Schwarzenegger has maintained his aversion to taxes. On Nov. 6, however, he called lawmakers into a special session to consider a temporary 1.5-cent hike in the state sales tax that he proposed to help close an \$11.2 billion hole in the budget for the current fiscal year. It was actually the second time this year that the governor had proposed a sales tax increase; he pitched a similar plan during budget negotiations this past summer.

“We are living in a different world now,” he said.

Schwarzenegger isn’t the only governor who seems to be feeling that way lately. NEVADA Gov. Jim Gibbons (R), who’s steadfastly opposed tax increases since being elected in 2006, told reporters after meeting with key lawmakers this month to discuss

“We are living in a different world now.”

ways to deal with his state’s budget woes that, “Nothing is off the table at this time.” OREGON Gov. Ted Kulongoski (D), whose state isn’t facing shortfalls like those in CALIFORNIA and NEVADA but is troubled by falling revenues, proposed an economic stimulus plan this month that would be partially funded by a 2-cent-per-gallon increase in the gas tax (see Governors in this issue).

A handful of other states, including MARYLAND, MICHIGAN, MINNESOTA and NEW YORK, have also recently approved tax hikes. And with signs that the national recession is only spreading (see Bird’s eye view), more states could soon be doing the same.

State officials’ softening position on taxes has come as a surprise to many observers. Gibbons’ shift was particularly unexpected. Opposing tax increases “is such a part of [Gibbons’] political persona — and the core of his political base — that it shows how bad NEVADA’s budget situation is” and that Gibbons acknowledges he “can’t make it anymore with just cuts,” said Eric Herzik, chair of the political science department at the University of Nevada at Reno.

A lot of states, NEVADA among them, have already made severe budget cuts, leaving tax hikes as one of the few remaining options for dealing with an extended economic downturn, said Nick Johnson, director of the State Fiscal Project at the Center on Budget and Policy Priorities in Washington, D.C.

“A small, short-term budget shortfall can be managed on the spending side alone. A very large and potentially long-lasting budget shortfall requires action on the revenue front as well,” he said.

But tax hikes remain politically hazardous for many elected officials. MAINE voters sent a strong signal about where they stand on the issue Nov. 4, repealing by a



2-to-1 margin beverage tax hikes state lawmakers approved just months earlier to help fund the state’s subsidized health insurance program. And Schwarzenegger’s tax-hike proposal has met with solid opposition from members of his party.

But the Golden State governor thinks he may have a better chance of obtaining GOP support for his plan now that Election Day has passed and lawmakers aren’t focused only on re-election.

“We’re still in a profession where getting elected sometimes is more important than doing something (that) is right,” Schwarzenegger said. (SACRAMENTO BEE, STATELINE.ORG)

BUDGETS IN BRIEF: NEW YORK lawmakers will convene in special session this week to consider an emergency deficit reduction plan proposed by Gov. David Paterson (D). The plan calls for a \$2 billion reduction in state spending by April, and a \$5.2 billion reduction over the next 16 months, with healthcare and education, the two largest expense categories in the \$121 billion budget, bearing the brunt of the cuts (NEW YORK TIMES). • **MINNESOTA** Gov. Tim Pawlenty (R) proposed

what he called the “mother lode of tax breaks” last week for companies that create jobs in renewable energy. The package includes a variation of the governor’s JOBZ economic development program — dubbed Green JOBZ — offering exemptions from corporate franchise taxes, income taxes for investors, capital gains

“We’re still in a profession where getting elected sometimes is more important than doing something (that) is right.”

taxes and sales taxes on goods and services (STAR TRIBUNE [MINNEAPOLIS]).

• With the bond market floundering, **NEW JERSEY** has launched a Web site and ad campaign aimed at getting the public to buy bonds directly from the state. The site, www.buynjbonds.gov, will offer \$750 million worth of bonds next week for transportation improvements (MORNING CALL). • State and local government spending nationwide in the third quarter was up 7.4 percent over the same period last year, according to the U.S. Bureau of Economic Analysis. The spending boom has helped states and cities cushion the economic downturn, but it has also set many of them up for large budget shortfalls in the next year (USA TODAY). •

CALIFORNIA’s nonpartisan Legislative Analyst’s Office estimated that the state’s budget deficit will grow to \$28 billion — \$3 billion more than the Schwarzenegger administration estimated — by the end of the next fiscal year, June 30, 2010. The office recommended raising the state income tax by 5 percent for all taxpayers next year or boosting the vehicle licensing fee, which Schwarzenegger cut when he took office in 2003 (ASSOCIATED PRESS, LOS ANGELES TIMES).

• **CALIFORNIA**’s economy loses \$28 billion annually due to premature deaths and illnesses linked to ozone and other pollutants, according to findings released last



week by a Cal State Fullerton research team. The researchers said about \$25 billion of that total was the result of the 3,000 smog-related deaths in the state each year, with the remainder coming from work and school absences, emergency room visits, asthma attacks and other respiratory problems (LOS ANGELES TIMES). • The Bush administration reduced the number of services that can be provided under Medicaid's outpatient hospital benefit, an action public hospitals and state officials say will cut Medicaid payments to many hospitals at a time when need is increasing (NEW YORK TIMES). • The unemployment trust funds of five states — **INDIANA, MICHIGAN, NEW YORK, OHIO** and **SOUTH CAROLINA** — are insolvent, according to the National Employment Law Project, a **NEW YORK**-based organization that advocates for workers' rights. The trust funds are financed through taxes paid by businesses and provide unemployment benefits to those out of work through no fault of their own (JOURNAL GAZETTE [FT. WAYNE]). • Cold-weather states across the country will be pinched this year by the price of salt, which they use to keep roads and highways safe during the winter. Prices are running two to three times higher than last year, because heavy snowfall last winter forced state and local transportation authorities to tap into stockpiles, causing shortages (STATELINE.ORG).

— *Compiled by KOREY CLARK*

Politics & leadership

PARTISAN SHIFTS PORTEND POLICY CHANGES: Democrats and Republicans both scored big victories in the states on Election Day, the Democrats taking complete control of the governments of DELAWARE, NEW YORK and WISCONSIN and the Republicans claiming the statehouses in MONTANA, OKLAHOMA and TENNESSEE (the three states still have Democratic governors). The power shifts could bring major policy changes to those states.

When Democrats took over the state governments of IOWA and NEW HAMPSHIRE following the 2006 elections, they raised the minimum wage in both states. IOWA also raised the tax on cigarettes by \$1 a pack to provide funding for healthcare, and NEW HAMPSHIRE passed a landmark civil union bill giving same-sex couples the same rights as married heterosexual couples.

The power shift in NEW YORK, where Democrats will control both houses of the Legislature and the governor's office for the first time since the Great Depression, could mean legislative action on everything from rent control in New York City to school funding, drug laws and gay marriage, according to Robert Ward, deputy director of the Nelson A. Rockefeller Institute on State Government. State lawmakers may also seek to grant New York City greater authority to raise taxes, given the



The brief contends that Prop. 8 compromises “the enduring constitutional promise of equal protection under the law” by permitting “a bare majority of voters to eliminate a fundamental right of a constitutionally protected minority group.” It goes on to state, “If Proposition 8 takes effect, this court will no longer be the final arbiter of the rights of minorities.”

The Democrats behind the document said a ban on gay marriage can’t be imposed by a mere constitutional amendment but, instead, requires a revision of the Constitution and, consequently, the approval of the Legislature.

“If Proposition 8 takes effect, this court will no longer be the final arbiter of the rights of minorities.”

Prop. 8 supporters dismissed that contention.

“This is a Hail Mary, no question about it,” said Frank Schubert, manager of the ‘Yes on Prop. 8’ campaign.

Schubert said the vote was “as over as Barack Obama’s election” and that Prop. 8’s opponents had missed their chance, noting that the ballot title for the measure had been written in a way that cast it in a negative light and that the Democratic turnout was huge.

“Politically, this was the best chance they could have possibly had,” he said.

As it turned out, many Democrats, particularly African Americans and Latinos, supported Prop. 8. According to exit polls, blacks voted for it by a margin of 70 percent to 30 percent (LOS ANGELES TIMES).

POLITICS IN BRIEF: Despite the current state of the economy, over 70 percent of the major transportation-funding measures on the ballot this month were approved by voters, roughly double the usual passage rate for initiatives, according to the

Center for Transportation Excellence, a nonpartisan research group that promotes mass transit. The 23 approved initiatives included CALIFORNIA’s Proposition 1A, providing \$10 billion to start

“This is a Hail Mary, no question about it.”

construction of a high-speed rail network between San Francisco and Los Angeles, and WASHINGTON’s Proposition 1, providing \$18 billion to expand mass-transit service in King, Pierce and Snohomish counties (WALL STREET JOURNAL). • Republicans held a one-seat advantage in the TEXAS House last week, after all the votes were tallied in a tight race in District 105. But incumbent Linda Harper-Brown’s slim 20-vote margin could lead to a recount (DALLAS MORNING NEWS). • Spurred by the controversy surrounding CALIFORNIA’s passage of Prop. 8, a group of UTAH lawmakers unveiled five bills last week aimed at securing rights for gay couples. The measures address the issues of hospitalization/medical care, fair housing and employment, probate/wrongful death rights, domestic partnership rights and the section of Constitutional Amendment 3, passed in 2004, defining marriage as a union between a man and a woman (DESERET NEWS). • After the



2.9 million ballots cast in **MINNESOTA** Senate District 16 were counted, just 206 votes separated Republican Sen. Norm Coleman from Democratic challenger Al Franken. A recount will begin this week (St. Paul Pioneer Press). • **RHODE ISLAND** Senate Majority Leader M. Teresa Paiva Weed (D) was endorsed by her fellow Democrats last week as Senate President, making her the first woman to reach that post (PROVIDENCE JOURNAL). • **PENNSYLVANIA** Lt. Gov. Catherine Baker Knoll (D) lost her battle with cancer last week. Senate President Pro Tempore Joe Scarnati (R) will assume Knoll’s duties while maintaining his current position, leaving the Keystone State with a governor and lieutenant governor of opposing parties for the first time in its history (STATE NET). • Close to 62 percent of eligible voters nationwide cast their ballots Nov. 4, according to the American University’s Center for the Study of the American Electorate. That rate is the highest since 1964, but below the 67 percent turnout in 1960 (NATIONAL PUBLIC RADIO).

— *Compiled by KOREY CLARK*

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**
- **Medical errors**

Governors

REPUBLICAN GOVS ASSESS PAST, PRESENT AND FUTURE: In its current state, the Grand Old Party is poorly suited to serve an America that is calling loud and clear for a change from business as usual. That downright gloomy post-election assessment came from a bevy of GOP governors at the annual Republican Governors Association meeting held in FLORIDA last week.

As many of the governors in attendance saw it, the Republican Party has ceded much of the country to Democrats, either through poor planning, a lack of technological savvy or too much partisanship. “We cannot be a majority governing party when we essentially cannot compete in the Northeast, we are losing our ability to compete in Great Lakes states, we cannot compete on the West Coast, we are increasingly in danger of competing in the mid-Atlantic states, and the Democrats are now winning some of the Western states,” said MINNESOTA Gov. Tim Pawlenty, considered by many to be one of the GOP’s rising stars. “That is not a formula for being a majority governing party in this nation.” With such a performance in the corporate world, Pawlenty said, “heads would roll.”

Pawlenty, who was considered to be a potential running mate for Republican presidential candidate John McCain before the ARIZONA Senator chose ALASKA Gov. Sarah Palin, further noted his party’s struggles to gain support among women,



Hispanics, African-Americans and low-income voters. The situation was so bad, according to LOUISIANA Gov. Bobby Jindal, who was also considered as a vice-presidential running mate, that America had “fired us with cause.”

But while conceding that the here and now is far from rosy, they also made it clear that the current crop of Republican governors holds the key to recapturing the American public’s confidence...and votes.

“The place where Americans can regain confidence in the Republican Party is where we have Republican governors,” MISSISSIPPI Gov. Haley Barbour said. “We’re taking Republican principles and values and applying them to real issues and real life.”

But how to do that remains the major question that Republican governors have to answer. FLORIDA Gov. Charlie Crist (R), for one, advocated for the Party to stop using so much of its energy on divisive social issues. Crist said Republicans must strike a balance between matters like abortion and gay rights and more immediate fiscal concerns. “I think what you need to do is have an emphasis on the issues that

affect people in their daily lives,” he said. “Right now, with this economy, there’s no question in my mind those are pocketbook issues.”

The conference also featured plenty of speculation about who among the attendees would make their own presidential run in 2012. In

“Anybody here tonight who’s talking about the 2012 presidential election needs to get their eye on the ball. We don’t need any talk of 2012.”

addition to Palin, that list includes Pawlenty, Crist, Barbour and Jindal. But Barbour warned his colleagues that any governor thinking of the White House should first tend to business in their home state, particularly with the plethora of economic woes most of them expect to face over the next few years.

“Anybody here tonight who’s talking about the 2012 presidential election needs to get their eye on the ball,” Barbour said. “We don’t need any talk of 2012.” (WASHINGTON POST, NEW YORK TIMES, MIAMI HERALD)

KULONGOSKI PITCHES TRANSPORTATION OVERHAUL: Saying the state needs to boost the economy and fix its crumbling infrastructure, OREGON Gov. Ted Kulongoski (D) released a proposal calling for more than \$1 billion in new road, bridge and rail spending last week.

Kulongoski called for several tax and fee increases to pay for the plan, including a 2-cent gas tax hike and more than doubling annual car title and registration fees. He also proposed borrowing \$600 million, hiking the tobacco tax by 2.5 cents and

<p style="text-align: center;">Upcoming elections 11/12/2008 - 12/03/2008</p> <p>11/18/2008 Ohio Special Election US House (Congressional District 11)</p> <p>12/02/2008 Georgia Runoff US Senate (Senate Class 2 seat)</p>
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using \$16 million in state lottery money to pay for railroad, mass transit and port projects. The governor additionally reiterated his support for a pilot project that would charge Beaver State motorists for the miles they actually drive, not the amount of gas they buy, and asked the Legislature to create a transportation utility commission that could raise fees and taxes independently of lawmakers in the same way that the state utility commission does now.

Although many lawmakers and business groups support fixing the state's aging infrastructure, gaining legislative approval for the wide-ranging package could

“Investing in transportation in tough times sets us up for success in good times.”

be tough going. Current revenue projections show the state will face at least a \$500 million budget shortfall in 2009-2011.

The governor acknowledged that calling for tax hikes in a down economy may be a hard sell with lawmakers and the public, but said the infrastructure spending would pay big dividends in both the short and long term. “Investing in transportation in tough times sets us up for success in good times,” Kulongoski said. Lawmakers will begin consideration of the proposal when they reconvene in January. (OREGONIAN [PORTLAND])

GOVERNORS IN BRIEF: CALIFORNIA Gov. Arnold Schwarzenegger (R) said last week that he hopes the state Supreme Court will overturn Proposition 8, the voter-approved ballot measure that bans same-sex marriage in the Golden State. Schwarzenegger, who publicly opposed the measure, likened the issue to lessons he learned as a bodybuilder working to lift ever-increasing amounts of weight. “I learned that you should never ever give up...They should never give up. They should be on it and on it until they get it done,” he said (LOS ANGELES TIMES). • **Still in CALIFORNIA**, Gov. Schwarzenegger will oversee a long-awaited global summit on reducing greenhouse gas emissions this week. The conference, which will be held in Los Angeles, is intended to show global leaders how states, local governments and businesses can begin cutting emissions prior to the start of U.N. negotiations over a new global climate treaty, which are slated to begin next month (LOS ANGELES TIMES). • **MASSACHUSETTS** Gov. Deval Patrick (D) has proposed eliminating the debt-ridden Massachusetts Turnpike Authority over the next 12 to 18 months. The proposal would transfer control of the Big Dig to the Massachusetts Port Authority, an agency that has primarily focused on air and sea travel, and give the state Highway Department responsibility for toll roads in the western part of the Bay State. Lawmakers will consider the proposal in January (BOSTON GLOBE). • **FLORIDA** Gov. Charlie Crist (R) is expected to announce a revised deal this week

In case you missed it

It was a historic victory for ILLINOIS Sen. Barack Obama last week. Now, as we reported in the Nov 10 issue of SNCJ, he may sweep several Democratic governors with him to Washington.

In case you missed it, the article can be found on our Web site at http://www.statenet.com/capitol_journal/11-17-2008/html



with the United States Sugar Corporation to purchase a large section of land for Everglades restoration. Under the new deal, the company will keep its sugar mill, rail lines and other assets, while the Sunshine State acquires most of the company's 187,000 acres of land. No final price tag has been announced, but it is expected to be significantly less than the \$1.75 billion the state originally offered last June (NEW YORK TIMES). • **COLORADO** Gov. Bill Ritter (D) and a host of lawmakers from both parties announced a plan to spend \$5.5 million in the next fiscal year on a variety of Centennial State forest programs. Those efforts would include tree-thinning operations near communities, reservoirs and power lines; helping mountain towns develop wildfire plans; long-term restoration projects for dying forests in critical watersheds; and a loan fund for companies looking to use the surplus of dead trees to produce biofuel, home heating pellets or electricity (DENVER POST). • **WASHINGTON** Gov. Christine Gregoire (D) said she is working with Evergreen State lawmakers to devise a \$300 million state economic stimulus package that would subsidize energy costs for low-income residents, boost the salmon industry and spur the sluggish construction and housing markets (SEATTLE TIMES). • **MICHIGAN** Gov. Jennifer Granholm (D) said she will release \$150 million from the state treasury for banks and credit unions to loan to businesses and consumers who've been squeezed by the nation's credit crunch. Granholm said she also plans to ask Wolverine State lawmakers to allow a 90-day freeze on home foreclosures to give homeowners time to refinance their loans with lenders (DETROIT FREE PRESS).

— *Compiled by RICH EHISEN*

Hot issues

B **BUSINESS:** The U.S. Treasury announces that it no longer plans to buy distressed assets as part of the Bush administration's \$700 billion bailout of the financial industry, also known as the Troubled Asset Relief Program (TARP). Officials say they will instead focus on ways to jump-start the markets that provide financing for banks and other firms that issue student, auto and credit card loans (WASHINGTON POST).

CRIME & PUNISHMENT: The U.S. Supreme Court turns down appeals from a pair of death row inmates seeking to limit videos and similar material prepared by murder victims' families for juries. The decision came in regard to two **CALIFORNIA** cases in which jurors were shown video montages of the victims' lives, leading defendants to claim that the videos prejudiced the juries against them and violated their right to a fair trial (SAN DIEGO UNION-TRIBUNE). • The **NEW JERSEY**

Supreme Court unanimously rules that Garden State police do not have to read a final warning to motorists suspected of drunk driving who refuse to take a breath analysis test. The decision, which overrules a lower court ruling, said that the final warning was required only if the suspect conditionally consents or ambiguously declines to provide a breath sample after all other required warnings have been given (PHILADELPHIA INQUIRER). • The **PENNSYLVANIA** House approves HB 1543, legislation that would allow people who have been free of arrest or prosecution for at least five years to ask the courts to clear their record of minor convictions, including minor traffic violations, harassment, simple trespassing, minor first-time retail theft, and public drunkenness. It heads to Gov. Ed Rendell (D) for review (STATE NET).

EDUCATION: A **NEW JERSEY** court rules that Garden State school officials need only reasonable suspicion to search cars that are specially permitted to be parked on school grounds without a warrant. The court's ruling does not pertain to cars parked on school grounds with no advance permission or to student cars parked on public streets, which require probable cause before being searched (ASBURY PARK PRESS).

ENVIRONMENT: The U.S. Supreme Court rules that the Navy can use high-powered sonar off the **CALIFORNIA** coast even if doing so poses a threat to whales and other marine mammals. The court said the Navy needs to train its crews to detect enemy submarines, and it cannot be forced to turn off its sonar when whales are spotted nearby (LOS ANGELES TIMES). • The Bush administration announces it is moving forward with plans to sell drilling rights for oil and natural gas off the **VIRGINIA** coast. If approved after environmental study and public comment, the offshore activity could begin in 2011, led by energy companies that buy government leases. Environmental groups that oppose the action say they will appeal to the incoming Obama administration to block the effort (VIRGINIAN-PILOT [NORFOLK]). • The Bush administration announces a nonbinding agreement for removing four dams along **OREGON's** Klamath River, an effort that would be the biggest dam removal project in U.S. history. Eradicating the dams is seen by many as a key to resolving long-standing issues over water supply for both agriculture and environmental sustainability. The agreement is a roadmap for turning the dams, which are privately owned, over to a nonfederal entity and starting to remove them by 2020 (ASSOCIATED PRESS).

HEALTH & SCIENCE: Federal officials choose **ARIZONA** and **UTAH** as the pilot states in a Medicare program that encourages people to store their medical histories online as part of a government effort to streamline and improve health care. Doing so would allow patients to easily share their medical histories with doctors, hospitals, labs or pharmacies. Participants will be able to choose from four electronic health records vendors, including Google Health (ARIZONA REPUBLIC



[PHOENIX]). • The **ILLINOIS** Supreme Court orders the resumption of a state-funded health care program for the poor until the justices decide whether to hear a lawsuit over the program. The suit was filed after Gov. Rod Blagojevich (D) ordered the program expanded to include people with higher incomes earlier this year. The high court's ruling overturns a lower court's order to halt the program entirely until the legal case gets resolved (CHICAGO TRIBUNE).

HOMELAND SECURITY: The Department of Homeland Security proposes new rules that would require sellers and buyers of ammonium nitrate, a common fertilizer that also could be used to make bombs, to register with the federal government. DHS would then check their names against the FBI's terrorist watch list. The agency said it will take public comment on the proposal until December 29 (GRAND FORKS HERALD).

IMMIGRATION: The Bush administration launches a five-year, \$500 million effort to convert the U.S. Citizenship and Immigration Services agency case-management system from paper-based to electronic. Officials say the new system could reduce backlogs and processing delays by as much as 50 percent while also allowing government agencies like the U.S. Border Patrol to access immigration records faster and more accurately (WASHINGTON POST).

SOCIAL POLICY: CONNECTICUT officials begin issuing marriage licenses to same-sex couples. The Constitution State Supreme Court ruled in October that the state cannot deny same-sex couples the right to legally marry (HARTFORD COURANT).

POTPOURRI: The **PENNSYLVANIA** House approves HB 347, legislation that repeals a Keystone State law mandating that vehicle owners replace their auto's license plates every 10 years. The new measure would require motorists to obtain new vehicle license plates only when their current ones become unreadable. It moves to Gov. Ed Rendell (D), who is expected to sign it (STATE NET). • **KANSAS** officials reject a proposal to lower the speed limit from 70 miles-per-hour to 65 mph on Sunflower State highways. A subcommittee of the state Energy Council suggested the change as a way to decrease carbon dioxide emissions through reduced gas usage, but the 20-person Council voted 19-1 against the idea (LAWRENCE JOURNAL-WORLD).

— *Compiled by RICH EHISEN*

Once around the statehouse lightly

OH, WAS THIS YOURS? KENTUCKY Sen. Julie Denton probably shouldn't expect a Mother's Day card from her eldest son next year. As reported by the *Louisville Courier-Journal*, Thomas G. Rose Jr. filed suit against her last week, alleging that his mother took \$15,000 out of a trust established for him by his father, Denton's ex-husband, and spent the cash on herself. Thomas G. Rose Sr. created the trust in 1997, and Denton became the trustee after the couple divorced. But according to the younger Denton, his mother has instead absconded with the 15 large for "her own use and enjoyment." Rose claims that Denton also refused to submit the matter to mediation, leaving him no choice but to sue. He is seeking both punitive and compensatory damages.

SO TACKY, SO GONE: Those of you who just love the giant inflatable dinosaurs, snarling gorillas and floppy wind puppets used by businesses to draw attention to a big sale or event should probably just skip going to Houston from now on. That's because, as the *Houston Chronicle* reports, the city council last week banned the goofy eye-catchers, saying they are just too tacky. But while city beautification advocates cheered the ruling, business owners griped that the city fathers were just being party poopers. Others griped that the ordinance still allows the inflatable attractions for non-commercial and holiday events. Those arguments, however, did not dissuade one supporter, who grouched that, "These things may entertain the bored children in the back seat, but they make us look foolish to visiting businesspeople."

THE FICKLE FLIP OF FATE: UTAH's new Senate Minority Leader Pat Jones recently earned her position the old fashioned way: she won it via a coin toss. As the *Deseret News* reports, Jones and Senate Minority Whip Gene Davis, both Democrats, were recently cast in a head-to-head battle to replace retiring Senate Minority Leader Mike Dmitrich. With the chamber's eight Dems deadlocked at 4-4, the caucus agreed to solve the matter by tossing a coin. In winning, Jones becomes the first woman to serve as Minority Leader in Beehive State history.

— By RICH EHISEN



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