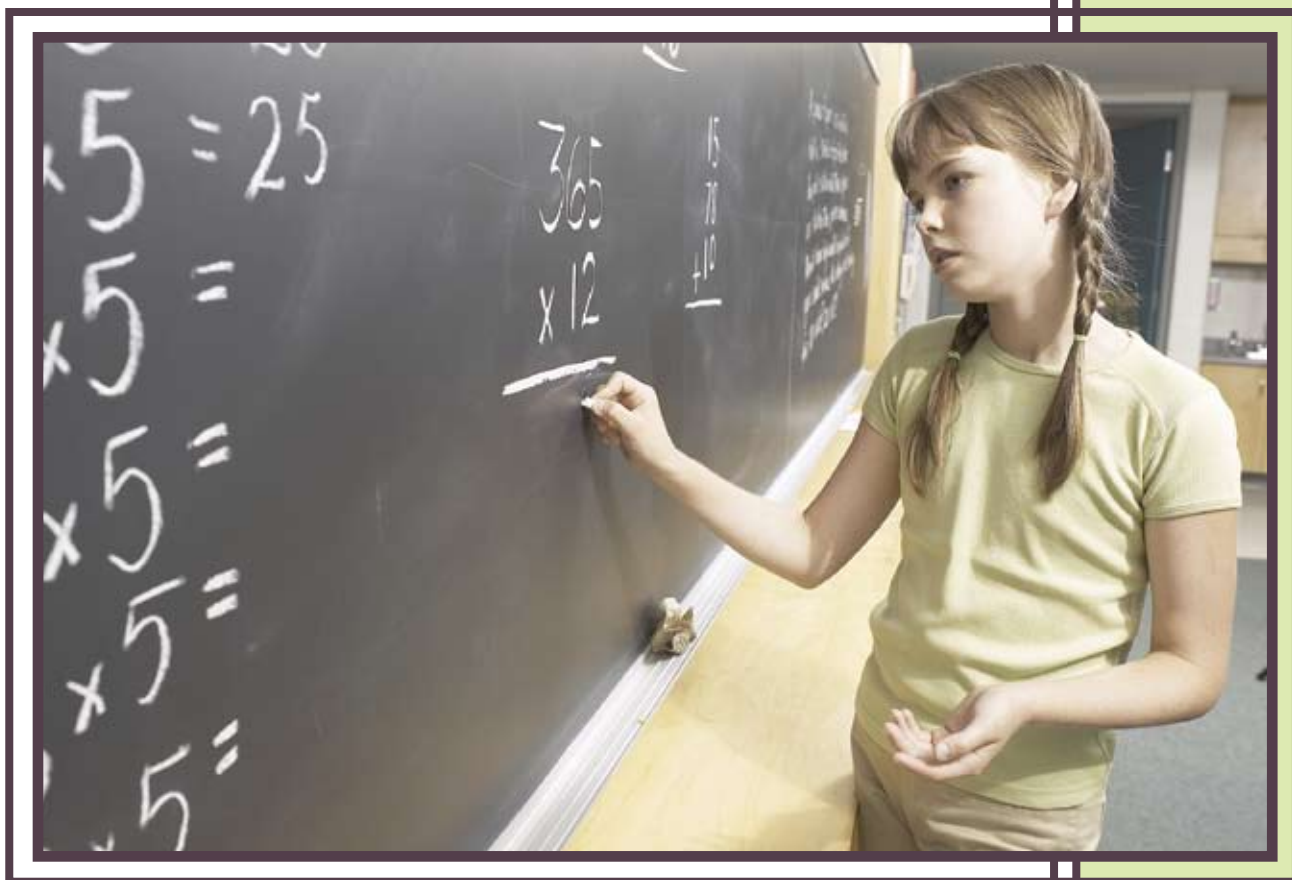


States *get a* HEAD START

*Governors Don't Wait for Federal Action
on Challenges Facing Nation*



In their State of the State speeches, the nation's governors offered proposals to address the many problems facing the country.

By Mary Branham Dusenberry

When President Bush outlined his agenda in the State of the Union address in January, he touched on many challenges individual states are already tackling. While the federal government ponders ways to address many of the challenges facing the country, governors outlined plans for their states addressing many of the same issues.

Health care, education, energy and environment are always among the major proposals for governors, but in many of their state of the state addresses given in January, the country's governors went beyond the normal rhetoric, offering innovative plans to address the needs of their residents.

Health Care

In no area was innovation more pronounced than health care reform. More than 46 million Americans are uninsured, according to the Kaiser Foundation on Medicaid and the Uninsured, and states are trying to change that.

Massachusetts and Vermont last year adopted plans that would offer universal health care to their residents. Massachusetts shifted Medicaid funding to help those who otherwise couldn't afford coverage. Bush's plan proposes allowing states to use Medicaid money currently directed to hospitals that primarily serve poor patients to help the uninsured buy coverage.

California Gov. Arnold Schwarzenegger proposed a plan that would require all residents to purchase health insurance coverage. It's similar to the plan in Massachusetts, which offers sliding scale subsidies based on income. The California plan would require all businesses with 10 or more employees to offer coverage or pay a fee of 4 percent of their payroll into a fund to help the uninsured buy health insurance. Under the plan, insurers would be forced to offer coverage to people with existing medical conditions.

Schwarzenegger also recommended expanding the state's existing program for children's health insurance to families that

earn less than three times the poverty level, or \$60,000 for a family of four.

California isn't the only state focusing on expanded health care coverage. Several states—Connecticut, Kansas, Minnesota, New Jersey, New Mexico, New York, Oregon and Washington—are considering proposals to cover all children or all residents. Illinois launched a program covering all children in 2006, and Pennsylvania plans to launch a similar program this year.

"I don't believe we should allow Kansans to go without health care simply because Congress cannot, or will not, act," Kansas Gov. Kathleen Sebelius said. Her plan calls for providing every Kansas child with health care from birth to age 5.

Minnesota Gov. Tim Pawlenty wants to expand coverage to all children under age 21 with a household income of \$60,000 or less for a family of four. He also would like to create a program—the Minnesota Health Insurance Exchange—that he said would give uninsured residents access to health insurance and lower premium costs by about 30 percent.

New Mexico Gov. Bill Richardson, in his address, proposed two steps toward closing the uninsured gap. He suggested raising the Medicaid eligibility to 100 percent of the federal poverty level to help low income adults get health care. For those people who simply can't afford insurance, Richardson suggested expanding the state coverage program to more middle-class working adults.

Utah Gov. Jon Huntsman and Washington Gov. Christine Gregoire have proposed additional funding for the Children's Health Insurance Program to cover additional children.

K-12 Education

The president is encouraging Congress to reauthorize No Child Left Behind, his education initiative. Education Secretary Margaret Spellings, who began her campaign to gain support for the administration's plans in January, said Bush's budget includes substantial increases for education.

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Governors are tackling the education issue by proposing expansion of some programs, improvements to infrastructure and changes in some requirements. Funding is a major issue, and several governors have proposed increases in the amount of money that goes into education.

Arizona Gov. Janet Napolitano, for instance, wants her state to install a minimum starting salary for teachers at \$33,000, with raises beyond that and incentive pay for teachers in areas of special need in the state. Her initiative also offers financial incentives “to find, train and keep teachers who can successfully create a cutting-edge learning environment for their pupils.”

Georgia, which Gov. Sonny Perdue says has the highest paid teachers in the Southeast, will provide another 3 percent pay raise for teachers. Huntsman not only has proposed a 9 percent pay hike, he’s also calling for \$25 million for a one-time bonus for Utah’s classroom teachers.

Increased funding isn’t just targeted for faculty pay, however. Several governors have included new money for expansion of all-day kindergarten and preschool programs.

Huntsman included \$7.5 million in his proposed budget for extended day kindergarten in every Utah school district; and Delaware Gov. Ruth Ann Minner included funding for full-day kindergarten in 11 school districts and eight charter schools.

Minner also proposed financial incentives for early child care centers. Gov. Mike Beebe has proposed an additional \$40 million for the Arkansas Better Chance program to provide voluntary, top-quality preschool classes to all children whose families earn up to 200 percent of the poverty level. Minnesota also is looking at aiding at-risk students with preschool help. Pawlenty proposed an early childhood scholarship program to provide up to \$4,000 per child for at-risk students to attend a certified kindergarten readiness program.

New Hampshire Gov. John Lynch wants to increase the education budget, but says the money should be targeted to areas

most in need. “... Directing education aid to the communities with the greatest need will help ensure fair opportunities for all of our students,” he said. “We can lift up the communities that are struggling to provide a quality education and ease the burden of property taxes in communities that struggle the most.”

Gov. Tim Kaine proposed pilot projects to expand the Virginia Preschool Initiative by including “high quality private preschool programs, including church programs, in our efforts to expand early learning.”

Building or renovating schools is on the agenda in some states. California, for instance, approved bonds in November to build 10,000 new classrooms and renovate 38,000 more. Schwarzenegger asked in his state of the state address that the legislature providing funding for construction of 15,000 more new classrooms and renovation of 40,000 more.

Gov. Michael Rounds said the South Dakota Classroom Connections laptop project has been a success in the pilot sites, and he wants to double the number of laptops in his state’s schools to 10,000 next year.

Not all the governors’ proposals deal with funding. Lynch, for instance, encouraged the compulsory attendance age in New Hampshire be increased from 16 to 18.

“Half a high school education is no longer enough,” he said.

Arizona also proposed increasing the mandatory attendance age to 18, while Georgia is addressing the dropout problem through the expansion of the graduation coach program in high schools to the state’s middle schools.

Kaine also stated a goal of recruiting 750 new math and science teachers by offering college scholarships, loan forgiveness and recruiting teachers from the private sector. He proposed reducing math and science class sizes to the 25 students.

Sebelius launched Kansas Mentors, a statewide effort to provide adult role models to children. “Every Kansas parent deserves help pushing back popular culture so she can instill in

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—Virginia Gov. Tim Kaine

her children the values that lead to a good life,” Sebelius said. “Every Kansas child deserves someone he can look up to.”

Higher Education

Increased funding for higher education is also on the agenda for several governors.

“Young people with the talent and the ability to pursue higher education in Arkansas should not be hindered by a lack of resources,” Beebe said. He proposed a \$1,000 state scholarship for students whose families earn less than \$25,000 a year.

Gov. Mitch Daniels proposed Indiana convert its lottery from a state bureaucracy to a franchised, regulated utility. The state could create Hoosier Hope Scholarships for Indiana students to attend college in the state, he said. In New Mexico, Richardson also proposed expanding a scholarship program, and suggested the state “get a grip on the out-of-control tuition hikes that put college out of reach for many New Mexicans.”

Idaho Gov. C.L. “Butch” Otter recommended a bigger appropriation for higher education, including \$12.9 million to make salaries more competitive. And in Minnesota, Pawlenty suggested increases in not only tuition aid and general college and university funding, but also \$50 million for performance bonuses for higher education institutions that achieve “clearly defined and obtained strategic goals.”

Energy

Oklahoma Gov. Brad Henry, CSG’s 2007 president, believes the growing energy crisis demands attention now. He’s selected sustainable energy as his President’s Initiative during the coming year.

It appears other governors agree there needs to be some focus on the current energy situation in the United States. Several mentioned energy—some in conjunction with economic development—in their State of the State addresses.

Alaska Gov. Sarah Palin said the state’s primary focus for long-term energy is the natural gas pipeline. “The gas line is critical not just for our future, but for the nation’s future,” she said. “It’s also an essential component for our nation’s energy policy.”

Other states are looking at developing or expanding renewable energy forms. New Mexico, North Dakota and Colorado, for instance, are looking at solar and wind among other types of renewable energy sources. Biofuels is a big topic in the states as well.

“Energy is today’s version of the space race of the ’60s and the technology race of the ’80s and ’90s,” said Colorado Gov. Bill Ritter.

Like other governors, Ritter wants to make changes in energy usage. He suggested converting Colorado’s vehicle fleets to hybrid or flex-fuels as they are replaced, and he would like to renovate state buildings to comply with higher energy-efficiency standards.

Richardson suggested transforming New Mexico’s schools into “green buildings” to save energy costs and protect the environment.

Schwarzenegger, in California, encouraged the legislature to fund the global warming legislation that caps greenhouse gas emissions. He also proposed California “be the first in the world to develop a low carbon fuel standard that leads us away from fossil fuels.”

Other Priorities

As Congress wrestles with whether to increase the federal minimum wage, proposals are on the floor in Iowa, New Hampshire, New Mexico, South Dakota, Kentucky and Virginia to increase those states’ minimum wages.

“Today’s minimum wage means that some Virginians work 40 hours a week, 52 weeks a year and earn less than \$11,000,” said Kaine. “That is not enough to take care of a family, not enough to buy a home, not enough to afford health insurance.”

Other states have proposed tax reform measures. Perdue, for instance, proposed that Georgia cut taxes on retirement fund income, and Otter asked the Idaho legislature to review the state’s personal property tax laws and proposed an increase in the grocery tax credit for lower-income Idahoans to \$90 per person.

Gov. Jon Corzine proposed a direct credit reducing the property tax bills of New Jersey residents by 10 percent to 20 percent of taxes owed. And Kaine proposed increasing the threshold for Virginia state income tax from \$7,000 to \$12,000 for an individual and from \$14,000 to \$24,000 for a married couple, a change that would eliminate income tax liability for around 147,000 Virginians.

Governors in Alaska, New Mexico, New York and Utah proposed ethics reform for state officials. “Holding the highest ethical standards is not a privilege,” said New Mexico’s Richardson, “but our responsibility as public servants. It’s also the best, and only way, we can protect the public’s faith in our democracy.”

—Mary Branham Dusenberry is managing editor of State News magazine.