

June 17, 2013

## Budget Buster?



©iStockphoto.com/zimmytws

### Budget & taxes

5

NYC mayor pitches sweeping storm protection plan

### Politics & leadership

8

Legislators' links to nonprofits breed corruption

### Governors

12

Brewer wins Medicaid battle with her own party

### Bird's eye view

3

### Hot issues

14

### Once around the statehouse lightly

17

The next issue of Capitol Journal will be available on July 1st.

### Top Story

*With immigration reform finally making headway in Congress, state and local governments fear they may bear the financial brunt of providing services to newly legal residents.*

## SNCJ Spotlight

### States, localities wary of immigration reform costs

States and local governments with heavy concentrations of illegal immigrants have long clamored for comprehensive federal immigration reform. But with such reform on the doorstep, many of these states and localities are complaining that they are in line to bear the brunt of the costs for providing

## A Cannon Perspective



With Lou Cannon

healthcare, education and other services to immigrants who would become legal residents.

“The federal government tends to protect itself from expenses and shift them to states and local governments,” observes Ann Morse, an immigration expert in Washington, D.C, with the National Conference of State Legislatures (NCSL).

That’s exactly what Congress would do in the current language of a bipartisan bill to provide a path to citizenship for an estimated 11 million immigrants who reside in the United States without legal authorization. The Senate has begun debating the bill, and a vote is expected within a month.

When the federal government at President Ronald Reagan’s behest last overhauled immigration laws in 1986, states and local governments received \$4 billion in impact aid to help defray costs. The present bill includes no such funding.

Lack of impact aid could impose financial hardships on states and localities that only recently emerged from years of belt-tightening during the Great Recession. Need for such aid is especially acute in California, Arizona and Texas and the counties and cities in these states that border Mexico or are significant destinations for immigrants. New York State and Florida also have significant populations of unauthorized immigrants.

Los Angeles County alone has 1.1 million unauthorized immigrants, a tenth of the nation’s total, and its officials are worried. “The federal government is going to be protecting itself against costs, and we’re going to be left holding the bag,” Mark Tajima, an analyst with the county’s administrative office, told the *Los Angeles Times*.

Much of the impact aid would relieve added costs in healthcare and education. Illegal immigrants are ineligible for coverage under the Obama administration’s health law, the Affordable Care Act, but some experts believe that Obamacare, when fully implemented in 2014, will spur demand for more immigrant health services. Morse says the extent of this demand is “the great unknown,” while also citing several known costs that immigration reform would impose on states and local governments with high numbers of unauthorized immigrants.

For example, healthcare screening is required of everyone who applies for U.S. citizenship. This would boost medical costs at a time when states are strained by Medicaid, the federal-state program that provides healthcare for the poor and disabled. English-language proficiency is another citizenship requirement of the bill. This means additional adult-education spending, which in many places has been cut for budgetary reasons.

## The week in session

**States in Regular Session:** AZ, CA, DC, DE, KS, MA, ME, MI, NC, NH, NJ, NY, OH, OR, PA, PR, RI, SC, US, WI

**States in Special Session:** AZ “a”, CA “a”, TX “a”, WA “b”

**States in Recess:** IL

**States Adjourned in 2013:** AL, AR, AK, CO, CT, FL, GA, HI, IA, ID, IN, KY, LA, MD, MN, MO, MT, MS, ND, NE, NM, NV, OK, SD, TN, TX, UT, VA, VA “b”, VT, WA, WA “a”, WV, WV “a”, WY

Letters indicate special/extraordinary sessions

— Compiled By FELICA CARILLO  
(session information current as of 6/13/2013)  
Source: State Net database

The political fault lines on immigration reform shifted after the 2012 election, in which an overwhelming percentage of voters of Hispanic and Asian heritage cast their ballots for President Obama and other Democrats.

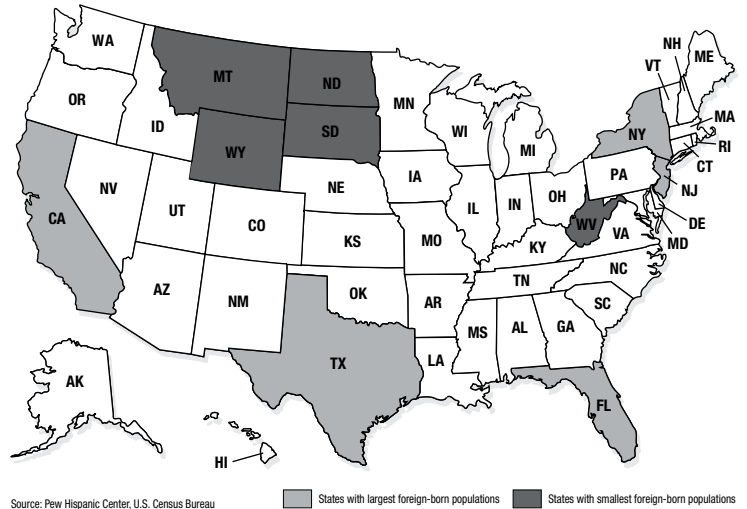
Many Republicans who had previously opposed providing a path to citizenship for unauthorized immigrants abruptly found merit in this idea; one of them, Republican Sen. Marco Rubio of Florida, a conservative and potential GOP presidential candidate, is a prominent co-sponsor of the bill pending on the Senate floor.

The seismic shift on immigration has been felt in the states. After momentous Republican statehouse victories in the 2010 midterm elections, most of which were preserved in 2012, legislatures passed numerous laws restricting unauthorized immigrants. Vestiges of this approach persist in the South. Earlier this year the Georgia Legislature passed and the governor signed a bill barring such immigrants from obtaining driver's licenses, public housing and retirement benefits in the Peach State.

Overall, however, the mood in the states in 2013 has changed to one of offering immigrants a helping hand. Republican Gov. Brian Sandoval of Nevada recently signed a bill that would allow immigrants to obtain driver's licenses, bringing to six the number of states that now permit this. Oregon and Colorado have passed laws allowing immigrants to pay in-state college tuition. A South Dakota bill that would have made it a felony for an employer to hire an undocumented worker was killed in committee.

Even when states rebuff immigrants, they now tend to do so in anticipation of federal action. In Florida, for instance, Republican Gov. Rick Scott vetoed a bill known as the "Dream Act Driver License Law," passed almost unanimously by the Legislature, that would have allowed children of undocumented immigrants to obtain driver's licenses. Scott's rationale was that President Obama's 2012 executive order

## Bird's eye view



### California's immigrant population largest in nation by far

California has the largest foreign-born population of all U.S. states by a wide margin, according to a report released earlier this year by the Pew Hispanic Center, which was based on the Census Bureau's 2011 American Community Survey (ACS), the largest survey of U.S. households. As of 2011, the Golden State's 10,222,680 foreign-born residents made up 27.1 percent of the total population of 37,691,912. No. 2 state NEW YORK's foreign-born population numbered 4,320,062, which represented 22.2 percent of a smaller total of 19,465,197 residents. Wyoming and North Dakota had the smallest immigrant populations, 16,419 and 16,649, respectively, comprising less than 3 percent of their total populations.



suspending deportation for non-citizens brought to the United States as children did not have the full force of law absent congressional approval. These “Dreamers,” as they are known, would be high on the list for citizenship under the pending congressional immigration bill.

Earlier this year, Utah Gov. Gary Herbert (R) signed SB 225, which postponed for two years a law that would have created a guest worker program for undocumented immigrants in the Beehive State. Utah growers, like those in other states, complain of a shortage of domestic agricultural workers. The Obama administration signaled it would challenge any state attempt to establish a guest-worker program on grounds the federal government has pre-empted the issue. Utah’s postponement reflects a belief that the pending federal law, which includes a guest-worker provision, will address their concerns.

But will the federal bill, while dealing with these issues, also help pay the bill for states and local governments? Lobbyists for states and cities hope so. After meeting with Los Angeles county and city officials, California Sen. Diane Feinstein (D) directed her staff to look into the possibility of creating a “state impact assistance fund” similar to the one in the 1986 bill. Such impact aid, backed by organizations representing state and local government, is expected to be offered as an amendment on the Senate floor. Such a floor amendment was added to the 2007 immigration reform bill proposed by Sen. Edward Kennedy (D-Mass.) and Sen. John McCain (R-Ariz.). The amendment passed, although the bill did not.

Immigration reform, as they say of old age, is not for the faint of heart. More than 300 amendments were offered to the immigration bill in the Senate Judiciary Committee, of which 140 were adopted. And even though bi-partisan support for the measure appears to be rising, some Republicans insist on beefed up security on the Mexican border as a condition of support. The U.S. government, spending \$18 billion in 2012 alone, already has built 650 miles of border fence and deployed 21,000 Border Patrol personnel.

Immigrant-advocacy groups say that illegal immigration has been dropping since 2007 due less to the border enforcement than a scarcity of jobs in the United States and a reduced Mexican birth rate. Even so, the pending bill would provide another \$3 billion for drone surveillance and additional patrol officers.

Although advocates on both sides of the issue are passionate, much remains unknown about illegal immigrants in the United States, according to a report by Jeffery Passel, a senior demographer at the Pew Hispanic Center. The 11-million figure so widely used is at best a rough estimate, he says. Of this number, Passel estimates that 55-60 percent, between 5 million and 6 million people, are from Mexico and that many of these are families with children who have come to the United States to settle.

Under the bill as now written, these immigrants would be eligible for provisional status if they paid fees, fines, and taxes. They could gain legal residency a decade after

the border was declared secure and be eligible for citizenship after 13 years. These provisions, absent from the 1986 bill, seem onerous to immigration advocates, who note that illegals have been paying taxes all along. In fact, Stephen Goss, chief actuary of the Social Security Administration, has estimated that undocumented workers contribute about \$15 billion a year to Social Security through payroll taxes while taking out only \$1 billion a year since few of them are eligible to receive benefits.

At the same time, however, it's clear that costs for providing health care and educating unauthorized immigrants impose an added financial burden on the states and local governments in which they are concentrated. Compensating these governments for these costs should be part of immigration reform.

— *By Lou Cannon*

---

## Budget & taxes

**N**YC MAYOR PITCHES SWEEPING STORM PROTECTION PLAN:  
Last week, less than a year after Hurricane Sandy hit the eastern seaboard and with only 203 days left in his final term, New York City Mayor Michael Bloomberg unveiled a sweeping plan to protect the city from future storms. The plan, laid out in a 438-page report, included 250 recommendations, such as fortifying the city's power grid, renovating buildings to make them more hurricane resistant and erecting flood barriers around the city, including a system of permanent levies on Staten Island.

The plan would cost about \$20 billion over ten years — to start. The cost of some of the plan's more ambitious proposals, like the construction of a so-called Seaport City south of the Brooklyn Bridge in Manhattan, modeled after Battery Park City, aren't included in that estimate.

"This plan is incredibly ambitious — and much of the work will extend far beyond the next 203 days — but we refused to pass the responsibility for creating a plan onto the next administration," Bloomberg said in a speech at the Brooklyn Navy Yard. "This is urgent work, and it must begin now."

The administration said roughly half the initial \$20 billion required would come from federal and city money allocated in the aftermath of Sandy. Another \$5 billion in aid had already been approved by Congress, leaving \$5 billion for the city to raise.

Bloomberg acknowledged the price tag for the plan was high, but he said the cost of not taking action would be far higher. Sandy cost the city \$19 billion in damage and loss of economic activity, he said, but a similar storm three decades from now would cost \$90 billion.

"This is a defining challenge of our future," he said.

The plan was generally praised by business and environmental groups. But with officials having projected that over 800,000 city residents would live in 100-year flood zones by the 2050s, more than double the number currently at such risk, some experts questioned whether more consideration needed to be given to evacuating some areas of the city.

“I think that the mayor’s plan is great,” said Robert S. Young, director of the Program for the Study of Developed Shorelines at Western Carolina University.

“I really appreciate the fact that he acknowledges the problem and understands climate change and the fact that we need to prepare for it. But everyone needs to understand that you can’t guarantee protection for infrastructure that is in vulnerable locations, no matter how much money you throw at the problem.” (NEW YORK TIMES)

**STATE REVENUES SURGE IN 1Q:** States experienced a surge in tax collections in the first quarter of 2013, according to an alert released this month by the Nelson A. Rockefeller Institute of Government. Compared to the first quarter of 2012, tax revenues overall were up 9.3 percent, preliminary data show. North Dakota’s revenue jumped 74.6 percent year-over-year, while California’s rose 34.9 percent.

Personal income tax collections were the biggest driver of the growth surge, increasing 17.6 percent. (Sales taxes rose 6 percent, while corporate income taxes grew 3.5 percent.) The institute attributed much of that growth to taxpayers’ acceleration of income into 2012 to avoid possibly higher federal taxes in 2013. And its alert noted that California’s 52.2 percent, or \$6.3 billion, rise in income tax collections was largely responsible for the increase overall.

For those and other reasons, particularly growing state spending pressures, Lucy Dadayan, a senior policy analyst at the institute, cautioned against getting too excited about the revenue surge.

“On one hand, we have slowly improving revenues, and on the other hand we have rapidly growing spending pressures, including rising health care costs and growing pension liabilities,” she said.

As the institute’s alert concluded: “State tax revenues have been continuously recovering for over three years now. However, state revenue recovery has been much slower and more prolonged than in previous recoveries, and revenue is still far from full recovery. While state tax revenues have shown strong growth in the fourth quarter of calendar year 2012 and in the first quarter of calendar year 2013, that is likely not an indication of rapid improvement in underlying economic factors.” (STATELINE.ORG, ROCKINST.ORG)

## Upcoming elections

(6/14/2013 - 7/5/2013)

06/25/2013

### **Kentucky Special Election**

House District 56

### **Massachusetts Special Election**

House 8th Suffolk

Senate 1st Suffolk

US Senate (Class 2)

**US LEADS WORLD IN SHALE OIL PRODUCTION — FOR NOW:** The United States is currently the world leader in shale oil production, on pace to produce more than 3 million barrels of shale oil per day within the next few years. But new estimates of the world's potential shale resources by the U.S. Energy Information Administration suggest America could eventually be eclipsed in the shale oil revolution by Russia, China and developing countries like Argentina and Algeria.

By the agency's reckoning, Russia, already the world's second-largest oil producer from conventional reservoirs, has about 75 billion barrels of shale oil buried in the underground bedrock of Siberia, while the United States has about 58 billion barrels in underground formations extending from New York to Alaska.

But America is well ahead of Russia and every other country in exploiting its shale oil resources, with U.S. companies having pioneered the advanced technologies required to extract oil from solid rock. Russia hasn't even determined whether doing so is economically feasible.

"In essence, we will still be the leader as Russia and China don't have the resources for now" to get their shale oil out of the ground, said Jason Schack, marketing support representative at oilfield services company Baker Hughes. (WASHINGTON TIMES)

**BUDGETS IN BRIEF:** A federal audit revealed that **GEORGIA's** Labor Department failed to detect and recover millions of dollars in unemployment benefits improperly paid over a three-year period despite the ready availability of a system to cross-check new hires. Over that period, the state overpaid \$58.7 million in benefits and recovered just \$14.9 million, or 25 percent, of that total (ATHENS BANNER-HERALD). • **NEW HAMPSHIRE's** GOP-led Senate passed a budget last week that blocks Medicaid expansion, limits an increase in the cigarette tax to 10 cents a pack, increases spending for charter schools and potentially cuts hundreds of state jobs. The Senate's action sets up a showdown with the Democrat-controlled House which passed a spending plan that diverges with the upper chamber's on all of those points (CONCORD MONITOR, STATE NET). • Detroit, **MICHIGAN's** emergency manager is reportedly close to reaching a deal with at least two secured creditors that could help prevent a municipal bankruptcy filing. But even with the creditor agreements, the city may still have to file for Chapter 9 bankruptcy protection within the next few months (WALL STREET JOURNAL). • **CALIFORNIA** Gov. Jerry Brown (D) and legislative leaders reached agreement last week on major elements of the state budget, including concurrence on the governor's relatively conservative economic forecast for the year despite a recent surge in the state's tax revenues (SACRAMENTO BEE). • The Federal Emergency Management Agency has denied **TEXAS'** request for aid to help rebuild the area of West, Texas destroyed by the fertilizer plant explosion in April. In a letter to Gov. Rick Perry (R), FEMA Administrator Craig Fugate said the agency had made payments to individuals affected by the blast, and "the remaining cost for

permanent work is within the capabilities of the state and affected local governments” (BLOOMBERG). • **WASHINGTON** Gov. Jay Inslee (D) convened a cabinet meeting last week to discuss a possible government shutdown if the Legislature fails to pass a budget by June 30 (OREGONLIVE.COM, STATE NET).

— *Compiled by KOREY CLARK*

---

# Politics & leadership

## **L**EGISLATORS’ LINKS TO NONPROFITS BREED CORRUPTION:

“It’s become a routine headline in New York: Politician pinched in charity scandal,” stated an article by Andrew J. Hawkins in Crain’s New York Business last year. “The story changes little from case to case: An elected official funds a nonprofit and staffs it with cronies. Sometimes the group works on his campaigns — or does no work at all.”

One such case involved New York state Assemblyman Vito Lopez (D), who had a hand in directing millions of dollars in state grants to the Ridgewood Bushwick Senior Citizens Council, a Brooklyn-based organization that provides senior care and affordable housing. The council’s former executive director, who was forced out in 2010 after pleading guilty to lying about a raise that boosted her salary to \$782,000, was Lopez’s campaign treasurer. Its housing director is Lopez’s girlfriend. And since being forced to resign by the Assembly last month — not in connection with his dealings with Bushwick, but over allegations of sexual harassment — Lopez has received campaign contributions from at least 10 employees of the organization in his bid for a seat on the New York City Council.

Earlier this year, former New York state Sen. Shirley Huntley (D) pled guilty to sending grants to a nonprofit she founded and pocketing the money, and helping a niece and former aid steal money directed to another group she founded. In the last three years, at least eight New York lawmakers or charities they were associated with have been investigated or convicted of pilfering public funds.

In the realm of charity scandals, lawmakers in other states may have been outshone by their peers in New York but not for a lack of trying. Two former Florida state senators, Republican Stephen Wise and Democrat Gary Siplin, used a nonexistent program at Florida A&M University as a “pass through” to funnel millions of taxpayer dollars to nonprofit groups they had close ties to. A Pennsylvania nonprofit had its state funding frozen after an audit revealed it apparently gave “no-show” jobs paying hundreds of thousands of dollars to a pastor and his aide at the direction of state Rep. Dwight Evans (D). And similar cases have been reported in Illinois, Ohio and South Carolina.



While some of the incidents led to criminal charges, others apparently didn't violate any laws, which galls some good government advocates.

"The issue to me is what's legal, and the fact that there's a tremendous amount that's legal," said John Kaehny, executive director of Reinvent Albany.

Peter Sturges, who served as executive director of Massachusetts' State Ethics Commission from 2000 to 2007 says states should draw a clear line restricting

lawmakers from involvement in the funding of any group they have a direct link to.

"Where there's a real personal connection, financial or otherwise, I think it makes sense for the law to say that you can't be involved in that," he said. "You can't be making decisions objectively."

**"The issue to me is what's legal, and the fact that there's a tremendous amount that's legal."**

Few states draw that line, however. Most consider such situations a conflict of interest only when the official involved derives a direct financial benefit. And many don't even require lawmakers to disclose whether they, or their family members or staffers, hold positions with nonprofits in their communities.

"I'm certainly aware of a growing trend nationally of public officials having ties with nonprofits, and those nonprofits perhaps, not always, benefiting from the public official's position of power," said Executive Director of the Connecticut Office of State Ethics Carol Carson. But she said when state employees or executive branch officials ask her if it's okay for them to be involved in awarding grants to groups they are associated with, she tells them "yes," as long as the grants won't financially benefit them directly.

"That might not pass muster with the court of public opinion," she said, "but under the Code of Ethics, that would be allowable."

Some say the laws should be changed to restrict all discretionary spending by a single lawmaker. But others oppose that idea.

"Legislators, if they're good, know what their district needs. They know the good organizations," said Sturges, the former regulator in Massachusetts. "Why should they not be able to direct funds to the best organizations in their districts?"

An alternative many good government groups support is increasing disclosure requirements. But that idea has faced resistance in the states. Bills to require lawmakers to disclose positions with nonprofits were introduced in both Arizona (SB 1280) and Florida (HB 379), but neither passed. Legislation introduced in New York (SB 920/AB 641) that would require the full itemization of member items has failed to move out of committee since January.

Rick Cohen, who has reported extensively on the ties between public officials and charities for *Nonprofit Quarterly*, said such changes face an uphill battle because those with the power to make them benefit from maintaining the status quo.

●  
●  
●  
●  
●

“There are a lot of players that have a stake in this,” he said, “and want to see it continue.” (CENTER FOR PUBLIC INTEGRITY, FLORIDA TIMES-UNION, PHILADELPHIA INQUIRER, STATE NET)

#### **MS AND OTHER STATES SPOILING FOR FIGHT WITH GOOGLE:**

Mississippi Attorney General Jim Hood (R) said a fight is brewing between state attorneys general and Internet giant Google Inc. over the company’s failure to block websites that offer drugs without a prescription as well as counterfeit drugs and pirated goods.

“On every check we have made, Google’s search engine gave us easy access to illegal goods including websites which offer dangerous drugs without a prescription, counterfeit goods of every description, and infringing copies of movies, music, software and games,” Hood said. “This behavior means that Google is putting consumers at risk and facilitating wrongdoing, all while profiting handsomely from their illegal behavior.”

**“I can only say, if he worked for me before all that’s come out, he wouldn’t be working for me today.”**

Hood said businesses in the state wouldn’t be allowed to have individuals selling illegal drugs on their premises and Google should be held to that same standard.

In a letter to Hood, Google said, “Removing a page from Google’s index doesn’t remove it from the Web, and people will still be able to see the page by going to it directly or via another search engine.” And in a statement to *The Clarion-Ledger*, the company said:

“We take the safety of our users very seriously and we’ve explained to Attorney General Hood how we enforce policies to combat rogue online pharmacies and counterfeit drugs. In the last two years, we’ve removed more than 3 million ads for illegal pharmacies. We continue to work on this issue with industry partners and groups like the Center for Safe Internet Pharmacies.” (CLARION-LEDGER)

**UT AG UNDER FIRE:** Momentum is reportedly building in the Utah House to impeach Attorney General John Swallow (R), who is under federal investigation for, among other things, allegedly helping broker a deal for an indicted businessman who attempted to derail a federal investigation into his company.

Last week Gov. Gary Herbert (R) piled on, saying that if Swallow worked for him, he would have fired him by now.

“I’m increasingly alarmed at the stuff that’s bubbling out, what I consider ethical challenges, ethical violations,” the governor said. “I can only say, if he worked for me before all that’s come out, he wouldn’t be working for me today.”

Herbert added, however, that he wasn't calling for the AG to resign.

"You know, there are a lot of people that are calling for his resignation. I'm not one of them," he said. "I think that's something that John Swallow needs to make a determination himself."

The following day Swallow reiterated that he hadn't broken any laws or ethics rules and had no plans to resign.

"I'm not about to walk away because of pressure. I'm not built that way," he said in a radio interview. "I learned on the farm you just don't back off when things get tough." (SALT LAKE TRIBUNE, DESERET NEWS [SALT LAKE CITY])

**POLITICS IN BRIEF:** Somerset County, **NEW JERSEY's** Democratic county chairwoman, Peg Schaffer, filed a legal challenge to the Oct. 16 date Gov. Chris Christie (R) has set for the special election to fill the seat of the late U.S. Sen. Frank Lautenberg (D-New Jersey). Schaffer said holding the special election and the Nov. 5 general election within 20 days of each other will suppress the vote (NJ.COM). •

**"I learned on the farm you just don't back off when things get tough."**

Gun control advocates in **WASHINGTON** state submitted a ballot initiative last week that would require background checks for online gun sales and private transactions, including those at gun shows. They will need to collect about 246,000 valid signatures before Jan. 3 in order to qualify the proposal for the ballot in 2014 (OREGONLIVE.COM). • Fifty-six percent of the respondents to a *New York Times/CBS News* poll said same-sex couples should be entitled to the same federal benefits granted to married heterosexual couples. But 60 percent also said the issue of whether to legalize same-sex marriage should be left to the states rather than the federal government (NEW YORK TIMES). • **NEW YORK** Gov. Andrew Cuomo (D) called on lawmakers last week to pass a system of public financing of state elections, modeled after the system in place in New York City. The governor conceded the measure has a slim chance of passing in the remaining days of the session, scheduled to end June 20 (NEW YORK TIMES).

— Compiled by **KOREY CLARK**

## 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:** 196

**Number of Intros last week:** 1,311

**Number of Enacted/Adopted last week:** 1,249

**Number of 2013 Prefiles to date:** 25,769

**Number of 2013 Intros to date:** 123,308

**Number of 2013 Session Enacted/Adopted overall to date:** 29,840

**Number of bills currently in State Net Database:** 141,569

— Compiled By **FELICIA CARILLO**  
(measures current as of 6/13/2013)  
Source: State Net database

---

# Governors

**B**REWER WINS MEDICAID BATTLE WITH HER OWN PARTY: Arizona Gov. Jan Brewer (R) scored a huge political victory last week as Grand Canyon State lawmakers finally endorsed her call to greatly expand access to the state's Medicaid program. The expansion, part of the \$8.8 billion budget lawmakers also adopted, is expected to provide health care coverage to over 300,000 residents.

Brewer is one of a handful of Republican governors who broke ranks with the GOP to endorse expanding the joint state-federal health plan, a hallmark of President Obama's Affordable Care Act. But her proposal had met fierce resistance in the GOP-controlled Legislature, particularly in the House. Brewer, however, refused to back down, vowing to veto all bills sent to her until lawmakers approved her proposal, a promise she kept in late May when she nixed five bills by Senate President Andy Biggs (R).

Even so, progress was seemingly at a standstill until last Tuesday when a frustrated Brewer called lawmakers into a special session to hammer out an agreement. That drew howls of protest from many Republicans, including Rep. Eddie Farnsworth, who said he had "never seen a circumstance where a governor has rolled over her own party because she was throwing a temper tantrum."

But the gambit worked, as nine House Republicans joined all 24 Democrats to support the proposal in the wee hours of Thursday morning. The Senate followed suit later that day. Brewer spokesperson Mathew Benson scoffed at Farnsworth's comments, calling the Medicaid debate the most important health issue the state had considered in three decades.

"This is what the democratic process looks like," he said, "Anyone who finds that process abhorrent is in the wrong place." (ARIZONA CAPITOL TIMES [PHOENIX], EAST VALLEY TRIBUNE [MESA], BLOOMBERG BUSINESSWEEK, WASHINGTON POST)

**DEMS ENDORSE BROWN ED SPENDING OVERHAUL:** When California Gov. Jerry Brown (D) introduced his budget proposal last January, it drew howls of protest from some of his fellow Democrats over a proposal to send more money to poorer districts, which they argued would come at the expense of wealthier ones. Brown argued that sending extra cash to the poorer school districts was critical to equalize a state education system where more than half of the students are considered poor and a quarter do not speak English as their primary language. Although Dems were fine with more money going to poorer schools, Senate President Darrell Steinberg was one of many who thought the extra funds should be targeted

at individual kids who needed the help, regardless of which district they belonged to. But Brown got his way last week, as lawmakers endorsed his budget proposal with the funding formulas mostly intact. Brown won over lawmakers by agreeing to increase base funding for all schools this year, with local districts having significant autonomy in how that money is spent. (STATE NET, SAN JOSE MERCURY NEWS, SCPR.COM [SOUTHERN CALIFORNIA PUBLIC RADIO, 89.3 KPPC])

## Upcoming stories

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

- **Prison reform**
- **GMO issues**
- **Immigration reform**

**QUINN PENSION MERGER PROPOSAL IN LIMBO:** Illinois Gov. Pat Quinn (D) is urging Prairie State lawmakers to merge competing pension reform proposals before heading into a special session this week. Quinn wants lawmakers to craft new legislation that would include the tenets of rival pension plans advanced by House Speaker Michael Madigan and Senate President John Cullerton. Madigan's House-approved proposal, which would unilaterally impose pension changes on state workers and raise the retirement age, was rejected in the Senate in May. Cullerton's Senate-endorsed measure, which gave workers more options, never got a vote in the House before the chamber adjourned on May 31. Under Quinn's proposal, Madigan's scheme would be considered the primary plan and Cullerton's would serve as a "backup" in case Madigan's is rejected by the courts. But that possibility ran into trouble almost immediately when Madigan set a hearing to consider gutting Cullerton's pending bill in the House and replacing it with his own. Quinn had continued to meet with leaders from both parties to see if he can bring the two sides together. (CHICAGO TRIBUNE, NEWS GAZETTE [CHAMPAIGN-URBANA])

**GOVERNORS IN BRIEF:** Saying Attorney General Gary King (D) was right in not issuing a formal opinion on whether same-sex marriage is legal in the Land of Enchantment, **NEW MEXICO** Gov. Susana Martinez (R) said her office will not be involved in legal challenges to the state law, which currently recognizes marriages only between one man and one woman (ASSOCIATED PRESS). • **COLORADO** Gov. John Hickenlooper (D) asked a federal judge last Monday to allow a new state limit on ammunition magazines to go into effect as interpreted by attorney general John Suthers (R). Gun advocates, meanwhile, contend the law is too vague and broader than the Suthers' interpretation and should be struck down (DENVER POST). • **MONTANA** lawmakers failed to muster enough votes to override any of the remaining 19 vetoes issued by Gov. Steve Bullock (D) this session. All 24 of Bullock's vetoes were ultimately upheld (MISSOULIAN). • The **SOUTH CAROLINA** Supreme Court dismissed an ethics complaint against Gov. Nikki Haley (R), ending a years-long effort on behalf of the plaintiff to bring criminal charges against her. John Rainey, a prominent Republican fundraiser and former chief

economic forecaster under former Gov. Mark Sanford (R), had accused Haley of using her position when she was in the Palmetto State Legislature for personal gain (CHARLOTTE OBSERVER).

— Compiled by RICH EHISEN

---

## Hot issues

**B**USINESS: The **MAINE** House approves HB 913, which would make commercial horse slaughter for human consumption illegal in the Pine Tree State, ban the construction and operation of horse slaughtering facilities and make it illegal to transport horses through the state for the purpose of slaughtering them to provide food for human consumption. It moves to the Senate (BANGOR DAILY NEWS). • Also in **MAINE** the House approves SB 444, legislation that would allow unlicensed farmers to sell up to 20 gallons of raw milk per day, or process for sale the same amount of raw milk into cheese, butter, cream or kefir. It has returned to the Senate (BANGOR DAILY NEWS, STATE NET). • Staying in **MAINE**, the House and Senate approve HB 490, which would require genetically modified food products to carry a label identifying them as such. The bill, which would only go into effect if four other states contiguous to the Pine Tree State adopt similar measures, faces more procedural votes but is expected to head soon to Gov. Paul LePage (R) for review (BANGOR DAILY NEWS). • **NEVADA** Gov. Brian Sandoval (R) vetoes AB 209, which would have legalized the sale of raw milk in the Silver State (LAS VEGAS REVIEW-JOURNAL). The **MICHIGAN** Senate approves a quartet of bills (SBs 380, 381, 382 and 383) that collectively would continue and eventually grow the state's pre-foreclosure negotiation period allowing residents to seek loan modifications with their banks. The bills are now in the House (DETROIT FREE PRESS). • **FLORIDA** Gov. Rick Scott (R) signs HB 347, which allows craft distillers to sell two bottles of their product to each consumer on their premises (TAMPA BAY TIMES). • Also in **FLORIDA**, Gov. Scott signs HB 77, which allows landlords to evict tenants if they make only partial rent payments or if they commit two minor rules violations, such as parking a car in the wrong space (FLORIDA GOVERNOR'S OFFICE). • Staying in **FLORIDA**, Gov. Scott signs SB 282, which increases from \$2,000 to \$3,000 the amount of a loan in which consumer finance companies can charge the maximum interest rate of 30 percent (BRADENTON HERALD). • Again in **FLORIDA**, Gov. Scott signs HB 383, which adds the Sunshine State to those that have adopted the Interstate Insurance Product Regulation Compact, which serves as a central point of electronic filing for insurance products like life insurance, annuities, disability income and

long-term care insurance (FLORIDA GOVERNOR'S OFFICE, INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION). • **MISSOURI** Gov. Jay Nixon (D) signs SB 121, which allows Show Me State home brewers to participate in festivals and other judged events (ST. LOUIS POST-DISPATCH). • Also in **MISSOURI**, Gov. Nixon signs HB 133, which allows insurers to purchase reinsurance policies from global companies that meet reasonable criteria even if they do not have 100 percent collateral requirements. It goes into effect July 1, 2014 (MISSOURI GOVERNOR'S OFFICE).

## In case you missed it

The \$62 billion in losses states suffered from Superstorm Sandy last year may be a harbinger of the future of U.S. disaster spending.

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

[http://www.statenet.com/capitol\\_journal/06-10-2013/html#sncl\\_spotlight](http://www.statenet.com/capitol_journal/06-10-2013/html#sncl_spotlight).

**CRIME & PUNISHMENT:** The **OREGON** Senate approves HB 2710, which would require Beaver State law enforcement agencies to obtain a warrant if they want to use a drone for acquiring information or tracking a person fleeing a crime scene. The bill, which would grant an exception for life threatening emergencies, returns to the House (STATESMAN JOURNAL [SALEM]). • **LOUISIANA** Gov. Bobby Jindal (R) signs HB 279, which broadens the Pelican State's racketeering law to include the crimes of human trafficking, kidnapping, bigamy, female genital mutilation and the sale of children (TIMES-PICAYUNE [NEW ORLEANS]). • Still in **LOUISIANA**, Gov. Jindal says he will sign HB 152, legislation that would allow some juveniles sentenced to life imprisonment for murder to become parole eligible after serving 35 years of their sentence (TIMES-PICAYUNE [NEW ORLEANS]). • **MAINE** Gov. Paul LePage (R) vetoes HB 735, a bill unanimously approved in both chambers that would have allowed someone calling in an overdose to have a statutory defense against prosecution for drug possession. Supporters say they will seek an override (BANGOR DAILY NEWS). • **ALASKA** Gov. Sean Parnell (R) signs SB 22, which eliminates the statute of limitations for cases involving child pornography and human trafficking (FAIRBANKS NEWS-MINER). • **FLORIDA** Gov. Rick Scott (R) vetoes SB 1420, which would have shortened the timeframe, from five to three years, for criminal charges to be dismissed against defendants determined by a court to be incompetent to proceed to trial (FLORIDA GOVERNOR'S OFFICE).

**EDUCATION:** The **OREGON** House and Senate unanimously approve HB 2158, which would allow honorably discharged military veterans from anywhere in the country to pay in-state tuition at Beaver State colleges and universities. It moves to Gov. John Kitzhaber (D), who is expected to sign it into law (PORTLAND OREGONIAN). • **LOUISIANA** Gov. Bobby Jindal (R) signs HB 343, which bars Pelican State high schools from administering college exams like the ACT to students with disabilities who are not pursuing a regular high school diploma. The students would still have to take the tests if their individual education plan, or IEP, calls for it or if their parents choose to "opt in" for the testing (TIMES-PICAYUNE [NEW

ORELANS]). • **TEXAS** Gov. Rick Perry (R) signs HB 5, a bill that, among several things, cuts the number of standardized tests students must pass to graduate from 15 to five (KTRK-TV [HOUSTON]). • **MISSOURI** Gov. Jay Nixon (D) signs SB 197, which requires colleges and universities to develop screening programs for tuberculosis (NEWS TRIBUNE [JEFFERSON CITY]).

**ENERGY:** The **NEW HAMPSHIRE** House and Senate endorse SB 99, which would create two study committees to review the state's criteria for siting wind farms and new electric generation and transmission facilities. It moves to Gov. Maggie Hassan (D) for review (UNION LEADER [MANCHESTER]).

**ENVIRONMENT:** **MICHIGAN** Gov. Rick Snyder (R) signs a nine-bill package (SBs 51, 54, 55, 56, 57 and 58 and HBs 4069, 4243 and 4244) that collectively will encourage owners of the Wolverine State's 11 million acres of privately-held forest land to allow logging on their property in exchange for a wide variety of tax incentives (LANSING STATE JOURNAL, MICHIGAN GOVERNOR'S OFFICE).

**HEALTH & SCIENCE:** The U.S. Supreme Court unanimously rules that human genes cannot be patented. The Court ruled that **UTAH**-based Myriad Genetics cannot claim a patent for merely isolating genes, but can for its creation of synthetic DNA, called cDNA (WASHINGTONPOST). • **FLORIDA** Gov. Rick Scott (R) signs SB 398, a measure to clarify existing law which allows a supervising physician to delegate to a physician assistant authority to order medications, including controlled substances, for patients in hospitals, ambulatory surgical centers and mobile surgical facilities (FLORIDA GOVERNOR'S OFFICE). • **MISSOURI** Gov. Jay Nixon (D) signs HB 315, which allows Show Me State pharmacists to dispense a small emergency dose of prescription medicine if the prescribing doctor is unavailable. The pharmacist must believe that depriving a patient of the medication would cause health problems, and the medication cannot be a controlled substance (NEWS TRIBUNE [JEFFERSON CITY]). • **NEVADA** Gov. Brian Sandoval (R) signs SB 374, which will create a system of state-regulated marijuana dispensaries and grow farms to provide pot to the state's 3,785 medical marijuana patients (LAS VEGAS REVIEW-JOURNAL). • The **MICHIGAN** House approves HB 4714, a bill that would expand Medicaid eligibility for about 320,000 Wolverine State residents making up 133 percent of the federal poverty line, a hallmark of the Affordable Care Act. The measure moves to the Senate (LANSING STATE JOURNAL).

**SOCIAL POLICY:** The **WISCONSIN** Senate approves SB 206, which would require women seeking an abortion to first undergo an ultrasound and for doctors who perform the procedure to have hospital admitting privileges. It is now in the Assembly (MILWAUKEE JOURNAL-SENTINEL). • **MISSOURI** Gov. Jay



Nixon (D) signs a pair of bills (SB 205 and SB 208) which collectively allow foster youth to reenter foster care until age 21 if it is deemed to be in their best interests (MISSOURI GOVERNOR'S OFFICE). • The **MAINE** House rejects HB 511, a bill that would have required doctors and health care workers to provide information about alternatives to abortion and removed a requirement in current law that a woman must request the information to receive it. The House also rejects HB 956, which would have required written consent of a parent or legal guardian before a minor or incapacitated person could have an abortion (BANGOR DAILY NEWS).

**POTPOURRI: NEVADA** Gov. Brian Sandoval (R) signs AB 31, a bill that requires each Silver State government agency to designate a “records official” to handle public records requests (LAS VEGAS REVIEW-JOURNAL). • **TEXAS** Gov. Rick Perry (R) signs HB 489, which allows individuals with disabilities to use the assistance of service animals in all public places, including retail businesses and restaurants, without having to show the qualifications or certifications of the assistance animal (TEXAS GOVERNOR’S OFFICE).

— *Compiled by RICH EHISEN*

# Once around the statehouse lightly

**DID I SAY THAT?** Once upon a time, New York Gov. Andrew Cuomo promised to run the most transparent administration in state history. But proving that campaign promises often become quaint memories once the election is won, the gov is now playing hide and seek with a video his own office made that satirizes...wait for it...his administration's penchant for secrecy! As the *New York Times* reports, the video debuted last year at the Capitol Press Corps' annual dinner, drawing loads of laughs from the audience of politicians, reporters and various Albany power brokers. The *Times* immediately requested a copy under the state Freedom of Information law, but more than a year later it is still waiting. Administration officials say the whole thing is a "nonissue," noting that it should be obvious by now the request has been rejected. What's more, it is actually the *NYT's* fault, not only for not figuring that out but for then not appealing the rejection. Oh, okay.

**TICKET TO THE UNEMPLOYMENT LINE:** Well, not quite. As the *Tampa Bay Times* reports, a Florida Highway Patrol officer caught a break recently when a hearing board decided he should not be fired for failing to write two Sunshine State

lawmakers tickets for traveling at 87 miles per hour in a 70 mph zone. Trooper Charles Swindle instead wrote the pair bogus tickets for failing to have proof of insurance, a minor offense with a fine a fraction of that for speeding. Swindle was initially terminated, but regained his job when the hearing officer ruled that Swindle had been influenced by an unwritten agency policy that strongly encouraged officers to let lawmakers caught with their foot too heavy on the pedal slide. How strongly, you ask? According to one former FHP officer, recruits are taught in the academy that “Thou shalt not write your legislator!” Swindle got a three-week suspension without pay.

**OHHHH YEAAHHHH:** If politics doesn’t work out, New Jersey Gov. Chris Christie may have a career in late night television. In recent months, he has taken to the airwaves several times, including on “The Late Show” with David Letterman — where he hilariously took a bite out of a donut he had hidden in his pocket — and last week when he took a turn “slow jamming” the news on “Late Night with Jimmy Fallon.” For the uninitiated, the bit features the guest talking about some current event while Fallon kibitzes with wisecracks, all while the band plays a soulful R&B backbeat. Christie used his time to discuss his controversial decision to call a special Congressional election and to deflect talk of his 2016 presidential aspirations. The highlight? After Christie blew off a chance to announce his 2016 plans, the band sang the immortal Springsteen line, “Baby, you were born to run.”

**IT’S ALWAYS CHRISTMAS IN TX:** Texas Gov. Rick Perry has spent a lot of time lately trading barbs with blue state governors over his attempts to poach employers from their states. His usual spiel revolves around low taxes, faint regulations yada, yada, yada. But now Perry has really got an ace in the hole: Texans can say Merry Christmas to their heart’s content. As the *Houston Chronicle* reports, Perry recently signed legislation that removes any legal risk for saying “Merry Christmas” in Lone Star State public schools. To be fair, the bill also grants safe harbor for wishing folks a happy Hanukkah and even the charm-free “happy holidays.” Of course, nobody has ever actually been sued, fired or arrested for offering a cheery Merry Christmas — or for that matter even a half-hearted or downright slovenly one — but now they’re covered just in case.

— By RICH EHISEN



**Editor:** Rich Ehisen — capj@statenet.com  
**Associate Editor:** Korey Clark — capj@statenet.com  
**Contributing Editors:** Mary Peck  
**Editorial Advisor:** Lou Cannon  
**Correspondents:** Richard Cox (CA), Steve Karas (CA),  
James Ross (CA), Lauren Davis (MA) and  
Ben Livingood (PA)  
**Graphic Design:** Vanessa Perez  
State Net ISSN: 1521-8449

**State Net**<sup>®</sup>  
A LexisNexis<sup>®</sup> Company



You've just read **State Net Capitol Journal**, the insider's source for political and legislative news in the 50 states.

**State Net Capitol Journal** is published 40 times annually and delivered over the Web or email.

**For a FREE subscription,  
visit our Website at  
[www.statenet.com](http://www.statenet.com)  
and click on the  
"Register Now" icon.  
Or call us at  
916.444.0840**

**A publication of State Net** — *Information and Intelligence on the 50 States & Congress*

**The Power to Know. Act. Connect.**

Unique State Net tools, methods and expertise overcome the challenge of managing government affairs information. We help minimize your risks and empower your team for success.

**State Net: the service you can trust when you need to be right.**

Learn more about our issue-based reporting solutions today:  
[info@statenet.com](mailto:info@statenet.com) or [www.statenet.com](http://www.statenet.com) • 800.726.4566