

Redistricting, budgets, education, health care and environmental concerns top state legislators' agendas for the 2001 sessions.

This year, legislatures in 39 states and commissions in 11 states will draw new boundaries for their own seats and in 43 states for members of Congress, setting the political stage for the next decade. Early census figures show 10 states will lose congressional seats and eight will gain them. The Census has said it will release the specific counts states need by April 1.

A wild card in the redistricting process is the impact of term limits. With term limits contributing to record turnover in some states, many new legislators will take office in 2001. In Ohio, 42 first-time lawmakers were among the 132 who took the oath of office Jan. 2. The newest term-limited state is Nebraska, with voters endorsing limits in November. In addition, many top legislative posts are occupied by new leaders. Term-limited legislators may see themselves as having less of a stake in the districts they draw.

State Government News queried legislators attending The Council of State Governments' Annual Meeting and State Leadership Forum in December on what they consider the top issues before their sessions.

Top of the agenda issues

Education, the mega-issue of 2000, remains a top concern. Legislators and governors will seek to attract and retain teach-

ers and will consider more measures for testing and accountability. New Hampshire and Ohio, among other states, will struggle with equity and school finance. New Ohio Speaker Larry Householder, a Republican, pledged education-finance reform would be his top priority. Georgia Gov. Roy Barnes asked lawmakers to boost funds for education, including \$1 billion for building new schools and colleges. November election results mean South Carolina will establish a lottery to help pay for education and Arizona will end bilingual instruction.

Budget issues also are expected to loom over many states. While some lucky states, such as Idaho, will dole out surpluses, others may have trouble collecting taxes because of the slowing of the U.S. economy. Half the states responding to a December survey by the



National Association of State Budget Officers and the National Governors' Association predicted revenues for 2002 would be lower than previously estimated. In addition, as a result of voter-approved initiatives in November, Massachusetts will cut income taxes and Washington will impose a cap on property-tax hikes.

With revenues slowing, at least 40 of 45 states with sales taxes are joining in a combined project to streamline their collection. The streamlining effort would impose uniformity on some 7,500 different sales-tax systems. States also may examine how they can effectively collect taxes on items sold over the Internet. The federal moratorium on taxes on Internet commerce will expire in October, raising the prospect of more federal preemption un-

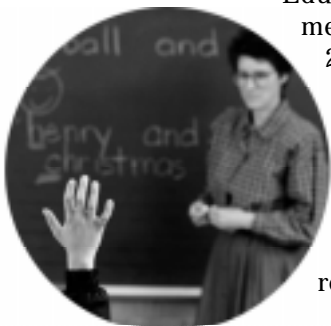
What's big in 2001

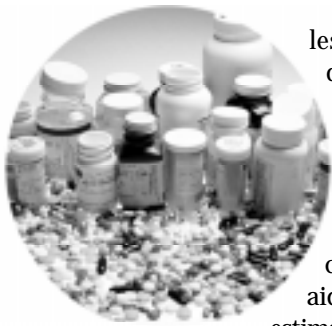
New and returning state legislators have full plates before them in 2001, loaded with concerns over education, health care, budgets and taxes.

Many also must cross knives over redrawing their party's political future in Congress and state capitols.

BY ELAINE STUART

Elaine Stuart is managing editor of State Government News.





less states act quickly.

Another big issue in many states is the rising cost of health care. Medicaid spending is estimated to exceed current projections in half the states responding to the December survey. In addition, many states will address the issue of how to help senior citizens pay for prescription drugs. Maine's new law to set price controls, passed last year and challenged in court, has catalyzed action in more than 20 other state capitols.

Urban sprawl is another hot topic, as more states consider ways to tame unchecked growth. Voters in Colorado rejected growth controls, putting the issue back in the laps of legislators. Pollution controls, water issues and agricultural runoff also will occupy a number of states.



State legislatures will debate thousands of bills on every topic. Punch-card ballots and other voting concerns have attracted attention in the wake of the problems in counting Florida's ballots during the 2000 presidential election. Several national and state task forces are studying ways to improve the election process.

Electricity deregulation and its role in California's electricity crisis this winter is likely to generate action there and elsewhere to avoid high prices and power shortages.



The move to-

ward electronic government and commerce is occupying privacy task forces and study groups in some 20 states, which could recommend legislation.

New federal mandates, such as rules to lower standards for drunken driving, also will generate state debate and legislation.

Views from the trenches

Interviews with legislators revealed a range of pressing concerns.

California Assemblywoman Elaine Alquist, a Democrat, said an expected boom in the state's youth population makes higher education and work-force development more important. The challenge is to "see that our kids graduate high school with the skills they need," Alquist



Alquist

said. In addition to electricity supply and prices, California also faces reapportionment and budget issues. While Democrats hold sway, there are lots of new members in the Assembly and Senate. Assembly Speaker Bob Hertzberg said Democrats would respect the Constitution in redistricting so their work would not wind up in court. According to news reports, California lawmakers also will debate spending or returning to taxpayers a likely \$10 billion budget surplus. Some want to spend the surplus on building new schools to house increasing numbers of students. Voters in November approved treatment instead of jail for drug offenders, putting more emphasis on funding drug-treatment programs and improving prison conditions.

Colorado's Ray Powers, former Senate president and a Republican, cited growth and development as the biggest issue facing the Legislature. The state's population has grown 20 percent in the past decade, and an initiative to limit development was resoundingly defeated in November, he said. "Business and developers spent \$5.5 million

to defeat it, but everyone knows that something has to be done. The Legislature will have to face it," Powers said.

Majority Republicans in the Colorado House placed growth, education

What's different in 2001

For the first time, every state legislature will convene in regular session. In Kentucky, which formerly held an even-year biennial session, voters approved annual sessions. Five states hold biennial sessions in odd years — Arkansas, Nevada, North Dakota, Oregon and Texas.

Nine states and Puerto Rico have new governors. Voters in November elected new governors in Delaware, Missouri, Montana, North Carolina, North Dakota, West Virginia and Puerto Rico.

With George W. Bush elected president, Republican Lt. Gov. Rick Perry became governor of Texas in December. The Texas Senate elected Republican Sen. Bill Ratliff acting lieutenant governor and president of the Senate.

Bush tapped two state governors for cabinet posts, setting in motion their succession. Wisconsin Gov. Tommy Thompson, nominated to be secretary of health and human services, will be succeeded by four-term Lt. Gov. Scott McCallum. The departure of New Jersey Gov. Christine Todd Whitman, nominated to head the Environmental Protection Agency, leaves Senate President Donald DiFrancesco next in line. He will continue in his Senate post while serving as acting governor and seeking the Republican nomination for governor.

And in Rhode Island, former deputy House speaker Edward S. Inman III, a Democrat, was elected by the Legislature to be Secretary of State.

— ES

and transportation at the top of their list of major issues, with majority



Powers

Democrats in the Senate naming transportation, education and crime control, according to news reports. Colorado will gain a seat in Congress, and the two chambers will have to

agree on a congressional redistricting plan. State legislative districts will be redrawn by a commission.

Connecticut's majority Democrats will have to work out a budget plan with the Republican governor. Gov. John G. Rowland said in January he would be cautious about a tax cut, despite Republican support for one. Rep. Jessie Stratton, a Democrat, said prescription drugs, education and early childhood development will occupy the session. She also named energy as an issue in the wake of recent stringent state emission stan-



Rowland

dards. Among other issues, Rep. Wade Hyslop, a Democrat, named prison overcrowding and difficulties with prisoners transferred out of state as reasons to look at laws on mandatory sentencing and alternatives for substance abusers and nonviolent offenders. Legislation might emerge from a meeting of the Northeast governors and Canadian premiers on mercury pollution in the Northeast. Stratton also mentioned proposals dealing with a nitrogen-trading program for towns, air quality in schools and traffic congestion.

Minority Republicans support a property-tax cut, revision of state education aid, reimbursement to seniors for prescription drugs and relief for traffic congestion, according to news reports.

Delaware Rep. Roger Roy, a Republican, said even though the state has a new governor, Ruth Ann Minner, the Legisla-



ture Roy

will attend to old business, such as loose ends with teacher and student accountability measures passed last session. The state also will face tough decisions on education and prison spending since the surplus has disappeared due to the slowing economy and recent state tax cuts, he said. Roy also sees a push to provide more government services online and to adjust agency rules accordingly. Another big issue facing Delaware is redistricting, Roy said. Because the state has only one con-

gressional district, reapportionment will mean cutting up state legislative districts. A shift in population from the cities will result in a loss of seats in some areas. "Everyone wants to see their own lines stay the same. It is not a matter of Republican or Democratic as much as self-preservation," Roy said.

Idaho Sen. John Sandy, a Republican, said legislators will have a 70-day session to decide whether to spend the \$100 million budget surplus, reduce taxes, or do a combination of both. Other concerns are education, drug-law enforcement and the impact of the endangered species act on agriculture and hydropower. A commission redistricts in Idaho.



Sandy

Illinois Rep. Tom Ryder, a Republican, said, "Redistricting will be the issue that dominates." The state is slated to lose a seat in Congress. Other top items are Medicaid costs and expiration of the state telecommunications act. The Legislature is split between the Democratic House and the Republican Senate.



Ryder

Iowa Sen. Gene Fraise, a Democrat, named education, prison overcrowding, budget issues and redistricting as major concerns. Fraise said the state's low starting salary for teachers deserves attention, as do performance incentives for schools. Fraise also wants to expand a pilot project for a drug court. "We've got to do something other than locking people up," he said. While Republicans have talked of tax cuts, the Democratic governor disagrees, Fraise said. A special session may need to tackle redistricting if the state doesn't get the census figures it needs before the regular session ends in April.



Fraise

Kansas Rep. David Adkins, a Republican, said budget issues will dominate in wake of a governor's task force proposal of \$200 million more for educa-

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Winners and losers

Early Census figures show 10 states will lose seats in Congress and eight will gain. Four states gaining two seats in the U.S. House of Representatives are Arizona, Florida, Georgia and Texas. States that will gain one seat are California, Colorado, Nevada and North Carolina.

The biggest losers are New York and Pennsylvania, which will give up two seats each. Connecticut, Illinois, Indiana, Michigan, Mississippi, Ohio, Oklahoma and Wisconsin will each lose one seat in Congress.

The national population stood at 281.4 million last April, a 13 percent increase over 1990. Every state gained population. States growing the fastest were Arizona, Colorado, Georgia, Idaho, Nevada and Utah. — *ES*

tion. Another issue will be the sunset of the lottery, which has been renewed by slim margins in the past. Adkins named the quality and quantity of water, litigation with Nebraska over water rights, children's health insurance and improvements in privatization of foster care as other major issues. He also expects a regrouping in the Legislature, which had a 25 percent turnover. With Republicans firmly in control of both chambers, Adkins predicts a smooth redistricting process. "We'll be firm, but fair," he said.



Adkins

Kentucky Rep. Bob Damron, a Democrat, predicted the Legislature will move cautiously in its first annual session, approved by the voters in November. He said the 30-day session will likely look at minor changes to the budget and review administrative regulations recently passed by the executive branch. Because the session will adjourn by March 23, a special session may be needed in the summer to redistrict. A veteran of several redistrictings, Damron said, "The biggest issue is the population shift within Kentucky from one region to another." That will necessitate a shifting of seats in the state Legislature and changes in some congressional districts. A 1995 state Supreme Court decision precludes splitting counties, which reduces the possibil-



Damron

ity of gerrymandering, Damon said.

Louisiana Rep. Kip Holden, a Democrat, said a budget shortfall would occupy the April session.



Holden

"There also is extreme controversy over gambling," he said, citing Harrah's likely request to reduce the amount it agreed to pay the state. Education also is a major concern, especially since the state's new free-tuition program is exceeding budget estimates.

Maine Sen. Marge Kil Kelly, a Democrat, said health care will be the No. 1 issue. "Small businesses can't afford coverage and neither can people independently," she said. "We will do prescription drugs again." The Senate is so evenly split that leadership will switch from Democratic to Republican after the first year of the biennium. "This is very unique in our history," she said.

Massachusetts Rep. Dan Bosley, a Democrat, named health care and education as the most important issues. A proposal for universal health care has been filed for the ballot. Bosley said the state also needs to be innovative in helping seniors pay for prescription drugs, but that "there's no sentiment for a price cap." In education, legislators will face the issue of teacher testing. Because Massachusetts will not lose a congressional seat and both chambers of the statehouse are



Bosley

in Democratic hands, Bosley expects redistricting to be "nice and orderly."

Michigan Rep. Steve Vear, a Republican, cited the phase out of the single business tax, the creation of a code for water runoff from farms and the preservation of agriculture as major issues. Sen. Dale Shugars, a Republican, said health policy, especially increased premiums for employee health insurance, would occupy the session. Shugars said more needs to be done to encourage healthy lifestyles and provide incentives to encourage prevention of illness and injury. Shugars said redistricting should be "predictable," and that because of past court decisions and legislation there is little room for subjectivity. "The biggest thing is to be fair," he said.

Minnesota Sen. Mark Ourada, a Republican, predicted a battle over spending in the coming legislative session. The state, which has a projected surplus of \$3 billion over 30 months,



Ourada

is scheduled to take over all education spending at the same time that it has reduced taxes. In addition, Gov. Jesse Ventura and Republican House Speaker Steve Sviggum both support tax cuts, while Democratic House members want money for education, prescription-drug help for seniors and property-tax cuts. Senate Democrats also caution that part of the surplus should be used for property-tax relief.

Mississippi Sen. Alice Harden, a Democrat and chairwoman of the education committee, said one priority was to provide more money for education, including raising teachers' salaries and hooking up all schools to the Internet. Meanwhile, Speaker Tim Ford was expected to sponsor a bill to let voters choose the design for a state flag. The state Supreme Court ruled last May the state does not have an official flag, saying the controversial 1894 flag with the Confederate emblem was not adopted



Harden

when laws were updated in 1906. The 90-day session also is expected to tackle spiraling health-insurance costs for state workers.

Nebraska Sen. DiAnna Schimek named teacher salaries and teacher shortages as major concerns, along with prescription drugs and mental-health care. Because the state is not likely to get the census figures it needs until March 15, Schimek sees redistricting as a major strain for the part-time legislators. The state had the figures by February a decade ago, she said. Even though the state Legislature is nonpartisan, redistricting is a partisan issue at the federal level, she said. It also is an issue at the state level because of the loss of rural legislators to growing urban districts.



Schimek

Nevada Assemblyman Lynn Hettrick, a Republican, said, "Redistricting is the top issue. We'll get a new seat in Congress." Nevada's population growth has concentrated in Las Vegas, making the task of dividing up the state difficult. Hettrick said growth also complicates paying for public services in a state traditionally dependent on gaming revenues and lacking an income tax. Complicating the revenue issue is a ballot initiative that would earmark half of the state's general fund for kindergarten through 12th-grade education. The initiative also would create a new tax on any business that grosses more than \$50,000, and would apply to farmers, ranchers and others. The Legislature can pass it or propose an alternative.



Hettrick

New Mexico Rep. Gail Beam, a Democrat, said the Legislature will consider proposals from a 64-member education task force appointed in July 1999. In December, the task force made several recommendations, including tying teacher pay



Beam

to competency, creating better testing standards for students, demanding better accountability from local schools and establishing a new state board of education. One particularly controversial issue is school vouchers, Beam said. A proposal by Gov. Gary Johnson, a Republican, to make vouchers worth \$3,200 each over four years available to all New Mexico school children was soundly defeated by the Democratic legislature in 1999, but may come up again.

New York Rep. Robert C. Wertz, a Republican, sees tax cuts as the state's major issue. "We want to cut taxes again and finish what we started," he said. Another issue facing the state is gun control. On Jan. 2, Republican Gov. George E. Pataki urged



Wertz

tougher penalties to enforce gun laws and the creation of a state police unit to combat gun trafficking. Redistricting poses a problem for Republicans who are in the minority in the state Assembly, Wertz said. "Democrats will take care of themselves, but we (Republicans) will have to fight for our lives," he said. New York will lose two members of Congress, making redistricting even more touchy for the divided Legislature.

North Carolina Sen. Charlie Dannelly, a Democrat, said the major issue will be a budget shortfall of \$300 million, which partially stems from a \$1.2 billion tax break passed earlier. He predicted the emphasis will be on meeting the state goal of being No. 1 in education in eight years. New Gov. Mike Easley, a Democrat, is expected to stand by outgoing Gov. James B. Hunt's promise to improve teacher pay. The new governor also has vowed to strike a compromise on the impact of the hog industry on the environment.



Dannelly

In November, the U.S. Supreme Court heard arguments in a suit chal-

lenging North Carolina's congressional districts. Dannelly said the proponent of that suit is likely to challenge any new plan as well. "We're hoping it will not be partisan, but be fair to everyone of the citizens. We have the technology to draw up any type of district that any member wants," he said.

Tennessee Sen. Douglas Henry, a Democrat, said the Legislature again will look at ways to raise revenues because tax receipts are below estimates. Because the proposal for an income tax failed last session, he doesn't expect it to come up this time.



Henry

Vermont Sen. William Doyle, a Republican, called health care and education the biggest issues. Vermont last year negotiated a federal waiver that allows 30,000 low-income residents on Medicare to buy prescription drugs at Medicaid prices; the waiver has been challenged in court by pharmaceutical companies.



Doyle

The Legislature also will consider incentives to students to study and practice nursing in the state, as well as incentives for teachers, Doyle said. Doyle favors a proposal to lure retired teachers back into the classroom by offering them both their old salary and their retirement benefits. "Older teachers are a proven product," he said.

Washington Sen. Jim Honeyford, a Republican, said the budget is the major issue. For the second session in a row the House is evenly divided, so Honeyford predicts there will be "no extreme legislation passed." Other prominent issues are water policies and salmon recovery. Because each party caucus appoints members to a bipartisan redistricting commission, the Legislature won't have to battle out reapportionment. ★



Honeyford