

November 19, 2012

Health Care Reform



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The next issue of
Capitol Journal will be
available on December 3rd.

Top Story

*With all efforts to
stop the ACA now
moot, the bulk of
the pressure to
make the law work
falls on the states.*

SNCJ Spotlight

**States have key role in making
Affordable Care Act work**

Winston Churchill famously described a crucial British military victory in North Africa during World War II as “not the end...not even the beginning of the end” but “perhaps, the end of the beginning.”

A Cannon Perspective



With Lou Cannon

For the Affordable Care Act (ACA) that President Obama is now more than willing to call Obamacare, the end of the beginning occurred in June when the Supreme Court ruled that most of the law is constitutional. This month's election marked the beginning of the end. By re-electing Obama and keeping the Senate in Democratic hands, voters doomed quixotic Republican hopes of repealing the law. Now comes the tangled path from the beginning to the end, in which much will be demanded from insurance companies and medical providers and even more from the states.

The ACA, the most far-reaching U.S. health care law since Medicare, has ambitious goals. It aims to streamline medical practices, reduce costs and provide health insurance for more than 30 million of an estimated 50 million Americans who lack it. This would be accomplished through an expansion of Medicaid, the federal-state partnership program that provides health coverage for the poor, and the creation of on-line state marketplaces, called exchanges, in which people could choose from a variety of supposedly affordable health care plans offered by insurance companies.

The law is so complicated that many Americans are ill informed about it. Indeed, according to Election Day exit polls, nearly half of those who voted, including significant numbers of Obama supporters, want the law changed or repealed. As Virginia-based health industry analyst Jeff Goldsmith told the *New York Times*: "There is still a tremendous amount of disinformation out there. If you actually are going to implement this law, people need to know what's in it — not just the puppies-and-ice cream parts but...the broader social changes intended and how they will help you."

The "puppies-and-ice-cream parts" allow children to remain on their parents' health care policies until they are 26 and prohibit insurance companies from denying coverage because of previous medical conditions. These sections are broadly popular even among ACA's opponents.

But the major objectives of the bill — the Medicaid expansion and the creation of the exchanges for purchasing affordable health care insurance — are sticking points.

As written, the ACA expanded Medicaid eligibility to everyone whose income is 138 percent or less of the poverty line. (This amounts to \$15,000 for an individual and \$25,500 for a family of three.) If every state complied, an estimated 15 to 17 million people presently uninsured would receive Medicaid coverage. Federal subsidies would initially be provided to states for the Medicaid expansion, but states that failed to expand could lose all Medicaid funds.

That was before the Supreme Court ruled. By a 7-2 majority the high court rejected this punitive provision of the ACA and said states could not be denied present Medicaid funds if they decline to expand. Several Republican governors dove through this escape hatch and said they would hold the line on Medicaid. Since Republicans hold 30 governorships and control both legislative chambers in 26 states, this opposition remains a mighty barrier to expansion.

But in the wake of the election, governors who had rejected Medicaid expansion are under pressure from medical providers and others and are having second

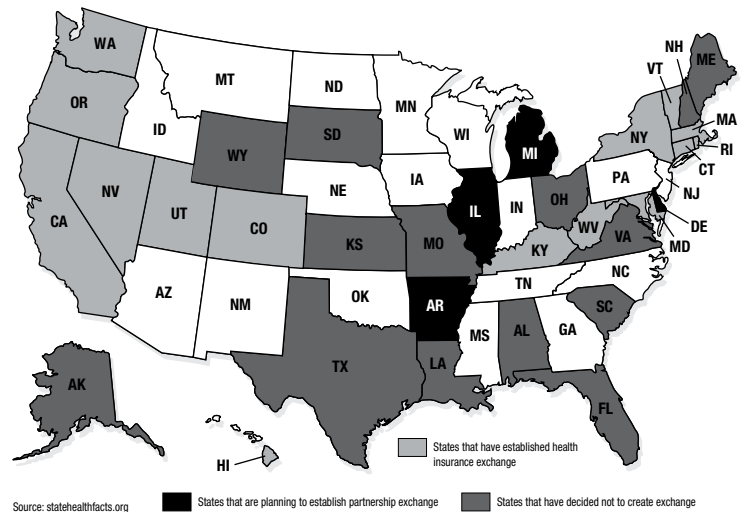
thoughts. Florida Gov. Rick Scott (R), for instance, has been an adamant foe of the ACA in general and of Medicaid expansion in particular. After the election he met with other GOP leaders and then said that “just saying no” to the ACA was no longer an option. One Republican leader, Sen. Don Gaetz, incoming president of the Florida State Senate, told the *Miami Herald*: “I don’t like this law, but this is the law and I have a constitutional obligation to carry it out.” The newspaper said that more than \$6 billion in federal funds are at stake for Miami-Dade and adjoining Broward County over the next decade. Some 1.4 million persons in the two counties lack health care insurance.

In South Dakota, where Republicans control the governorship and have a super-majority in the Legislature, the state medical association and the South Dakota Association of Health Care Organizations urged Gov. Dennis Daugaard to reconsider his opposition to Medicaid expansion. Daugaard made no promises but said he would take another look after evaluating the budget and the condition of the state economy.

If history is a guide, states opposed to Medicaid expansion will eventually fall into line. John Poelman of Leavitt Partners, a consulting firm advising states on the ACA, told *Kaiser Health News* that not all states will expand Medicaid in 2014 “but within a couple of years all of them will have.” It may take a bit longer than that. Several states did not sign on to Medicaid when it was created in 1965. Most states had accepted it by 1970, but Arizona, the last to do so, did not add the program until 1982.

Creating workable exchanges at which the uninsured can purchase affordable health insurance is the trickiest part of the ACA — and the one lagging most behind its deadlines. As envisioned, these exchanges will enable some 20 million people above the Medicaid cutoff but no more than 400 percent above the poverty line to purchase health care policies. They will be encouraged to do by positive and negative incentives: a federal subsidy averaging about \$5,000 annually to help defray

Bird’s eye view



Less than third of states have established health exchanges

As of Nov. 14, 15 states and the District of Columbia had established health insurance exchanges as prescribed by the Affordable Care Act, according to statehealthfacts.org, a project of the Henry J. Kaiser Family Foundation. Four states had opted instead to set up an exchange in partnership with the federal government. And 14 states had decided not to establish their own exchange. The remaining 17 states either were still studying their options or had made no significant progress on the issue.



premium costs and a fine or tax penalty if they fail to buy insurance. The exchanges are supposed to start enrolling applicants by Oct. 13, 2013, and become fully operative on Jan. 1, 2014.

States and the federal government procrastinated in 2012. Most states did not want to go through the complex and expensive process of setting up exchanges until the Supreme Court ruled. After the ruling the exchanges became hostage to the political campaign. With Republicans promising to repeal the ACA if they won Congress and the White House, most states took a wait-and-see attitude on creating exchanges. The Obama administration meanwhile was slow to spell out the essential medical services that states must provide.

As a result of this uncertainty, only 15 states plus the District of Columbia, have submitted plans for operating exchanges. The deadline for doing this was Nov. 16, but the administration has now extended it to Dec. 14 for states that want to run their own exchanges and to Feb. 15, 2013, for states that prefer to operate exchanges in partnership with the federal government. Secretary of Health and Human Services Kathleen Sebelius said in a letter to the states that the federal government would operate exchanges on its own for states that do not wish to run them. She promised that consumers in all states would have exchanges by Jan. 1, 2014.

Republicans remain skeptical. Sen. Orrin G. Hatch, the senior Republican on the U.S. Senate Finance Committee, called the exchanges “a mess” and said the Obama administration hadn’t given states sufficient information on which to base their decisions. As a result, Hatch said, states will bear the brunt of setting up the exchanges in a compressed time period.

There is also concern that there will be insufficient family physicians to service millions of new patients. A report this month by The Robert Graham Center for Policy Studies in Primary Care said delicately that new patients seeking family care face “potential access challenges.” According to Dr. Andrew Bazemore, co-author of the report, the problem is lack of family doctors rather than an overall physician shortage. He said 52,000 family doctors would be needed by 2025 to serve an increasingly older population.

A doctor who discussed the ACA with me under ground rules that he not be identified has another concern. He believes that financial pressures will encourage consumers, medical providers and states to accept low-cost policies offered on the exchanges that provide only bare-bones care. If this happens, this doctor said, the ACA could wind up extending a two-tier U.S. health care system that provides excellent care for people of means or those with comprehensive health insurance — but Spartan coverage for everyone else.

On balance, the ACA is a work in progress, with numerous problems to overcome. But the high court and the voters have spoken, and the ACA is and will

Upcoming stories

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

- **Transportation**
- **Fracking**
- **2013 previews**

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White House spokesman Jay Carney said, “The president has put forward a very specific plan that will be what he brings to the table when he sits down with congressional leaders.”

“We know what a truly balanced approach to our fiscal challenges looks like,” he added.

U.S. House Speaker John Boehner (R-Ohio) hasn't specified his own revenue target, but he has said he would be willing to accept new tax revenues in exchange for structural changes to entitlement programs. U.S. Senate Minority Leader Mitch McConnell (R-Kentucky), likewise, said last week, "New revenue must be tied to genuine entitlement changes."

“I think everyone just has this fear that they just do as they’ve done the last four years and just lob grenades at each other,” said David Crane, chief executive of NRG Energy Inc. (WALL STREET JOURNAL)

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HI SOLAR BOOM HAS DOWNSIDE: Less than a decade ago, Hawaii's solar industry barely existed. But thanks to a generous tax credit, the state has experienced a solar boom that has added 2,000 "green-collar" jobs to the local economy and more than doubled the state's solar capacity, making it one of the top 10 solar producers in the nation. Solar system installations now account for 15 percent of all construction in the state.

But the overwhelming popularity of the state's solar incentive — a state tax credit of 35 percent of the cost of installing a photovoltaic system, on top of the 30-percent federal credit — is creating a budget problem for the state. In 2010, Hawaii residents claimed about \$43 million in renewable energy credits, primarily from solar installations. This year, that figure is expected to jump to about \$174 billion, a sizeable chunk of the state's \$12 billion total budget for the year.

Other states have run into the same problem. The cost of Louisiana's 50-percent credit on wind or solar projects has climbed to 18 times the state's initial \$500,000 per-year projection. And Oregon actually repealed its credit last year after its cost soared to 40 times original estimates.

Part of the problem is the imprecision of such estimates.

"How do I know how many people would put a solar system on top of their house?" asks Greg Albrecht, chief economist of the Louisiana Legislative Fiscal Office. "I'm just guessing."

In Hawaii, the language of the solar tax credit law also hasn't kept up with solar technology. The introduction of micro-inverter systems has apparently made resident homeowners and businesses eligible for multiple tax credits with a single installation.

The state's Legislature is expected to take a look at the credit when it reconvenes in mid-January next year.

"Everybody is pretty much on board with this clean energy," said Jack Suyderhoud, an economist at the University of Hawaii and vice chair of the state's Council of Revenues. "But people are starting to ask, at what price?" (STATELINE.ORG, STATE NET)

BUDGETS IN BRIEF: The **CALIFORNIA** State University system and the University of **CALIFORNIA** both postponed proposed student fee hikes last week. Gov. Jerry Brown (D) urged those actions as a result of voter approval of a tax increase for education (Proposition 30) on Nov. 7 (LOS ANGELES TIMES). • **UTAH** lawmakers are considering doubling the state sales tax on food, reversing a cut from 4.75 percent to 1.75 percent enacted in 2006 and 2007. State Sen. John

Upcoming elections

(11/16/2012 - 12/07/2012)

11/27/2012

Mississippi Special Election Runoff

House District 52

Senate District 19

12/04/2012

Wisconsin Special Election

Senate District 33

12/08/2012

Louisiana General Runoff

US CD 3

Valentine (R) is also proposing both a refundable credit to help defray the cost of groceries and a refundable income tax credit for low-income residents to offset the impact of the sales tax change (SALT LAKE TRIBUNE). • **MISSISSIPPI** Gov. Phil Bryant (R) has proposed a 1.5-percent budget cut for most state agencies next fiscal year, which begins next July 1 (HATTIESBURG AMERICAN, STATE NET). • **NEW JERSEY** Gov. Chris Christie (R) said Hurricane Sandy may have hurt October and November revenues enough to throw his “Jersey Comeback” income tax cut into doubt (BLOOMBERG BUSINESSWEEK). • BP PLC said in a statement last week that it was close to a deal with the Department of Justice that would resolve all criminal charges and claims against the oil company by the Securities and Exchange Commission in connection with the 2010 Deepwater Horizon oil spill. The agreement would be subject to federal court approval and would also not likely cover federal civil claims, federal and state natural resources damages claims or private civil claims, the company said (WALL STREET JOURNAL).

—Compiled by KOREY CLARK

Politics & leadership

GAY MARRIAGE ADVOCATES PLAN NEXT MOVES: Fresh off their first-ever ballot victories in Maine, Maryland, Minnesota and Washington this month, advocates of same-sex marriage are already planning to pursue their cause in state legislatures, the courts and at least one more ballot box.

Advocates see potential for legislative gains in at least half a dozen states: Delaware; Hawaii; Illinois; Rhode Island; Minnesota, where voters rejected a same-marriage ban on Election Day; and New Jersey, where Gov. Chris Christie (R) vetoed a bill legalizing gay marriage earlier this year.

Advocates are also hoping the U.S. Supreme Court will agree to hear cases challenging the federal Defense of Marriage Act, barring federal entities from recognizing same-sex marriage, and California’s gay-marriage ban, Proposition 8, passed by voters in 2008.

“Marriage discrimination will end when the Supreme Court brings the country to a national resolution,” said Evan Wolfson, president of Freedom to Marry. “But the Supreme Court doesn’t typically jump in early,” he said, noting the long struggle to end restrictions on interracial marriage.

Some say it’s only a matter of time before such broad national change occurs, with more and more people becoming acquainted with openly gay people and couples.

“The pace of the change in opinions has picked up over the last few years,” said Michael Dimock, associate director of research at the Pew Research Center in Washington, “and as the younger generation becomes a larger share of the electorate, the writing is on the wall.”

Tony Perkins, president of the Family Research Council, a conservative Christian group, doesn’t believe history will end up on the side of gay marriage, however. He argues that legalization will ultimately lead to a backlash much like *Roe v. Wade* did for the issue of abortion.

The unpopularity of gay-marriage among evangelical Christians is one of the reasons advocates aren’t planning many more electoral challenges outside of one in Oregon in 2014.

“You don’t want to put it up to a vote unless you think you have the votes,” said Freedom to Marry’s Wolfson. “This is only part of the mix, along with the courts and legislatures.” (NEW YORK TIMES, BLOOMBERG BUSINESSWEEK)

IDEOLOGICAL AMENDMENTS FAIL AT BALLOT BOX: Florida’s Republican-controlled Legislature sought to enshrine a good deal of conservative ideology into the state Constitution this year, asking voters to approve amendments making it easier to repeal court rules, rejecting Obamacare, granting tax breaks to businesses, imposing restrictions on abortion, capping state spending and allowing religious groups to receive public funding.

But the voters said no — in most cases resoundingly — to all of them. Even the health care measure, Amendment 1, failed to garner majority support, despite the fact that polling in the state has consistently shown a lack of support for the federal health reform law.

Some critics said the results were a backlash against the conservative right turn the Legislature and Gov. Rick Scott (R) took after the 2010 election.

“Every issue from the right-wing agenda was rejected by the citizens,” said House Minority Leader Perry Thurston (D).

But incoming Senate President Don Gaetz (R) offered another explanation.

“I don’t think you can draw a clear inference other than to say conservatives and liberals...are sick and tired of a constitution that more resembles the book of Leviticus than the U.S. Constitution,” he said.

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: 494

Number of Intros last week: 316

Number of Enacted/Adopted last week: 67

Number of 2012 Prefiles to date: 15,005

Number of 2012 Intros to date: 84,832

Number of 2012 Session Enacted/Adopted overall to date: 28,474

Number of bills currently in State Net Database: 181,139

— Compiled By FELICIA CARRILLO
(measures current as of 11/14/2012)
Source: State Net database

● The same could be said of Michigan's Proposal 12-
● 2, an attempt by unions to make collective bargaining
● a constitutional right in the state, which voters rejected
● 58 percent to 42 percent. That failed effort could
ultimately lead to right to work legislation in the state,
with some House Republicans vowing to take up the
issue when the Legislature reconvenes its lame-duck session at the end of the month.
(ORLANDO SENTINEL, LANSING STATE JOURNAL, STATE NET)

In case you missed it

This year's elections followed the broader trends of previous election cycles.

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

http://www.statenet.com/capitol_journal/11-12-2012/html#sncj_spotlight

NO FEDERAL DECISION YET ON MARIJUANA MEASURES:

Washington Gov. Chris Gregoire (D) said last week the federal government still hasn't decided whether it will block new laws in her state and Colorado legalizing the recreational use of marijuana. After a meeting with Deputy Attorney General James Cole in Washington, D.C., Gregoire said federal lawyers were reviewing the two new state laws, Washington Initiative 502 and Colorado Amendment 64.

"It's not a simple analysis for them," she said. "There's a difference between our two initiatives, and they want to look at that. They clearly want to know how things are going to flow, how regulations develop, how enforcement would be taken, taxes would be gathered."

Nonetheless, Gregoire told Cole she'd prefer to have a decision on the issue "sooner rather than later."

"I told them, 'Make no mistake, that absent an injunction of some sort, it's our intent to implement decriminalization,'" she told the Associated Press. "I don't want to spend a lot of money implementing this if you are going to attempt to block it."
(OREGONLIVE.COM, SEATTLE TIMES)

POLITICS IN BRIEF: The U.S. Supreme Court has announced it will consider the constitutionality of the Voting Rights Act of 1965, in connection with a challenge to the law brought by Shelby County, **ALABAMA**. A ruling in the case, *Shelby County v. Holder*, which could dramatically change the way elections are conducted, is expected by June (NEW YORK TIMES). • Democratic leaders in the **NEW MEXICO** Legislature will start taking the initiative in setting the state's legislative agenda instead of the governor, according to state Democratic Party Chairman Javier Gonzales. The impending shift was evidently prompted by Republican Gov. Susana Martinez's (R) successful effort to defeat Senate President pro Tem Tim Jennings (D) and failed attempt to take out Senate Majority Leader Michael Sanchez on Election Day (SANTA FE NEW MEXICAN, STATE NET).

— Compiled by KOREY CLARK

Governors

CUOMO TO SEEK \$30 BILLION IN STORM AID: New York Gov. Andrew Cuomo (D) is preparing to ask the federal government for \$30 billion in disaster aid to help the Empire State recover from the devastation caused by Hurricane Sandy. Doing so, he said, would be in the best interests of both the state and the country.

“This was cataclysmic for New York, and I think it’s a wise investment for the federal government to bring this economy back,” Cuomo told reporters. “The sooner we get this economy moving, the better it is for the federal and state governments.”

Cuomo said the \$30 billion was “fair” given the extensive damage done to infrastructure and the estimated \$13 billion in lost economic output from businesses closed down by the storm. Administration officials said the biggest areas of need include \$3.5 billion for repairs to bridges, tunnels and subway and commuter rail lines; \$1.65 billion to rebuild homes and \$1 billion to local governments for overtime

costs of police, fire and other emergency personnel. Several billion dollars in federal loans and grants are also needed to help affected businesses.

But that amount also exceeds the roughly \$12 billion in disaster aid the Federal Emergency Management Agency currently has at its disposal, meaning congressional

“This was cataclysmic for New York, and I think it’s a wise investment for the federal government to bring this economy back.”

action would be required to cover New York’s bill.

That could be a problem with federal budget negotiations just getting under way and opposition to spending already strong, particularly in the GOP-controlled U.S. House. New York isn’t the only state FEMA is likely to hear from either. Other states, including New Jersey, Maryland and North Carolina will almost certainly seek federal assistance too. There are also some issues with Cuomo’s plan itself, which had yet to be formally requested at press time. In particular, it proposes using some of the federal money to make major infrastructure improvements in the state. For instance, Cuomo wants to upgrade the power grid to a so-called smart grid that would make it easier for utility companies to pinpoint and respond to power failures.

U.S. Rep. Peter T. King (R-New York) said the governor will have a hard time convincing Congress and the president to approve spending for such projects in the name of disaster relief.

“Some items are going to be easier than others,” King said. “A short-term medical emergency will be easier to resolve than long-term infrastructure improvements.”

The governor also expressed frustration at the slow pace of getting power back on for more than 130,000 residents who, weeks after the storm, still do not have

electricity or heat. In response, he issued Executive Order No. 73, which will create a commission to investigate how the state's power companies are managed and how they prepare for and respond to weather emergencies. It will also examine the degree of overlap among the various public utilities and the boards that govern them.

"As evidenced by Hurricane Sandy, the existing labyrinth of regulatory bodies, state agencies and authorities, and quasi-governmental bodies has contributed to a dysfunctional utility system," he said in a statement. (NEW YORK TIMES, BLOOMBERG BUSINESSWEEK, REUTERS, DEMOCRAT AND CHRONICLE [ROCHESTER])

SCOTT DROPS OPPOSITION TO HEALTH EXCHANGES: Florida Gov. Rick Scott, once one of the staunchest opponents of the federal health care reform law, said last week he is now ready to negotiate on the law's implementation in the Sunshine State. Scott told the Associated Press that he doesn't think "anyone involved in trying to improve health care should say, 'no, no, no,'" adding, "Let's have a conversation."

Scott had previously said he would not go along with enforcing any portion of the law in his state. But with President Obama's re-election and the failure of the GOP to reclaim the U.S. Senate — along with the defeat of a proposed state constitutional amendment that would have made it harder to implement the law in Florida — Scott said it was time to work out the best solution for Sunshine State residents.

"The election is over and President Obama won," Scott said. "I'm responsible for the families of Florida. ...If I can get to yes, I want to get to yes." (MIAMI HERALD, ASSOCIATED PRESS, BLOOMBERG BUSINESSWEEK)

DAYTON MAY SACK NEW VIKINGS STADIUM DEAL: Minnesota Gov. Mark Dayton (D) is threatening to kill a hard-fought deal to build the NFL's Minnesota Vikings a new stadium if the team goes forth with a proposal to charge fans expensive personal seat licensing fees. In a letter to team owners, Dayton said such a plan would violate the trust of fans by passing the team's cost share of the \$975 million facility onto the fans, which the governor told the team was "your responsibility, not theirs."

But team owners rejected Dayton's accusations, saying the seat licensing plan was always part of the deal.

The week in session

States in Regular Session: DC, MA, NJ, NY, OH, US

States in Recess: IL, MI, PA

States in 2013 Organizational Sessions: FL, IN

States Currently Prefiling or Drafting for 2013: AL, FL, KY, MT, ND, NH, NV, TN, TX, VA, WY

States Adjourned in 2012: AK, AL, AR, AZ, CA, CO, CT, DE, FL, GA, HI, IA, ID, IN, KS, KY, LA, MD, ME, MN, MO, MS, NC, NE, NH, NM, OK, OR, PR, RI, SC, SD, TN, UT, VA, VT, WA, WI, WV, WY

State Special Sessions Adjourned in 2012: AK "c", AL "a", CO "a", CT "a", CT "b", DE "b", DE "c", FL "b", HI "b", KY "a", MD "a", MD "b", MN "b", NJ "a", NY "a", PR "c", UT "a", VA "a", WA "c", WA "d", WV "a"

Letters indicate special/extraordinary sessions

— Compiled By DENA BLODGETT
(session information current as of 11/15/2012)
Source: State Net database

“Stadium builder’s licenses were vetted by the Legislature, testified to by Vikings and state of Minnesota negotiators, and most importantly, specifically reflected in the stadium legislation that was passed and signed by the governor,” the team said in a statement.

Any changes to the plan would have to go through the lawmakers first, something Dayton made clear he is willing to do.

“I will go to the Legislature next January and urge the authorization be rescinded,” he wrote. (MINNESOTA GOVERNORS’S OFFICE, MINNEAPOLIS STAR-TRIBUNE, ST. PAUL PIONEER PRESS)

DC UPHEAVAL PUTS FOCUS ON PATRICK: With the election now over, the focus in Massachusetts has turned to the possibility that the Bay State’s senior U.S. senator, John Kerry (D), might soon be tapped for a high-level job in the Obama administration, most likely Secretary of State or Secretary of Defense. If that happens, Gov. Deval Patrick (D) will be required to fill Kerry’s suddenly-vacated seat until a special election could be held next June...which is where it gets interesting. When faced with this similar situation upon the death of Sen. Ted Kennedy in 2009, Patrick insisted that whoever he appointed had to agree not to run in the ensuing special election, reasoning that allowing the person holding the seat would essentially give them an unfair advantage by allowing them to run as an incumbent.

That opened the door for the person who eventually did win the seat, Republican Scott Brown, who upset state Attorney General Martha Coakley (D) in a race most people figured was hers to lose. But Brown lost that seat to Democrat Elizabeth Warren on Nov. 6, although he had hinted he would likely run again if the opportunity arose, which is exactly what would be the case if Kerry leaves for a job in the administration.

That leaves Patrick in the difficult position of sticking with his own fairness doctrine or dropping it in favor of naming a fill-in that the Democratic Party would also like to see as the candidate next June, someone they feel would give them the best chance to beat back the expected effort by Brown to regain entry into the U.S. Senate.

Patrick is also the subject of job speculation, with some observers believing he could be in line to replace current U.S. Attorney General Eric Holder. His name has also been mentioned as a possible ambassador to China or even a U.S. Supreme Court justice should one of its current members step down. To date, Patrick has insisted he is not planning any such move and declined comment on speculation about how he would handle a replacement for Kerry. (BOSTON GLOBE, BOSTON HERALD)

GOVERNORS IN BRIEF: Responding to the theft of the tax information of more than 4 million Palmetto State residents, **SOUTH CAROLINA** Gov. Nikki Haley (R) issued Executive Order 2012-10, which requires all 16 cabinet agencies to begin using computer security services from the state computer technology office and a new computer monitoring program from an outside firm (STATE NET, THE

STATE [COLUMBIA]). • **MISSOURI** Gov. Jay Nixon (D) called on the U.S. Army Corps of Engineers to reconsider plans to reduce the amount of water it releases from upstream reservoirs on the Missouri River. Nixon said lowering the river's flow levels would create an "economic disaster" for the state's river barge industry (**KANSAS CITY STAR**). • Democrat Jay Inslee was declared the winner of the **WASHINGTON** governor's race last week. Republican Rob McKenna, the state attorney general, conceded after late ballot returns showed he could not catch Inslee in what was the closest gubernatorial race in the country (**SEATTLE TIMES**).

— Compiled by **RICH EHISEN**

Hot issues

B **USINESS:** The **OHIO** House approves SB 130, which would require large-volume dog breeders — those who produce at least nine litters of puppies per year or sell 60 or more dogs per year — as well as dog retailers and rescue operations to be licensed by the state. The law would also require those operations to adhere to a set standard of care and submit to annual inspections, with violators facing fines and loss of license. The bill now returns to the Senate for concurrence (**STATE NET, COLUMBUS DISPATCH**).

CRIME & PUNISHMENT: The U.S. Supreme Court announces it will hear a challenge to a **MARYLAND** law that allows Old Line State police to collect DNA samples from those who have been arrested for violent crime or burglary, even if they were not found guilty. Previous law had allowed collecting the samples only from convicted felons. The court will hear the case early next year (**BALTIMORE SUN**).

EDUCATION: The **MICHIGAN** Supreme Court upholds a lower court's ruling that blocked a new law that would have forced Wolverine State teachers to choose by Oct. 26 one of three retirement plan options. Ingham County Circuit Judge Rosemarie Aquilina granted an injunction in September that gave public school employees more time to decide whether to pay more toward their pension, accept a lower pension for future years of service or freeze their pension and switch to a defined contribution 401(k)-style plan. State officials had wanted to bypass the Court of Appeals and take the case directly to the state Supreme Court (**DETROIT NEWS**). • The U.S. 6th Circuit Court of Appeals rules that a 2006 voter-approved measure in **MICHIGAN** barring the use of race-based preferences in college admissions and government contracting and hiring is unconstitutional. State Attorney General Bill Schuette said he would appeal the ruling to the U.S. Supreme Court (**DETROIT FREE PRESS**).

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— *Compiled by RICH EHISEN*

Once around the statehouse lightly

GRAPES ARE A DISH BEST SERVED SOUR: If you thought the election was over and we could all just move on with things already, think again. As the *Christian Science Monitor* reports, residents in over 30 states have gone on to the White House Web site to open petitions calling on the federal government to allow their state to secede from the union. Most gripe about government spending, loss of civil rights, yada, yada, yada. As of this writing, tens of thousands of signatures had been gathered, 14th Amendment be damned. But they are not alone in their whining. Petitions that would strip the U.S. citizenship of anyone who signed a secession petition or which would deport secession advocates had also garnered thousands of signatures. Of course, so had petitions to 1) allow the city of Austin to secede from Texas and remain a part of the United States, 2) endorse Texas A&M football star Johnny Manziel for the Heisman Trophy and 3) to have President Obama attend a party put on by the satirical Web site Fark.com, or at least to “have a beer with [site master] Drew Curtis.”

OH, CANADA: If secession isn’t your thing, maybe moving to another country is. If so, Tulsa, Oklahoma *Fox23* traffic reporter Jeff Brucculeri is ready to help you out. Last week, Brucculeri noted that previous to the election several viewers had said they would be moving to Canada if things didn’t go their way. So he concluded his daily traffic report with detailed directions for disgruntled Sooner State residents to motor their way to the Great White North. Tongue firmly in cheek, Brucculeri made sure that folks knew they needed to have their passports. He didn’t, however, bring up the fact that Canada has socialized medicine, which could be a moral dilemma for folks moving because they don’t support the Affordable Care Act.

AND DON’T FORGET THE TWEETERS: In case there was any doubt that someone, somewhere is keeping track of just about everything, Alabama and Mississippi apparently earned the dubious distinction of having produced the highest number of racist messages on the social networking site Twitter during election week. This is according to Floatingsheep.org, a group of U.S. and UK geography academics that collected racist anti-Obama tweets sent out in the days before and after the election and compared that number to the overall number of tweets sent out from that region. Using that admittedly imprecise metric — they are only measuring the number of tweets, not tweeters, meaning many messages coming from just a few sources skews the results — they devised a score for each state, with scores above 1.0

indicating a higher rate of hate speech. In that unsavory context, Alabama came in, uh, tops at 8.1, with Mississippi next at 7.4.

NOW THIS IS A REAL ISSUE: While some folks are twiddling away their time on frivolous nonsense (see all of the above), the folks of Damascus, Maryland are working on real issues. As the *Baltimore Sun* reports, voters there recently lifted a longstanding ban on the sale of alcohol, a prohibition that had been in place since 1884 and which voters had reinforced in 1933, 1976, 1984, 1992 and 1996. But the Old Line State General Assembly placed the question on the ballot again this year, and this time voters said okay. Advocates say the law will help businesses keep locals from heading to other towns to enjoy a glass of wine or beer with a meal (the law allows only those libations), but others are not so convinced. At least one long-time restaurant owner said she has no intention of offering booze at her place, saying, “I don’t need the problems that would bring. I thought things were just fine the way they were.” Who knows, maybe she’ll start a petition.

— By *RICH EHISEN*



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