

March 23, 2009

Tug o' War



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The next issue of Capitol Journal will be available on April 6th.

Top Story

The federal government is pouring billions of dollars into the states, but state tax hikes and other actions may blunt that effort's ability to alleviate the recession.

SNCJ Spotlight

Struggling with the stimulus

Government often takes with one hand what it gives with the other. That's particularly notable in this current Great Recession, where the federal government is pouring money into hard-pressed state and local governments, which in turn are reducing work forces and raising taxes to make up for plummeting revenues. In most cases they have

A Cannon Perspective



With Lou Cannon



no alternative, since all states except VERMONT are legally required to balance their budgets. Nonetheless, tax increases and layoffs reduce purchasing power, which undermines the Obama administration's effort to alleviate the recession with a massive increase of government spending.

CALIFORNIA provides an extreme example. Governor Arnold Schwarzenegger (R) and legislative leaders recently ended months of fiscal crisis with a plan — “either a grand compromise or a Faustian bargain,” as a state official said anonymously — to resolve a two-year \$42 billion deficit with a mix of spending cuts, tax increases, and borrowing. The plan includes a one-cent increase in state sales taxes and income tax surcharges that could bring in as much as \$3.6 billion. In NEW YORK, NYC Mayor Michael Bloomberg wants to boost the sales tax by a half cent

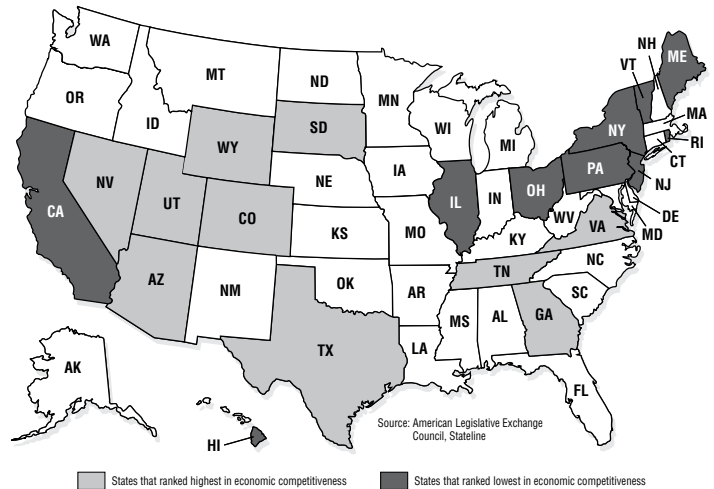
to raise \$900 million. In NEW JERSEY, Gov. Jon Corzine (D) has proposed an added wrinkle in so-called “sin” taxes — increases on liquor, wine, and cigarettes — and the income of residents earning more than \$500,000. Things are so bad in ILLINOIS that Gov. Pat Quinn (D) quipped that he was hoping for “divine intervention,” but has proposed a 50 percent income tax increase instead.

Such measures, when added to hefty job layoffs in state and local government, will offset some of the benefits of the American Recovery and Reinvestment Act of

“The year after the recession ends is usually the most difficult for states.”

2009, the formal name of the \$787 billion stimulus bill that is the centerpiece of President Barack Obama's economic plan. In many states, the belt-tightening has just begun. The National Council of State Legislatures estimates the unresolved budget gaps for the 2010 fiscal year at \$84 billion, nearly a third of the \$250 billion that states will receive from the Recovery Act. Raymond Scheppach, executive director of the National Governors Association,

Bird's eye view



Utah tops economic competitiveness rankings

For the second year in a row, UTAH is the “richest” state in the nation, according to the American Legislative Exchange Council's latest analysis of state economic competitiveness. The state's flat-rate personal income tax, low minimum wage and “right-to-work” laws helped it hold onto the top spot in the 2009 Rich States, Poor States: ALEC-Laffer Economic Competitiveness Index. The limited-government group ranked NEW YORK as the least competitive state, due to its “predatory tax policy,” including Gov. David Paterson's (D) proposed 4 percent sales tax on downloaded music and 18 percent tax on soda drinks (both of which he dropped last week).



The percentage of such homeowners is 30 percent in ARIZONA, CALIFORNIA and FLORIDA and 40 percent in MICHIGAN. In NEVADA, 55 percent of homeowners are under water.

Of all the numbers, the unemployment statistics are most compelling. The Obama administration's budget — perhaps the rosier since budget director David Stockman was doing fanciful forecasts for the Reagan administration three decades ago — projects 8.1 percent unemployment for all of 2009. It's already at that level and climbing. The United States has lost 4.4 million jobs since 2007 and 600,000 jobs a month for the past three months. Unemployment is likely to exceed 10 percent this year; a study by Carmen Reinhart of the University of Maryland and Ken Rogoff of Harvard suggests that the jobless rate could eventually reach 12 percent.

In this context, as states struggle to balance their budgets, some of them are also seeking to broaden the ground rules of the Recovery Act. The \$250 billion for the states includes \$87 billion that increases for two years the federal share of Medicaid, which provides health care for the poor and tends to rise in tandem with unemployment. The Recovery Act contains a provision requiring that the level of Medicaid aid be maintained at the level of July 1, 2008, but states are searching for loopholes that could in fact dilute Medicaid. Some states, such as VIRGINIA and KENTUCKY, plan to use the Medicaid funds to balance their budgets and prevent layoffs in other areas. KANSAS is considering setting aside a portion of this money in a "rainy day" fund, an action that could provoke a legal challenge.

As for the use of the rest of the Recovery Act money, apart from \$48 billion earmarked for transportation, states have been given considerable flexibility in how they will spend it. About the only thing that's certain at this point is that all but a handful of well-off states will need to revise their budgets in 2009 and probably in 2010 as well. In the process it's important that they strive to avoid taking away — through tax increases and excessive layoffs — what the federal government has given.

—Lou Cannon

Budget & taxes

THE CASE AGAINST TAXING OUT OF RECESSION: Last week, the American Legislative Exchange Council released its second annual analysis of state economic competitiveness: *Rich States, Poor States*. The main thrust of the report is an advancement of the conservative group's argument that states should balance their budgets without raising taxes, especially given the current economic crisis. Now more than ever, "states need to be doing everything they can to become more competitive, not less," the report states.

irresponsibility, worsen the federal government's fiscal health and ultimately do little for American taxpayers.

As Brian Riedl of The Heritage Foundation put it last October, the report states: "Hiking federal taxes to keep state taxes from rising is like running up your VISA card to keep the MasterCard balance from rising. Either way, you'll pay. All that changes is where you send your payment." (AMERICAN LEGISLATIVE EXCHANGE COUNCIL)

TWO STATES FALL VICTIM TO INVESTMENT SCAM: Shortly after Bernard Madoff was arrested in December for bilking investors of billions of dollars, IOWA's public pension fund managers received a letter from WG Trading Company, based in CONNECTICUT, assuring them that the \$339 million they'd entrusted to WG was safe from any Madoff-like shenanigans.

"Our holdings are totally transparent," the letter stated. "Our auditor...confirms the balance sheet, the income statement and all cash flows. As a result, the returns are real."

It turns out WG's returns were about as real as Madoff's. WG's owners, Paul Greenwood and Stephen Walsh, were arrested last month for allegedly using tens of millions of dollars of the money they managed for IOWA, NORTH DAKOTA and other investors to buy themselves rare books, horses and Manhattan apartments. They treated investor money "as their own piggy bank to lavish themselves with expensive gifts" said Stephen Obie, acting director of the Commodity Futures Trading

Commission's enforcement division.

Pension officials in IOWA and NORTH DAKOTA are unsure how much money their retirement funds will lose. The \$339 million IOWA gave Westridge Capital Management, another company owned by Greenwood and Walsh, to invest

represents about 2 percent of the state's public retirement fund portfolio, which had \$18 billion in assets at the end of 2008. NORTH DAKOTA had \$161 million invested with Westridge, but has recovered \$23 million since demanding that the company return its money last month. The remaining \$138 million represents about 3 percent of the state's retirement portfolio.

The director of NORTH DAKOTA's Retirement and Investment Office, Steve Cochrane, and his counterpart in IOWA, Karl Koch, have defended their decision to retain Westridge. In an interview, the two said numerous audits conducted before the states retained the company had failed to raise suspicion because the company's investment returns generally followed market trends, gaining and losing money when the market as a whole did. In fact, a report from the consulting firm Callan Associates to NORTH DAKOTA officials stated that federal oversight of WG Trading "provides comfort that there is very little probability of large losses resulting from fraud or malfeasance."

"Hiking federal taxes to keep state taxes from rising is like running up your VISA card to keep the MasterCard balance from rising."



“I definitely think, unless you bury the money in the backyard with armed guards, the chances of fraud being committed exists,” Cochrane said. “It’s a risk of doing investing.” (STATELINE.ORG)

MA SEEKING SECOND BIG HEALTHCARE CHANGE: Having survived the enrollment flood that nearly capsized it — thanks to taxes and fees imposed last year — MASSACHUSETTS’ pioneering subsidized health insurance program

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now faces a new threat. Government and industry officials say the program will fail within the next 5 to 10 years unless something is done to stop the runaway cost of healthcare. The Bay State’s governor, Deval Patrick (D), and a high-level commission are working on a solution health policy experts say would be as bold as universal coverage: revamp

the way insurers pay physicians and hospitals to reward prevention and the effective control of chronic disease instead of the quantity of care, as the current systems does. A recommendation for the Legislature is expected by late spring. (NEW YORK TIMES)

STATES AND CITIES TURNING TO USER FEES: Money from the federal stimulus plan is bolstering state budgets, but it’s not going to be enough to close all of the gaps. So state and local governments are looking to another source of quick cash: user fees.

This month, COLORADO, which faces a \$600 million budget shortfall and can’t raise taxes without a statewide vote, raised fees for car registrations and rental cars.

“There has been a blizzard of fees,” said COLORADO Senate Minority Leader Josh Penry (R). “The state is balancing its budget by knocking the budgets of families...out of balance.”

The speaker of the state’s House, Terrance Carroll (D), countered that the state has already cut \$300 million from the budget, and most people understand that the fees are necessary.

“The common good requires certain sacrifice,” he said.

Some of the fees, however, look like they would be pretty unpopular. For instance, the town of Ware, MASSACHUSETTS is planning to impose a \$5 fee on every child who enrolls in Little League, youth soccer or other team sports. And Pontiac, ILLINOIS is considering charging accident victims who have to be extricated from their cars \$300.

But for many cities and states struggling to replace their dwindling sales and property tax revenues, raising fees is much more palatable than hiking income and

sales taxes, said Bert Waisanen, a fiscal analyst for the National Conference of State Legislatures (USA TODAY).

BUDGETS IN BRIEF: MISSOURI has laid claim to the title of first project financed with federal stimulus money: the repair of a bridge in the heart of the state, which got under way on Feb. 17, the same day the stimulus bill was signed into law by President Obama. **NEBRASKA** and **MARYLAND**, meanwhile, have each insisted they were the first state to receive official approval for a stimulus project from the federal government. And **CALIFORNIA** claimed last week that the trail work it has begun in the San Bernardino National Forest was the first to actually involve the use of shovels (NEW YORK TIMES). • In his first major public address since replacing impeached former Gov. Rod Blagojevich (D), Gov. Pat Quinn (D) asked lawmakers to raise the income tax 1.5 percent (to 4.5 percent) to help close the state's \$11.5 billion budget deficit. He also called for a \$1-per-pack increase in the cigarette tax, higher business taxes and higher car registration and driver's license fees, as well as a cap on government spending and an overhaul of the state pension system (ASSOCIATED PRESS). • On a 35-0 vote, the **ARKANSAS** Senate gave final approval last Tuesday to a 1-percent cut in the state sales tax on groceries (SB 88), after concurring with a House amendment making all 100 of that chamber's members cosponsors of the bill. Gov. Mike Beebe (D) signed the bill into law the following day (ARKANSAS NEWS BUREAU). • The budget **CALIFORNIA** finally passed a few weeks ago to close a \$42 billion gap through 2010 is already \$8 billion in the hole due to rising unemployment and falling consumer spending, the state's nonpartisan Legislative Analyst reported last week (SACRAMENTO BEE). • State economists in **FLORIDA** issued a revised budget forecast last week, projecting a \$1.5 billion budget shortfall this fiscal year and a \$2.3 billion deficit next year (TALLAHASSEE DEMOCRAT).

— Compiled by **KOREY CLARK**

Upcoming elections

3/19/2009 - 4/9/2009

03/24/2009

California Special Primary
Senate District 26 (Ridley-Thomas)

Connecticut Special Election
House District 15

03/31/2009

New York Special Election
US House (Congressional District 20)

04/04/2009

Louisiana Special Election
Senate District 16

Louisiana Special Primary
House District 97

04/07/2009

Illinois Special
US House (Congressional District 05
(Rahm Emanuel))

Politics & leadership

SCHWARZENEGGER REPRISING REFORMER ROLE: Four years ago, CALIFORNIA Gov. Arnold Schwarzenegger (R) asked voters to approve a slate of major government reform initiatives. All of them were rejected. But although Schwarzenegger wasn't telling voters at the time "I'll be back," maybe he should have been.

The governor has proposed several new reform measures, including a cap on government spending and a freeze on elected officials' salaries in years when there is a budget deficit, part of a package of six initiatives that will go before the voters in May.

Schwarzenegger has characterized the measures as "the agreement that ends the current budget deficit" and "changes our approach to budgets in the future."

Some appear to be quite pleased with the new effort.

"This is the best he has done in the past five years as governor and really confronts the state's budget crises," said Tony Quinn, a political analyst based in Sacramento. "He is acting the very best as governor in confronting real problems. He is not playing Hollywood anymore. When he goes out and talks about this stuff, he's not being bombastic.... He is talking in much more serious tones."

But two powerful state organizations have voiced opposition to the proposals. One, the League of Women Voters of California, has long pushed for an overhaul

"Prop. 1A dwarfs all the others in importance. The rest are merely rearranging deck chairs on the Titanic."

of the state's budget process, but the group's president, Janis Hirohama, said the measures were "hurriedly drafted" and "will only make our fiscal situation worse." The other, the Howard Jarvis Taxpayers Association, only opposes one

of the measures, Proposition 1A, even though it would cap government spending, because it would also extend the \$16 billion tax increase approved as part of the state's recent budget deal from two years to four.

"Prop. 1A dwarfs all the others in importance," said Kris Vosburgh, executive director of the taxpayers' rights group. "The rest are merely rearranging deck chairs on the Titanic."

Vosburgh said the measure would only speed the flight of residents and businesses out of CALIFORNIA to more tax-averse states.

Some analysts believe Prop. 1A may, in fact, be Schwarzenegger's undoing because it might be perceived as an effort to sneak a tax by the voters.

"The governor has suggested that a vote to extend higher taxes for two additional years is not really a tax increase. Most people would disagree," said Jack Pitney, a political science professor at Claremont McKenna College. "The governor and legislators may think they're being clever, but such tactics could very well backfire."



Quinn and others think voters will either approve all six measures or reject them all because their provisions are all linked together. And if the latter happens, said Quinn, “I am absolutely convinced that the state will go into bankruptcy, like NEW YORK did in the 1970s.” (CHRISTIAN SCIENCE MONITOR)

Upcoming stories

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

- **Balance Billing**
- **Early Legislative Trends**
- **Data Mining**

POLITICS IN BRIEF: The Congressional Research Service — the nonpartisan research arm of Congress — released a report last week warning that the provision of the economic stimulus law authorizing state legislatures to accept stimulus funds refused by governors could be open to legal challenge on the grounds that it blurs the constitutional separation of powers between the executive and

“I am absolutely convinced that the state will go into bankruptcy, like New York did in the 1970s.”

legislative branches of state government (STATE [COLUMBIA]). • Former PENNSYLVANIA Sen. Vincent Fumo (D) was convicted last week of 137 corruption counts, including defrauding the Senate, a nonprofit and a museum of more than \$3.5

million, and destroying e-mail evidence. The once-powerful Democrat was indicted in 2007 (ASSOCIATED PRESS, PATRIOT-NEWS [HARRISBURG]).

— *Compiled by KOREY CLARK*

Governors

RICHARDSON ENDS STATE EXECUTIONS IN NM: Calling it “the most difficult decision in my political life,” NEW MEXICO Gov. Bill Richardson (D) signed legislation last week that eliminated capital punishment in the Land of Enchantment. The new statute replaces execution with life imprisonment without the possibility of parole.

Richardson, a long-time capital punishment advocate, said his own doubts over how the system works led him to sign the measure, HB 285, into law.

“Regardless of my personal opinion about the death penalty, I do not have confidence in the criminal justice system as it currently operates to be the final arbiter when it comes to who lives and who dies for their crime,” Richardson said.

The signing received a mixed reaction, with some capital punishment opponents hailing it as “a victory for civilization.” The American Civil Liberties Union called it “a historic step and a clear sign that the United States continues to make significant progress toward eradicating capital punishment once and for all.” But state police



officer’s groups condemned the signing, saying the threat of execution served as a deterrent against violence aimed at police and correctional officers. “I’m worried for our law enforcement officers who are out there courageously doing their job every night. We’ve lost a layer of protection and it’s a sad day in New Mexico,” said Bernalillo County Sheriff Darren White.

Richardson struggled mightily with the matter, making up his mind just hours before the deadline to either sign or veto the bill, and only after visiting the state penitentiary. While there, he viewed the institution’s death chamber and visited the maximum security unit where those sentenced to life-without-parole could be housed.

“My conclusion was those cells are something that may be worse than death,” the Democratic governor said at a news conference in the Capitol. “I believe this is a just punishment.”

NEW MEXICO becomes only the second state to legally ban executions since the U.S. Supreme Court reinstated the death penalty in 1976. NEW JERSEY did so in 2007. Fourteen other states currently do not impose capital punishment. (ASSOCIATED PRESS, SANTA FE NEW MEXICAN)

SPITZER ON AIG, ‘I TOLD YOU SO’: The ongoing uproar over \$165 million in performance bonuses being paid to executives at American International

“Now it is the flavor of the month. Everybody is jumping up and down serving subpoenas, beating their chests trying to be tougher than the next person.”

Group sparked a rare public appearance by former NEW YORK Gov. Eliot Spitzer (D) last week. The ex-governor has kept a very low profile since his dalliances with a high-priced hooker forced him from office in 2005, earning him the

dubious moniker of “Client Number 9.” But in a pair of interviews, Spitzer reminded people that his dogged, high profile pursuit of white collar criminals first garnered him another nickname: the “Sheriff of Wall Street.”

His primary target in those days, he recalled, was none other than AIG, which he says made every effort “from the very top to gin up returns whenever, wherever possible and to push the boundaries in a way that would garner returns almost regardless of risk.”

Spitzer seemed a bit disdainful of the current effort in Congress and at the state level to call AIG to task, inferring that things have now become a bit of political gamesmanship. “We pursued AIG and Wall Street’s structural failures in a way that others shied away from because it was politically unpalatable for them to address those issues,” he said. “Now it is the flavor of the month. Everybody is jumping up and down serving subpoenas, beating their chests trying to be tougher than the next person.” (ASSOCIATED PRESS, CNN.COM)



GOVERNORS IN BRIEF: The **NEW JERSEY** Supreme Court ruled that Gov. Jon Corzine (D) does not have to release e-mails he exchanged with his ex-girlfriend, who leads a public employee union. Republican Party leader Tom Wilson had sought a court order forcing Corzine to release the missives, while the governor cited executive privilege in order to keep them private. Although the ruling ends the legal challenges in the case, Garden State Republicans said they will continue pressuring Corzine to release the e-mails voluntarily (STARLEDGE [NEWARK], ASSOCIATED PRESS). • **CONNECTICUT** Gov. M. Jodi Rell (R) ordered the state’s consumer protection agency to subpoena documents as part of an investigative effort aimed at voiding taxpayer-funded bonuses to executives of AIG Financial Products, which is based in the Constitution State. Rell noted that AIG has cited a state law in justifying the use of federal bailout funds to pay the bonuses, and she wants to determine if the bonuses can be voided “as against public policy” under the Connecticut Unfair Trade Practices Act (HARTFORD COURANT). • **VIRGINIA** Gov. Tim Kaine (D) testified before Congress, urging it to support pending legislation that would officially recognize six VIRGINIA-based Native American tribes. The Old Dominion granted its recognition to the Chickahominy, Chickahominy Indian Tribe Eastern Division, the Upper Mattaponi, the Rappahannock, the Monacan Tribe, and the Nansemond Tribe in 1983, but Congressional recognition could make the tribes eligible for federal grants that could help with services from college scholarships to housing (RICHMOND TIMES-DISPATCH). • **ARIZONA** Gov. Jan Brewer (R) accused state lawmakers who oppose her proposed tax hike of being in “denial” of the severity of the Grand Canyon State’s fiscal crisis. Brewer says her proposed budget, which contains a temporary tax increase that would generate an estimated \$1 billion a year in new revenue, is necessary to help close a \$3 billion budget shortfall (ARIZONA REPUBLIC [PHOENIX]). • **WISCONSIN** Gov. Jim Doyle (D) has proposed that law enforcement in the state’s 11 largest counties compile data from traffic stops to determine whether racial profiling is occurring. Doyle made his proposal as part of his pending budget bill (MILWAUKEE JOURNAL SENTINEL).

— Compiled by *RICH EHISEN*

The week in session

States in Regular Session: AK, AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, HI, IA, ID, IL, IN, KS, KY, MA, MD, ME, MI, MN, MO, MS, MT, NC, ND, NE, NH, NJ, NM, NV, NY, OH, OK, OR, PA, RI, SC, SD, TN, TX, US, VT, WA, WI, WV

States in Recess: SD

States in Special Session: CA “c”

States in Veto Session: KY

States Currently Prefiling or Drafting for 2009: LA

States Projected to Adjourn: KY, NM

States Adjourned in 2009: UT, VA, WY

State Special Sessions Adjourned in 2009: AZ “a”, CA “a”, CA “b”, CT “a”, DE “b”, FL “a” IL 2007-08 Special Sessions “a”-“z”

Letters indicate special/extraordinary sessions

— Compiled By JAMES ROSS
(session information current as of 3/20/2009)
Source: State Net database

Hot issues

B **BUSINESS:** The **IOWA** House and Senate approve SF 364, which would require Hawkeye State mortgage lenders considering foreclosure to first notify homeowners that they can go to mediation to attempt to work out an alternate solution. The measure will now go to Gov. Chet Culver (D) for review (DES MOINES REGISTER). • A **CALIFORNIA** Workers' Compensation Insurance Rating Bureau recommends raising Golden State workers compensation insurance premiums by 24.4 percent. The Bureau's recommendation goes now to state Insurance Commissioner Steve Poizner (R) for review (SACRAMENTO BEE).

CRIME & PUNISHMENT: The **IOWA** House endorses SF 27, legislation that would prohibit making money from forcing a person of any age to do a live or public act meant to arouse sexual desire. It moves to Gov. Chet Culver (D) for review (DES MOINES REGISTER). • Still in **IOWA**, lawmakers endorse SF 237, which would require pharmacies to keep pseudoephedrine-based medicines in a locked cabinet away from public access. Purchasers of those products would also have to show photo identification and sign an electronic log book. The proposal, which is designed to combat the use of pseudoephedrine in the production of methamphetamine, goes to Gov. Culver for review (DES MOINES REGISTER). • **NEW MEXICO** Gov. Bill Richardson (D) signs HB 285, which abolishes capital punishment and replaces it with a life sentence without parole. The Land of Enchantment becomes just the second state — after **NEW JERSEY** — to ban executions since the U.S. Supreme Court reinstated the death penalty in 1976 (ASSOCIATED PRESS). • **ARKANSAS** Gov. Mike Beebe (D) signs HB 1716, which specifies that recovering a gambling loss or debt cannot be used as a defense against committing a violent crime. (ARKANSAS NEWS [LITTLE ROCK]). • Also in **ARKANSAS**, the House endorses HB 1473, which would require collection of DNA from people arrested on suspicion of capital murder, first-degree murder, kidnapping or first- or second-degree sexual assault. It is now in the Senate (ARKANSAS NEWS [LITTLE ROCK]).

EDUCATION: A federal court upholds a **TEXAS** law that requires public school students to observe a daily minute of silence in order to pray, reflect or otherwise remain quiet. The 5th U.S. Circuit Court of Appeals in New Orleans upheld a lower court ruling that said the law, which took effect in 2003, is constitutional because it expressly allows any silent use of that minute, whether religious or not (HOUSTON CHRONICLE). • **KENTUCKY** lawmakers give final approval to SB 1, which does away with the Commonwealth Accountability Testing System — known as CATS — and requires Bluegrass State education officials to devise new educational standards and a new test for the 2011-12 school year. The proposal is now with



Gov. Steve Beshear (D) for review (COURIER-JOURNAL [LOUISVILLE]). • The **DELAWARE** House approves HB 60, which would bar public schools from offering students food with more than 0.5 grams of artificial trans fatty acids. The proposal is now in the Senate (NEWS JOURNAL [NEW CASTLE-WILMINGTON]).

ENVIRONMENT: The **OREGON** House approves HB 2080, which would allow Beaver State residents to reuse certain types of household water, or gray water, for irrigation. The measure, which would exclude wastewater from soiled diapers and garbage, is now with the Senate (STATESMAN JOURNAL [SALEM]).

HEALTH & SCIENCE: The **NEW JERSEY** Senate unanimously approves SB 2471, a bill that would require Garden State medical officials to reveal the names of the hospitals responsible for committing “never events,” egregious mistakes like operating on the wrong body part or allowing or creating a blood infection following surgery. The measure is now with the Assembly (STAR-LEDGER [NEWARK]). • **ARKANSAS** Gov. Mike Beebe (D) signs SB 315, which establishes the framework for a system of trauma care facilities throughout the Razorback State. The state is expected to begin seeking applications from hospitals interested in participating in the trauma system by next month (ARKANSAS NEWS [LITTLE ROCK]). • Still in **ARKANSAS**, Beebe signs SB 239, which allows a physician or podiatrist to delegate some medical procedures to an unlicensed employee. (ARKANSAS NEWS [LITTLE ROCK]). • The **NEW MEXICO** Senate gives final approval to SB 278, which would make electronic medical records equivalent to paper records, require that patients give annual consent for their records to be included in the new system and allow them to request a report of who has accessed their medical information. The bill moves to Gov. Bill Richardson (D), who has said he will sign it into law (STATE NET, NEW MEXICO INDEPENDENT). • **SOUTH DAKOTA** Gov. Mike Rounds (R) signs HB 1240, which extends a statewide ban on smoking to nearly all public places, including bars and gambling halls. Beginning July 1, lighting up will be allowed only in motel rooms and a limited number of cigar bars and smoke shops (ARGUS LEADER [SIOUX FALLS]). • The **IOWA** Senate approves SF 389, a measure that would increase income limits for eligibility for public health insurance for children to 300 percent of poverty, or about \$64,000 for a family of four. It moves to the House (DES MOINES REGISTER).

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 Prefiles last week: 576

Number of Intros last week: 7,975

Number of 2009 Session Enacted/Adopted last week: 1,151

Number of Prefiles to date: 27,776

Number of Intros to date: 112,648

Number of 2008 Session Enacted/Adopted overall to date: 29,255

Number of 2009 Session Enacted/Adopted overall to date: 8,161

— Compiled By JAMES ROSS
(measures current as of 3/19/2009)
Source: State Net database



SOCIAL POLICY: The **NEW JERSEY** Assembly endorses AB 2844, which would create a statewide Silver Alert system for missing seniors, similar to the Amber Alert system to notify the public of a missing or abducted child. It is now with the Garden State Senate (STATE NET). • The **MARYLAND** House approves HB 317, which also would create a Silver Alert system in the Old Line State. It moves to the Senate (STATE NET).

POTPOURRI: The **KANSAS** Senate approves HB 2143, which would hike the Sunflower State’s age for an unrestricted driver’s license from 16 to 17. The measure would also, among several other things, bar motorists under age 17 from getting behind the wheel at night without an adult in the car or using a cell phone while driving. It moves to Gov. Kathleen Sebelius (D) for review (WICHITA EAGLE). • **ARKANSAS**, Gov. Mike Beebe (D) signs SB 309, which bars motorists under 18 from driving between 11 p.m. and 5 a.m., except for work, school or emergencies. The new law also prohibits those younger than 18 from driving with more than one unrelated passenger younger than 18 unless accompanied by a licensed driver who is at least 21 and occupying the front passenger seat (ARKANSAS NEWS [LITTLE ROCK]). Still in **ARKANSAS**, a Senate panel rejects SB 29, a bill that would have required motorcyclists to wear a helmet or carry at least \$10,000 in health insurance (ARKANSAS NEWS [LITTLE ROCK]).

— Compiled by *RICH EHISEN*

Once around the statehouse lightly

AND STAY OUT: For the last 50 years, reporters assigned to the daily machinations of ARIZONA government have worked in the same building as the men and women they cover. Those days, however, are fast drawing to a close. As the *Arizona Capitol Times* reports, reporters are being given the boot so that the Republican majority can use their current digs as a meeting room. This isn’t a surprise as lawmakers informed scribes last year that they would not be renewing their lease on the space. But last week, Senate Majority Leader Bob Burns informed reporters that, contrary to what most people thought would happen, he also has no interest in letting them move into the adjacent Old Capitol building either. In a thick, meaty slice of irony, Burns’ proclamation came during a presser commemorating the kickoff of “Sunshine Week,” a national effort to raise awareness about the importance of open government.



SLOGAN WARS: Amidst great fanfare, WISCONSIN Gov. Jim Doyle introduced his state’s brand spanking new slogan last week. The new ditty, “Live like you mean it” replaces the old one, “Life’s So Good,” as the state’s all-encompassing promotional pitch. Unfortunately, as the Associated Press reports, that makes life not so good for a whole group of companies, authors and motivational gurus who already use the phrase to promote their own wares. While reaction from some folks has ranged toward litigation, Beverly Sastri, a CONNECTICUT personal development trainer who uses the term as the title of a program she hawks, has what she sees as a more constructive idea. Sastri says that rather than legal action, she would like the state to make her its “official” personal development trainer. Doyle has yet to respond.

In case you missed it

Federal stimulus dollars are starting to flow into the states, but as we noted in the March 16 issue of SNCJ, with that cash has also come new statehouse battles over just how that money should be spent.

In case you missed it, the article can be found on our Web site at http://www.statenet.com/capitol_journal/03-16-2009/html

LET THEM EAT CAKE: No, really, let them eat cake. Or doughnuts, or whatever the heck else they want say seniors living in Ashburnham, MASSACHUSETTS. As the *Worcester Telegram & Gazette* reports, Francis “Bill” Johnson, who chairs the town’s Council on Aging, recently suggested they stop spending money on doughnuts and pastries for the Ashburnham Senior Center’s morning coffee club. As Johnson sees it, buying seniors the sugary treats only encourages them to have unhealthy eating habits, not a good thing in a population which already has significant health issues. That drew a rebuke from 66-year-old board member Lorna Fields, a frequent Center attendee, who suggested that folks there are not interested in “carrot sticks and stuff.” Another coffee klatch member, 67-year-old Betty A. Bushee, was more blunt, saying “I don’t think they have a right to tell us we cannot have stuff like that.” A final decision is pending.

FREDDY KREUGER SLEPT HERE: Although Jackson County, MICHIGAN is home to a number of prison camps that allow inmates to work in unfenced fields, the county fathers want visitors to not be afraid when entering their community. So, as the *Detroit Free Press* reports, they plan to ask the state to remove road signs warning motorists not to pick up hitchhikers. State corrections officials posted the markers back in the 1980s after a number of escapes from the area camps, but local authorities say the problem has since abated. They also presume people these days don’t need a sign telling them it is a bad idea to pick up disheveled-looking guys dressed in fetching black and white stripes with matching ankle irons.

— By RICH EHISEN

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