

December 8, 2008

Blockbuster or Bomb?



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The next issue of Capitol Journal will be available on December 15th.

Top Story

State lawmakers and governors will face a plethora of major challenges in 2009 as they struggle to guide their states through an historic economic downturn. This week and next, the State Net staff previews some of the key issues we see lawmakers considering in the coming year.

SNCJ Spotlight

States face key issues in 2009

With a new administration coming to power in Washington, states are hoping 2009 brings them a renewed — and more productive — relationship with the federal government. But there is also an atmosphere of concern under the sheen of optimism that accompanies all such changes. With the nation locked in its worst economic crisis since the Great Depression and over 40 states facing significant budget shortfalls, 2009 is shaping up to be a year of tremendous challenges. This week and next, in no particular order, we examine some of the issues state lawmakers will likely consider in the coming year.

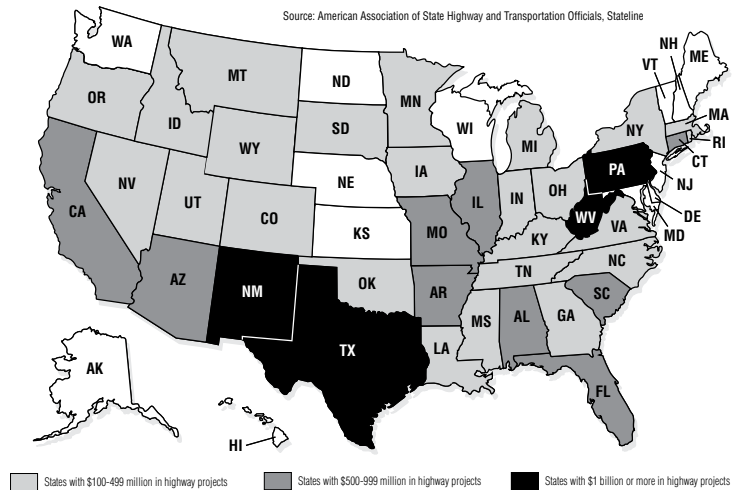
BUDGETS: With the economy in deep recession, the majority of states will simply be looking to keep their heads above financial water in 2009. Things have become so dicey that lawmakers in some states may have to soften long-held positions on such key issues as tax hikes or dramatic budget cuts. To date, however, that has not happened in CALIFORNIA, which has a budget deficit estimated to be somewhere in the realm of \$30 billion. Political maneuvering has also so far held sway in NEW YORK, where Gov. David Paterson (D) recently called off a special session to deal with the Empire State's \$1.5 billion budget shortfall. These and most other budget scenarios could change dramatically as new lawmakers take office.

PAID-SICK-LEAVE/FAMILY

LEAVE: Given the downturn in the economy, a new federal entitlement is unlikely, and

Congress could punt to the states and also avoid the objections of the business sector to a "one-size-fits-all" approach. Although five states use their state's temporary-disability insurance plans, and Democrats now control legislatures in 27 states, the going will be difficult and uneven. This year, measures in CALIFORNIA (AB 2716) and OHIO (HB 536) both failed after strong starts. The Golden State measure was buried in a Senate committee after clearing the Assembly, but even if passed it was sure to die via Gov. Arnold Schwarzenegger's (R) veto pen. The OHIO measure also did not clear the Legislature, but seemed poised to gain approval via a ballot measure. But supporters of the union-sponsored proposal took it off the ballot after Democratic governor Ted Strickland withdrew his support. Both measures could return in 2009, and other states are likely to consider similar action.

Bird's eye view



State transportation projects could boost economy

Over \$18 billion worth of highway projects that could be under contract within 30-to-90 days are awaiting federal funding in more than 40 states and the District of Columbia, according to a survey conducted earlier this year by the American Association of State Highway and Transportation Officials (AASHTO). In addition to the highway projects, 16 states also reported \$3.8 billion in "ready-to-go" public transit, rail, and waterway projects, with five — ARIZONA (\$785M), CONNECTICUT (\$579M), ILLINOIS (\$1.7B), NEW JERSEY (\$152M) and NEW YORK (\$210M) — topping \$100 million worth. With analysts estimating that approximately 35,000 jobs are created for every \$1 billion invested in transportation, AASHTO Executive Director John Horsley suggested in October that Congress could not only help states repair and replace their crumbling infrastructure but also stimulate the economy by funding such projects.





permit price and quality comparisons, and could reduce errors and unnecessary treatments that, according to some, account for an estimated one-third of U.S. health care spending. As a consequence, leading tech companies like Microsoft and Google have launched e-health offerings, Healthvault and Health, respectively, and starting in 2009, Wal-Mart employees will be able to log on to the company's intranet site to access any medical records their physicians require without causing a backlash on privacy issues. In recent weeks, ARIZONA and UTAH have signed on to a pilot program with Medicare to encourage people to store their medical histories online.

MEDICAL ERRORS: States are beginning to mirror federal rules that refuse Medicare reimbursement for care resulting from a specified list of medical errors (i.e., “never events”) by extending rules to cover both the privately insured and those with no insurance. The most commonly used list, compiled by the National Quality Forum, a health advocacy group, is made up of 28 “adverse events” that should never happen in healthcare settings. Some states are taking it one step further by requiring public reporting of preventable errors so patients have a snapshot of which medical facilities have the most such events.

HAI: At least 10 states approved MRSA-related measures in 2008 requiring testing, disclosure and rigorous preventative actions in the hospitals, medical facilities and long-term care centers where 85 percent of such infections occur. Hospital patient exposure to another deadly bug, *Clostridium difficile*, has become another major public health problem that is likely to result in additional state legislation in 2009.

MEDICAL “CONFLICTS OF INTEREST: State legislatures are expecting next year's crop of bills regarding medical conflicts of interest to equal or even exceed the 100 measures considered in 2008. (Bills have already been pre-filed in NEW JERSEY and TEXAS.) Lawmakers will again likely try to achieve transparency by requiring drug makers to disclose payments for educational lectures and authorship of scientific papers, and indicate whether those experts are paid in cash, stock and/or gifts. Lawmakers are further expected to propose applying those rules to PBMs as well as biotechnology and medical device makers.

UNIVERSAL HEALTH: The momentum for large-scale, state-based solutions that began when MASSACHUSETTS adopted its first-in-the-nation reform in 2006 is expected to dramatically slow given most states' major budget problems. Health insurance is also high on the Democrats' Congressional wish list, which could increase efforts at the federal level. States, however, have not entirely abandoned the idea, as MARYLAND is expected to introduce a \$15.5 billion health care bill



to subsidize coverage for low-income residents, funded through a payroll tax and increases in cigarette and alcohol taxes. Still, most observers believe states will instead look at a variety of smaller and less expensive methods to increase health care access and affordability.

PAY-TO-PLAY: Efforts to prohibit pay-to-play practices go back to 1994 when the federal Securities and Exchange Commission banned municipal underwriters from contributing to the campaigns of public officials. The latest round of measures aimed at political payola include tightening existing restrictions; requiring greater disclosure for public board members, including those serving on school and utility district boards; mandating competitive contracting for professional services contracts; and prohibiting the use of state funds to lobby government.

PRE-EMPTION: This is a legal doctrine that asserts federal law pre-empts state lawsuits based on tougher, state-enacted consumer-safety standards. When conflicts have arisen, federal judges have supported “pre-emption” in the name of uniform national rules. In its remaining weeks in office, the Bush administration is crafting federal regulations with “lawsuit-protection” language aimed at pre-empting product-liability litigation for a wide range of products. The likelihood of battles in the state legislatures to undo such pre-emptive rules is high.

IMMIGRATION: With the federal government pre-occupied with economic issues, this one is highly likely to once again fall to the states. In recent years, several have adopted their own policies, many of which place new restrictions on hiring undocumented workers and impose harsh sanctions against employers who fail to abide by them. Many states are expected to consider measures dealing with the federal E-verify system that cross-checks job applicants’ Social Security numbers to validate their eligibility to work in the United States.

Lawmakers will consider numerous other topics in 2009. We will examine several more of them in our December 15 issue.

— *State Net Staff*

Budget & taxes

DEMS PUSHING FOR ECONOMIC STIMULUS BY INAUGURATION DAY: U.S. House Speaker Nancy Pelosi (D-CALIFORNIA) said last week that she hopes to pass an economic stimulus package that includes aid to states by the time President-elect Barack Obama takes office next month or shortly thereafter.

Pelosi is “sympathetic to the need for infrastructure spending and helping the states with Medicaid,” a spokesman for the speaker said after she met with the chairman and vice chairman of the National Governors Association, PENNSYLVANIA Gov. Ed Rendell (D) and VERMONT Gov. Jim Douglas (R).

Pelosi placed the price tag for the stimulus package at between \$400 billion and \$500 billion. U.S. Senate majority leader Harry Reid (D-NEVADA) has said he expects a \$500 billion bill. But a spokesman for Reid said swift approval of such a large sum wasn’t up to Congressional Democrats alone.

“It depends on what we can negotiate with Senate Republicans,” he said. “The only way we’ll be able to get something done quickly is if we have negotiations that include

the House Democratic leadership, House and Senate Republicans and the president.”

That presents a few problems. Sen. Tom Coburn (R-OKLAHOMA), who has frustrated many of the Democrats’ previous stimulus proposals, said he would “insist that Congress

make a serious effort to offset a good portion of any new spending.”

“There’s nothing wrong with infrastructure projects if we take a Keynesian approach to stimulate the economy,” Coburn said. But Congress also has to eliminate tens of billions of dollars in government waste, he said.

Many economists, however, say trying to hold down spending or reduce the budget deficit could negate the benefits of any economic stimulus.

Another potential stumbling block is Coburn’s resistance to the idea of increasing the federal government’s share of Medicaid.

“The purpose of any legislation should be to stimulate the economy, not to bail out the states,” he said.

Gov. Douglas said states have been doing their part by paring down spending as their tax collections have declined, but the need for health care assistance is continuing to grow.

“We are not here with a tin cup,” he said.

Some say the states’ cost-cutting measures could actually make the national recession worse.

“The purpose of any legislation should be to stimulate the economy, not to bail out the states.”

“We are not here with a tin cup.”



“States are cutting their budgets, freezing hiring and delaying capital projects,” said Rep. Joe Hackney (D), speaker of NORTH CAROLINA’s House of Representative and president of the National Conference of State Legislatures. “This can accelerate the downturn in our national economy.” (NEW YORK TIMES)

SCHWARZENEGGER CHALLENGES EDUCATION FUNDING SYSTEM:

Twenty years ago CALIFORNIA voters approved an initiative — Proposition 98 — amending the state Constitution to require a minimum percentage of the state budget to be spent on K-14 education each year. The provision has been at the center of every state budget conflict since. But it has survived thanks to a powerful coalition of education interests, led by the CALIFORNIA Teachers Association, that has stood together in defense of the funding mandate while at the same time vying for shares of the pot. Last year its members split nearly \$16 billion among 69 programs — such as those for gifted children or those not proficient in English — each protected by its own set of spending restrictions. But among the array of new taxes and spending cuts Gov. Arnold Schwarzenegger (R) unveiled recently was a proposal to remove almost all constraints on these programs, known as “categorical aids,” as an offset to a \$2.2 billion reduction in K-12 aid. Local school boards and administrators, which have long struggled with categorical aid restrictions as they’ve sought to meet the state’s overall education accountability standards, may jump at the offer, threatening the solidarity that has made education funding inviolable in the Golden State (SACRAMENTO BEE).

BUDGETS IN BRIEF: The National Bureau of Economic Research confirmed last week that the United States has been in a recession since December of 2007, already making it longer than the average for all recessions since World War II. Private forecasters warned that the recession is likely to set a new postwar record for length and be more painful than any since the early 1980s (NEW YORK TIMES). • **CALIFORNIA** Gov. Arnold Schwarzenegger (R) declared a fiscal emergency last week and called lawmakers into a special session that he said won’t end until they agree on a plan to close the state’s \$11.2 billion budget hole. Unless the state takes immediate action, the governor said, it may run out of money by late February (SAN FRANCISCO CHRONICLE). • **WASHINGTON** Gov. Christine Gregoire (D) is

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: 10

Number of 2009 prefiles last week: 1,335

Number of 2008 Intros last week: 198

Number of 2009 Intros last week: 120

Number of bills enacted/adopted last week: 84

Number of 2008 prefiles to date: 21,674

Number of 2009 prefiles to date: 4,503

Number of 2008 Intros to date: 92,804

Number of 2009 Intros to date: 120

Number of bills enacted/adopted overall to date: 28,255

— Compiled By JAMES ROSS
(measures current as of 12/02/2008)
Source: State Net database



considering \$2.75 billion in cuts to state programs and services — including \$1.3 billion to public schools — to help close a projected \$5 billion-and-growing hole in the next two-year state budget (SEATTLE TIMES). • **NEW JERSEY** Gov. Jon Corzine (D) signed legislation last week directing \$64 million in state and federal funding into foreclosure prevention and neighborhood stabilization efforts (ASBURY PARK PRESS). • **IDAHO** Gov. Butch Otter (R) has ordered 3 percent (\$81.7 million) in additional cuts to the current-year state budget, on top of the 1 percent (\$27.1 million) in cuts he ordered in September. The governor also ordered state agencies to prepare for another 2 percent in possible future cuts (SPOKESMAN REVIEW [SPOKANE]). • Highway officials in 27 states estimate they now have close to \$32 billion in “ready-to-go” infrastructure projects for inclusion in economic stimulus legislation now before Congress — nearly twice the \$18 billion specified in a bill passed by the U.S. House in October. James Horsley, president of the American Association of State Highway and Transportation Officials, said he expects the \$32 billion figure to jump considerably, once the other 23 states report in (CQ POLITICS).

— Compiled by *KOREY CLARK*

Politics & leadership

GOP WINS US SENATE RUNOFF IN GA: Democrats lost their shot at a filibuster-proof majority in the U.S. Senate when Sen. Saxby Chambliss (R-GEORGIA) defeated Democratic challenger Jim Martin in a runoff election last week. The runoff had become necessary when no candidate emerged from last month’s general election with 50 percent of the vote. A Martin victory had always been a longshot in a state where no Democrat had won an open statewide seat in a decade. Martin had hoped to benefit from the excitement surrounding the candidate at the top of the ticket, but too few Democrats returned to the polls last Tuesday; Chambliss captured 57 percent of the vote. One other U.S. Senate contest — between incumbent GOP Sen. Norm Coleman and Democrat Al Franken in MINNESOTA — remained unresolved at press time, but the stakes there were much lower with a 60-seat Democratic supermajority no longer in the offing (ASSOCIATED PRESS).

SENATE SEAT SWEEPSTAKES HEATS UP IN NY: Now that U.S. Sen. Hillary Rodham Clinton’s (D-NEW YORK) nomination to the Obama cabinet is official, speculation over who Gov. David Paterson (D) will name to fill her seat in the Senate is starting to pick up. Among the names being tossed around as possible replacements is that of former President Bill Clinton. That way, some point out, New Yorkers could keep right on saying “Senator Clinton” without missing a beat. Others, more for comedy’s sake than anything else, have proposed former Gov. Eliot Spitzer,



who, they reason, does know Washington – or at least some of its hotel rooms. The legitimate frontrunner, however, appears to be the state’s popular Attorney General, Andrew Cuomo. His appointment would have the added benefit for Gov. Paterson of removing a potential rival should he seek reelection in 2010. If Cuomo does end up going to the Senate, he will join several others in the state who hold elected statewide offices they haven’t actually been elected to. Paterson moved from lieutenant governor to his current post after Spitzer resigned. Former state Assemblyman Thomas DiNapoli was appointed State Comptroller following the resignation of Alan Hevesi. In fact, if Cuomo goes to the Senate and the Legislature appoints a replacement for him, there will only be one statewide official in the Empire State who was elected: U.S. Sen. Charles Schumer (D). (NEW YORK TIMES)

– *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:

- **Coping with Recession**
- **No Child Left Behind**
- **A view from Europe**

Governors

OBAMA PROMISES GOVS A BOTTOM-UP RECOVERY PLAN: President-elect Barack Obama told a collection of the nation’s governors last week that his administration would move quickly to implement an economic recovery plan to help states through one of the worst economic downturns since the Great Depression.

Speaking to the 48 governors in attendance at the annual National Governors Association meeting in Philadelphia, Obama reiterated a recent call to design a stimulus package that saves or creates 2.5 million jobs, cuts taxes on the middle class and ultimately paves the way for long-term economic reform. The president-elect also made it clear he wants input from those governors to help make that happen.

“I’m not simply going to ask our nation’s governors to help implement our economic recovery plan. I will ask you to help design that plan,” he said. “Because if

“To solve this crisis and to ease the burden on our states, we need action — and action now.”

we’re listening to our governors, we’ll not only be doing what’s right for our states, we’ll be doing what’s right for our country. That’s how we’ll grow our economy — from the bottom-up. And that’s how we’ll put America on the path to long-term prosperity.”

Obama said he would make a stimulus package a priority, noting that “To solve this crisis and to ease the burden on our states, we need action — and action now.”

Obama's appearance at the NGA meeting came one day after PENNSYLVANIA Gov. Ed Rendell (D) and VERMONT Gov. James Douglas (R) met with Congressional leaders to urge them to pass a stimulus package for struggling states as soon as possible. The NGA is after at least \$136 billion of federal funding to help states pay for infrastructure projects they say have already earned regulatory approval and just need funding to "put the shovels in the ground." Rendell said at least 70 percent of those projects involve transportation infrastructure like roads and bridges, but said states also need money for public safety improvements, port expansions and renewable energy projects.

CALIFORNIA Gov. Arnold Schwarzenegger (R) noted that the his state has already pledged \$42 billion for infrastructure upgrades, and hopes that commitment will inspire the federal government to follow suit across the country. Schwarzenegger said that with matching federal funds, the \$136 billion in state-level infrastructure improvements could be started within months of the Obama administration taking office, creating tens of thousands of jobs.

David Quam, director of federal relations for the National Governors Association, did not share Schwarzenegger's optimism. Quam said many of the state projects in question would take up to 24 months, with less than half of them — about \$57 billion worth — ready to go within 120 days, the time frame set in a stimulus bill that passed the House in September. An Obama aide said money dedicated to infrastructure should be spent within 24 months, not devoted to projects just getting underway at the end of 2010.

While the bulk of the governors in attendance voiced support for Obama's proposal, they were also not unanimous in backing the stimulus plan. SOUTH CAROLINA Gov. Mark Sanford and ALASKA Gov. Sarah Palin, both Republicans, said they were philosophically opposed to any plan that would increase the federal deficit, even if it was intended to stimulate the economy. Many of the nation's current economic problems, they contend, were created by fiscal irresponsibility.

"Can we indeed solve the problems that were ultimately created by too much debt by adding more debt?" Sanford asked. "There are legitimate questions...about whether this indeed will make a difference."

Obama countered that most economists have publicly said that concerns about debt should be secondary to the need to generate economic growth with a stimulus package. Rendell emphasized that point by asking if any governor was willing to forgo federal dollars in order to help reduce the deficit. In what may have been the meeting's only moment of absolute unanimity, not a single one volunteered. (NEW YORK TIMES, CHRISTIAN SCIENCE MONITOR, WASHINGTON POST, WALL STREET JOURNAL)

RICHARDSON TO HEAD COMMERCE DEPT: President-elect Barack Obama plucked another Democratic governor from office last week when he tabbed NEW MEXICO Gov. Bill Richardson to serve as commerce secretary. Richardson,



the nation's only Hispanic governor, previously served as energy secretary and ambassador to the United Nations under former President Bill Clinton. With his departure, NEW MEXICO Lt. Gov. Diane Denish (D) will become the state's first female governor. The Commerce Department oversees numerous federal agencies and task forces, including the Bureau of Economic Analysis, which tracks the gross domestic product; the National Institute of Standards and Technology, which conducts basic research; and the National Oceanic and Atmospheric Administration. It will also oversee the 2010 census. (ASSOCIATED PRESS, WALL STREET JOURNAL)

<p style="text-align: center;">Upcoming elections 12/3/2008 - 12/24/2008</p> <p>12/06/2008 Louisiana Special Primary Senate District 3 US House (Congressional Districts 2 & 4)</p> <p>12/16/2008 Texas Special Runoff Senate District 17 (Kyle Janek)</p>

PATRICK CUTS USE OF STATE VEHICLES: Over 100 MASSACHUSETTS state workers are set to lose their government vehicles under reforms announced last week by Gov. Deval Patrick (D). The governor said he is also cutting the amount of time MassHighway workers can use another 150 so-called "seasonal" take-home vehicles such as trucks and snowplows. Beginning in January, Bay State public employees will have to use their vehicles for a minimum of 15,000 miles a year on state business in order to justify taking home a car. The reduction represents a 20 percent decrease in the current number of state workers who regularly use state-owned vehicles to commute to and from their jobs. (BOSTON HERALD)

NAPOLITANO RE-SHUFFLES AZ POLITICAL LANDSCAPE: The imminent departure of ARIZONA Gov. Janet Napolitano (D) to serve as the director of the federal Department of Homeland Security under President-elect Barack Obama is reshuffling the state's emerging 2010 gubernatorial race. ARIZONA Secretary of State Jan Brewer, a Republican, will take over for Napolitano once she officially resigns, which will not likely come until late January of next year. Brewer is expected to seek re-election in 2010, which will undoubtedly force some of the other anticipated GOP candidates to reconsider whether they want to challenge her. Among the Republicans already being mentioned are U.S. Transportation Secretary Mary Peters, state Treasurer Dean Martin, former ARIZONA Senate President Ken Bennett and former state Republican Party Chairman John Munger. Two-term state Attorney General Terry Goddard appears to be the leading Democratic contender for the job. Napolitano, meanwhile, said she plans to continue on with her duties, including presiding over a special legislative session to deal with a growing budget shortfall and submitting a budget proposal for next year. In a somewhat odd turn of events, she also plans to deliver a State of the State address next month even though she likely won't be in office to carry out that agenda. (ARIZONA REPUBLIC [PHOENIX], ARIZONA DAILY STAR [TUCSON])



EXECUTIVE ORDERS: NEW JERSEY Gov. Jon Corzine (D) issues EO 126, which creates within the Department of Community Affairs the Interagency Council on Preventing and Reducing Homelessness, which is tasked with developing “findings and recommendations for preventing and reducing homelessness, ending chronic homelessness and improving services to individuals and families who lose their housing” (STATE NET).

In case you missed it

Medical errors cost thousands of lives and billions of dollars in the U.S. each year. As reported in the Nov. 24 issue of SNCJ, the feds have cut off payments to hospitals for fixing those flubs, and states are now looking to do the same.

In case you missed it, the article can be found on our Web site at http://www.statenet.com/capitol_journal/11-24-2008/html

GOVERNORS IN BRIEF: In an effort to avoid a potentially embarrassing court fight, **NEW JERSEY** Gov. Jon Corzine (D) paid \$362,500 to the brother-in-law of his former girlfriend. The man had threatened to sue the millionaire governor for allegedly renegeing on a promise to find him a private-sector job (STAR-LEDGER [NEWARK]). • **FLORIDA** Gov. Charlie Crist (R) announced last week that several Sunshine State banks have voluntarily agreed to delay filing new foreclosure petitions in court or scheduling additional foreclosure sales for homesteaded properties for the next 45 days. Crist had originally sought to set a 90-day moratorium on foreclosures, but ultimately determined that he did not have the authority to do so. Crist did not reveal which banks, or even how many, would honor the agreement (ST. PETERSBURG TIMES). • **HAWAII** Gov. Linda Lingle (R) announced a plan to make the Aloha State the blueprint for U.S. electric car use. Under an agreement with the **CALIFORNIA**-based company Better Place, the state will collaborate on building up to 100,000 charging stations and an undecided number of battery-swapping locations. The deal also includes possible state incentives for thousands of electric car buyers to be rolled out in the next several years, while Better Place will buy power from new incremental renewable power projects on long-term contracts to match the number of cars being put on the road. In turn, customers would pay up to 8 cents a mile to purchase electricity through Better Place under a subscription plan similar to that of a cell phone contract (HONOLULU STAR BULLETIN).

— *Compiled by RICH EHISEN*

Hot issues

BUSINESS: In an effort to combat neighborhood blight, **PENNSYLVANIA** Gov. Ed Rendell signs HB 2188, legislation that will allow a court-appointed conservator to assume control of a neglected property in order to renovate it. Under the new law, which takes effect in February 2009, property owners will

be given fair notice about the conservatorship proceeding and be given a chance to upgrade their property. If they fail to respond, the court can appoint a conservator — in most instances, a nonprofit group or redevelopment authority — to take control of the property (PHILADELPHIA INQUIRER). • **NEW JERSEY** Gov. Jon Corzine (D) signs AB 3459, a measure that directs \$64 million in state and federal funding to foreclosure prevention and neighborhood stabilization efforts across the Garden State. Approximately \$12 million of that will be utilized in the form of grants to certified counseling agencies that will help homeowners work with lending institutions to restructure their mortgages (ASBURY PARK PRESS).

CRIME & PUNISHMENT: PENNSYLVANIA Gov. Ed Rendell (D) signs 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 (WALL STREET JOURNAL). • Still in **PENNSYLVANIA**, Rendell lifts a two-month moratorium on paroling violent offenders after a consultant’s report indicates that the Keystone State’s procedures for releasing inmates are largely sound (PHILADELPHIA INQUIRER). • **OHIO** officials cancel an order for 700 alcohol breath-testing machines from a **KENTUCKY** company after newspaper reports indicated that the accuracy of the testing equipment is being challenged in court in **FLORIDA**, **ARIZONA** and **MINNESOTA**. Buckeye State officials will reconsider the matter later this month (CLEVELAND PLAIN DEALER).

EDUCATION: The top education official in **MICHIGAN** approves a plan by the Detroit Public School system to slash spending by \$173 million this fiscal year. State Superintendent of Public Instruction Mike Flanagan called the agreement a “last and final opportunity” for DPS to get its finances in order or face the appointment of a manager to take over the school system’s \$1.1 billion budget (DETROIT FREE PRESS).

ENVIRONMENT: The **CALIFORNIA** Department of Fish and Game agrees to stop stocking fish reared in hatcheries in Golden State lakes and streams where the practice threatens 16 native fish and nine native frog species. The decision came in response to a lawsuit filed by environmental groups seeking to end the practice (SACRAMENTO BEE). • A federal judge says that **OREGON**, **WASHINGTON** and **IDAHO** may, as a last resort, begin killing as many as 85 sea lions annually for five years. State wildlife officials claim the mammals repeatedly prey on salmon and steelhead in the Columbia River, threatening billion-dollar efforts to save and restore those fish populations. Environmental groups say they will appeal the decision (OREGONIAN [PORTLAND]).



HEALTH & SCIENCE: The **CALIFORNIA** Supreme Court rules that a person who supplies marijuana to a patient who has a doctor’s approval for it can still be prosecuted for dealing drugs. The ruling limits the ability of medical marijuana patients to obtain the herb from anywhere other than through a licensed patient cooperative (**SAN FRANCISCO CHRONICLE**). • Citing a lack of funding, the **ILLINOIS** Department of Children and Family Services stops drug testing applicants for child welfare jobs with the state. The screenings were mandatory for anyone who would be working directly with children, but agency officials say they no longer have the money to pay for the testing (**CHICAGO TRIBUNE**).

SOCIAL POLICY: A **FLORIDA** judge rules that a state law blocking same-sex couples from adopting children is unconstitutional. The court declared that there was no legal or scientific reason for sexual orientation alone to prohibit gay couples from adopting. The Sunshine State is the only one in the nation to enforce a total ban on gays adopting children. The state says it will appeal (**ASSOCIATED PRESS**).

– *Compiled by RICH EHISEN*

Once around the statehouse lightly

THE HOUSE THAT WE BUILT: Haters of the New York Mets have undoubtedly taken great joy in seeing the former Amazin’s choke on late season leads and finish out of the playoffs in each of the last two seasons. But the boys from Gotham may yet have the last laugh. That is because banking giant Citigroup long ago inked a 20-year, \$400 million deal to have the team’s new stadium bear the company’s name. Yes, that would be the same Citigroup that recently came perilously close to its own late-inning collapse, putting it in line for a \$20 billion taxpayer-funded federal bailout. Now, as the Associated Press reports, New York City Council members Vincent Ignizio and James Oddo are pitching a new idea: Citigroup should acknowledge the public’s largess by naming the team’s new digs Citi/Taxpayer Field. The team and the bank have so far balked at the idea.

BENITO’S BOUNTY: As you might imagine, the name Benito hasn’t been real popular in Italy for the last half century. That may soon change, however. As Reuters reports, the Italian political party MSI-Fiamma Tricolore is offering 1,500 euro (\$1,930) to parents who name their babies after notorious fascist dictator Benito Mussolini or his wife Rachele. MSI-Fiamma Tricolore, which is a descendant of

Mussolini's fascist party of the 1930s and 1940s, says it is offering the cash because Benito and Rachele "are nice names" under threat of extinction. It's just a guess, but that might have something to do with the fact that Mussolini pushed Italy into World War II on the side of Hitler's Nazi Germany, a move that led to the nation's rapid and humiliating defeat at the hands of Allied forces...and Mussolini's execution by his own countrymen.

FIDO IS FINI: Oregonians definitely love their dogs, so much so that it has become a long-standing tradition for Beaver State lawmakers to bring their hounds along with them to their statehouse offices. Even Gov. Ted Kulongoski has gotten into the act, often conducting press conferences accompanied by Hershey, his shepherd mix. But as the *Oregonian* reports, the pooch parade may soon be over. With the statehouse having just received a \$34 million makeover, including new carpets and couches for each office, a move is now under foot to ban all but certified service dogs from the Capitol halls. While some have lamented the canine crackdown, others are rejoicing over an end to what they see as a "frat house" atmosphere. There's no word yet on what the dogs think about all this.

BACK OFF PALIN: While most Republicans view ALASKA Gov. Sarah Palin favorably these days, U.S. Senator Lisa Murkowski (R-ALASKA) probably wishes that "Sarah Barracuda" would just go away. As *Politico* reports, Murkowski has bridled at the idea of Palin challenging for her Senate seat in 2010, a move many see as a potential stepping stone to a Palin presidential bid two years later. Murkowski has also made it clear that she won't just roll over for Palin, guaranteeing it would be "a very tough election." For Murkowski, such talk is more than just politics, it is also personal. Palin defeated her father, former ALASKA Gov. Frank Murkowski, in the GOP gubernatorial primary in 2006. Palin has since crowed about breaking up the Last Frontier's "old boys" network, a clear dig at the elder Murkowski. Stay tuned.

DEFICIT ATTENTION DISORDER: You have to wonder if the denizens under the Capitol dome in CALIFORNIA are taking this whole budget deficit thing seriously. As the *Sacramento Bee* reports, more than a dozen lawmakers skipped out on the emergency special session Gov. Arnold Schwarzenegger called last month to deal with the state's gaping budget shortfall, estimated to be as high as \$27 billion. Most of those absent — including the Assembly Speaker, the chairwoman of the Senate Budget Committee and several members of the Assembly Budget Committee — were trundling around India, China, Hawaii and other exotic locales on fact-finding missions, while others were simply taking a vacation. To add insult to injury, the *Bee* reported last week that more than 200 Capitol staffers received pay hikes this year, with 16 of those raises going to employees already making more than \$100,000 annually.

— By RICH EHISEN



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