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Special Focus:
State Pension Plans

2009 Capitols Guide | State Stimulus Packages | CSG's New Executive Director

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SPECIAL FOCUS

FEATURES

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csgWEB

Read about how some states are dealing with problems in their state pension systems on page 12 in the Special Focus on Pensions, and visit Capitol Comments to get more advice on how to cope with the changes that will invariably need to be made to shore up state pension systems.

Several states are working on packages to stimulate their own economies as they look for help from the federal government. See the story on page 23, and check Capitol Comments for the latest on Washington's proposed stimulus plan, Vermont's new proposed stimulus plans and other states' proposed plans.

Lieutenant governors from five states visited China (see picture) in October as part of the National Lieutenant Governors Association economic development and humanitarian mission. Read about their experience on page 35, and learn more from postings on Capitol Comments.

state capitolcomments

Look for the Capitol Comments indicator throughout the magazine to find Web extras on the CSG blog.

New *State News* Web site

Check out State News' new Web site and gain access to online articles and special Web extras!

statenews.csg.org

capitol trivia

Question:

Many states were organized as territories before being admitted to the union. Which state was a territory for the longest time period before becoming a state?

To find the answer, log onto CSG's Web site at www.csg.org!

CSG Justice Center Publishes New Tools for States

The Council of State Governments Justice Center recently published two new law enforcement-related reports. One discusses responses to people with mental illnesses, and the second discusses the police role in re-entry initiatives. A third guide on mental health courts is due for release this month. All three can be downloaded for free (please see below).

"Strategies for Effective Law Enforcement Training" is the second in the "Improving Responses to People with Mental Illnesses" reports series. Supported by the U.S. Department of Justice's Bureau of Justice Assistance, this guide reviews common challenges in successfully developing training to help officers interact with people with mental illnesses. The report also synthesizes the key lessons learned by jurisdictions that have implemented recruit or in-service programs. Please visit *http://www.consensusproject.org/downloads/le-trgstrategies.pdf* to download the report.

The report, "Planning and Assessing a Law Enforcement Reentry Strategy" focuses on 10 key components of a re-entry initiative that can be tailored to the needs of a jurisdiction. The toolkit was written in partnership with the Police Executive Research Forum and was funded by the Office of Community Oriented Policing Services of the U.S. Department of Justice. Please visit *http://www.reentrypolicy.org/le_pubs_tools* to download the report.

"Mental Health Courts: A Primer for Policymakers and Practitioners" defines the key aspects of mental health courts, as well as common misconceptions, and discusses emerging trends in mental health court design across the country. The CSG Justice Center's report answers why mental health courts are needed, what types of individuals can participate in mental health courts and what the goals of mental health courts are. This report also was funded by the Bureau of Justice Assistance. Please visit *http://consensusproject.org/mhcp/info/mhresources/pubs/* to download the report.

statesource

States Consider Cutting Holidays

When it comes to cutting expenses and making state governments leaner, a few states are looking at reducing the number of paid holidays granted to state employees. One such state is California.

By mid-2010, California will face a projected $28 billion budget deficit, according to a report from the California Legislature's budget analyst. With those kinds of numbers looming in the future, Gov. Arnold Schwarzenegger wants to reduce the state's 14 holidays.

"We think it's not so painful to give up a couple of holidays," Mike Genest, Schwarzenegger's finance director, told *The Associated Press*.

Schwarzenegger has proposed eliminating Lincoln and Columbus days as paid holidays, AP reports. That move could save the state $114 million during this fiscal year and the next, which begins in July, according to AP.

New Jersey also passed a benefit-cutting bill in September. That bill eliminated Lincoln's birthday as a paid holiday, and Gov. Jon Corzine stopped issuing a traditional executive order that gave employees the day after Thanksgiving off, according to AP.

Utah also eliminated Columbus day as a paid holiday, AP reports.

States, on average, observe 11 holidays. California observes 14 days and New Jersey observes 13 paid holidays, according to the National Association of State Budget Officers.

Georgia, Mississippi and some other Southern states also observe a Confederate Memorial Day, honoring Civil War soldiers who fought for the Confederacy, according to The Council of State Governments' *The Book of the States*. On the day after Thanksgiving, Georgia celebrates Robert E. Lee's birthday, according to *The Book of the States*.

'Unholy Alliance' of Events Led to State Budget Crisis

States across the country are scrambling to deal with budget crises the likes of which they haven't had to face in a long time.

Sujit CanagaRetna, senior fiscal analyst for The Council of State Governments, said a series of detrimental events have occurred concurrently to make this budget crisis even worse than the one in 2001.

"They've sort of all come together to create this unholy alliance of problems for us," he told *State News*. "It's just a cesspit of disasters."

Among them: the housing crisis, an economic growth crisis that was created as a result of absence of economic activity, which in turn has led to a revenue crisis, in addition to the credit crunch. All these problems have contributed to the current economic recession, CanagaRetna said, unlike in the 2001 recession, which experienced some, but not, all of the problems.

That leaves state budgets in an even more precarious position than when the 2009 fiscal year budgets were enacted. At that time, CanagaRetna said, 29 states were facing a cumulative $48 billion shortfall. Now, 49 of the 50 states are in recession, and 41 states are looking at shortfalls in 2009 or 2010, CanagaRetna said. Cumulatively, states are facing a $140 billion shortfall, he said.

So they're looking at cuts, ranging from a standard 4 percent across the board cut to 10 percent across the board cuts, CanagaRetna said.

"You'll see across the board cutbacks," he said. "And you'll see—which really hasn't happened before now—K–12 education being slashed. That was kind of the holy grail, the don't-go-there kind of thing, but that's happening too."

In addition, states are looking at tax increases. Among the governors considering increases: Republican Gov. Arnold Schwarzenegger of California and Republican Gov. Jim Gibbons of Nevada.

"I think it shows the gravity of the situation, because raising taxes is still something they don't like to do," he said. "The fact that they're even contemplating it, these Republican governors, is an indication of how grave, how dire this situation is."

CanagaRetna said governors are unlikely to propose new projects in their State of the State addresses, but said states will be looking at infrastructure projects as a way to inject capital into the state's economy and will also be seeking more assistance from the federal government in areas such as Medicaid and unemployment insurance benefits.

State Employees Laid off During Recession

With the U.S. economy officially in a recession, states are already beginning to lay off state employees—immediately reducing the government's payroll.

Five states—Arizona, California, Georgia, Idaho and Rhode Island—have instituted furloughs, according to Scott Pattison, executive director at the National Association of State Budget Officers.

Six states—Arizona, Georgia, Nevada, Ohio, Vermont and Virginia—have laid off workers, while Washington is considering layoffs.

Thirteen states—Arizona, Connecticut, Colorado, Delaware, Louisiana, New Hampshire, New Mexico, Minnesota, Missouri, Pennsylvania, South Dakota, Tennessee and Washington—have instituted hiring freezes.

In Illinois, more than 80 state employees were laid off officially, while many others are taking different state jobs as part of a round of reassignments, the *St. Louis Post-Dispatch* reports. And nearly 20 state parks and historic sites in Illinois will shut down completely as the state struggles through a $4 billion backlog in bills caused by the state's cash-flow shortage, according to the newspaper.

In addition to the $4 million backlog in paying nursing homes, contractors and others, there is also a budget deficit that Gov. Rod Blagojevich puts at $2 billion, according to *Post-Dispatch*.

Rhode Island Gov. Donald Carcieri told dozens of state workers in November that they were out of a job and notified hundreds more that they may be laid off in the coming months, according to *The Providence Journal*.

Copies of layoff and warning notices provided by union officials in November show layoffs were in the state's welfare and hospital arenas, including interpreters who work with poor immigrants, and workers in one of the last psychiatric units at Eleanor Slater Hospital, according to *The Providence Journal*.

While it could not be determined how many layoff notices actually went out in November, the governor's top aides said 157 state workers would receive actual layoff notices and 379 more would get warnings for layoffs, *The Providence Journal* reports.

In October, Maryland laid off 40 state employees, according to *The Washington Post*. The layoffs included more than 20 jobs in the Department of Transportation and seven of the 40 people laid off made more than $100,000 annually, according to the newspaper. Maryland's employees were given two weeks' notice, four weeks' severance pay and four months of health benefits, *The Washington Post* reports.

Also in October, Virginia Gov. Timothy M. Kaine announced 567 state employee layoffs, according to News Channel 8 in Richmond. That round of cuts also included cuts to college funding by at least 5 percent, closing some older prisons and postponing state employee raises in efforts to deal with a $2.5 billion government fiscal crisis, the station reports.

States Weather the Financial Storm

The National Association of State Personnel Executives informally surveyed its members on how the states are weathering the financial storm. Many states are responding by making personnel-related cuts. Here are the survey results as of Dec. 5.

State	Strategies Implemented Responding to Fiscal Constraints	What's Being Considered to Respond to Fiscal Constraints
Alabama		Layoffs, hiring freeze
Colorado	Hiring freeze	
Delaware	Elimination of vacant positions, hiring freeze	Elimination of vacant positions, hiring freeze
Florida	Layoffs, elimination of vacant positions, hiring freeze	Furloughs may be an option if a statutory change occurs.
Indiana	Elimination of vacant positions	Elimination of vacant positions
Kansas	Layoffs, elimination of vacant positions, hiring freeze	Layoffs, elimination of vacant positions, hiring freeze, early retirement incentives
Kentucky	Layoffs, elimination of vacant positions, hiring freeze	Elimination of vacant positions, hiring freeze, furloughs
Louisiana	Hiring freeze	
Maine	Layoffs, elimination of vacant positions, hiring freeze	Layoffs, elimination of vacant positions, hiring freeze, early retirement incentives, retraction of previously planned pay raises**
Michigan	Freeze performance pay awards	
Missouri	Nothing yet, but discussions have started.	
New Mexico	Hiring freeze, 5 percent savings plan, unnecessary upward reclassifications freeze, out of cycle pay increases freeze	
Oklahoma	Hiring freeze***	Hiring freeze
Oregon	Retraction of previously planned pay raises	Furloughs, retraction of previously planned pay raises
South Carolina	Layoffs, buyouts, elimination of vacant positions, hiring freeze, furloughs, early retirement incentives, pay cuts*	Layoffs, buyouts, elimination of vacant positions, hiring freeze, furloughs, early retirement incentives
Tennessee	Buyouts, elimination of vacant positions, hiring freeze	
Washington	Layoffs, elimination of vacant positions, hiring freeze	Layoffs, elimination of vacant positions, hiring freeze
Wisconsin	Hiring freeze, implemented a "centralized position review" with a requirement to create 3,500 vacancies by June 30, 2009	
Wyoming		Could see some contract work cut.

**By legislation, South Carolina has voluntary and mandatory furloughs available to address budget cuts.*
***Retraction of pay raises for confidential employees only. Also considering increasing the employee share of health insurance in Maine.*
****In Oklahoma, a hiring freeze has been in effect since 1992—which will continue.*

Beyond Traditional

Some states are also responding with nontraditional strategies that go beyond the typical hiring freeze or furlough. According to the NASPE survey, here's how some states are thinking outside the box:

- In South Carolina, officials are eliminating positions that are not covered by the Employee Grievance Procedure Act because those employees have no grievance rights and therefore, no administrative remedy for review of the termination. The state also suspended tuition assistance programs and leave transfer programs to create cost savings. Agencies are also looking to increase teleworking.
- In Montana, the state is using Energy Conservation Efficiency in government initiatives.
- Kansas is closing a juvenile correctional facility, reducing the size of operations and many positions are being held open.
- Kentucky made a change in the timing of health insurance premium payments. The state switched from pre-paying the premium the month before to paying it during the current month. That resulted in a one-time savings that was spread out over both fiscal years of the biennium.
- Delaware is reviewing purchase orders more than $2,500 including credit cards and is discontinuing critical reclassifications.
- In New Mexico, agencies are required to identify how they will save 5 percent in their current budget and budget plans for the 2010 fiscal year.
- In addition to the cut plans in Wisconsin, agencies are requested to lapse an estimated 4 percent to the general fund each year of the biennium.

(below) David Adkins, center, met with the 2008 CSG leadership: Rep. Kim Koppelman of North Dakota, CSG's 2008 chair, left, and Connecticut Gov. M. Jodi Rell, 2008 president, during CSG's annual meeting in Omaha, Neb.

BACK TO OUR ROOTS

Tough Challenges Present New Opportunities for CSG, States

Former Kansas State Sen. David Adkins takes the reins this year as CSG's new executive director. In an interview with *State News*, he discusses the unprecedented challenges facing states and his vision for CSG to help find short- and long-term policy solutions.

By Jack Penchoff

As **David Adkins** takes the reins of The Council of State Governments as its ninth executive director, he looks back at Henry Toll's original purpose in starting the organization 75 years ago.

Adkins arrives at CSG as states face economic challenges they haven't seen since the 1930s, when Toll founded CSG during the Great Depression. And like Toll, Adkins believes CSG has a role in helping states craft policy solutions to benefit their residents.

"I go back to our roots," he said. "I think we are providing insight. We are objective brokers of relevant and valuable information and we are allowing the members themselves to be a catalyst for learning and progress."

As the only organization serving all three branches of state government, CSG is well-positioned to help states because members bring knowledge from their respective branches to the table in crafting policies and solutions, said Adkins. "I think we can do more to infuse that three-branch perspective in our work and be very intentional about it."

He also views CSG's regionally based structure as an advantage in working with states during these economically turbulent times.

"Our work needs to respect the differences among the regions in our nation and continue to drive most of our resources to the regions to allow them to wrestle with these issues and convene lawmakers and other government officials around these issues," Adkins said.

With all the challenges facing state governments today, it might seem like an odd time to take the helm of an organization tasked with helping states resolve those problems. Especially considering Adkins gave up a good job as vice chancellor for external affairs at the University of Kansas Medical Center; had held several gubernatorial appointments; and, along with wife Lisa, was very active in community affairs in the Kansas City area. Adkins is also known for working to establish bipartisan relationships in Kansas. Although Adkins is a Republican, one of the first calls of congratulations he received after he was named CSG executive director came from Kansas Gov. Kathleen Sebelius, a Democrat.

An Active Member

Adkins traces his desire to lead CSG back to his involvement as a state legislator, first as a state representative from 1993 to 2001, then as a state senator from 2001 to 2005. He was an active member of CSG at both the regional and national levels during those years. He chaired the Midwestern Legislative Conference, served as a member of the national executive committee and chaired CSG's strategic planning committee. He also went through CSG's Toll Fellows leadership development program.

"The most positive aspects of my interactions with CSG were about relationships, relationships with the staff and relationships with my colleagues and other legislators," he said.

Those relationships, said Adkins, made CSG more than an organization.

"It really was a family," he said. "I think our regional focus really reinforces that, by going to regional meetings and meeting with legislators confronted with similar problems."

As a member, he was also impressed by CSG staff. "I've always found the staff to be incredibly knowledgeable, professional and hardworking," he said. "I reflected on that in thinking of coming to this position. Knowing I was coming to a team dedicated to excellence made me want to be part of that."

Federalism Changing

Adkins will be leading that staff during a major shift in the relationship between states and the federal government. As a legislator, Adkins saw unfunded mandates as a problem for states. The federal government has been active in major reforms in Medicaid and education—particularly No Child Left Behind and special education—without providing sufficient resources for states to implement those programs.

"Now the climate has changed dramatically," he said. "We are facing one of the most catastrophic economic collapses in our nation's history. States are looking to the federal government to redefine federalism."

Adkins believes states will be the tool the federal government uses to most effectively stimulate economic growth.

"There are a lot of infrastructure improvement projects in the pipeline," he said. "The federal government has not met its obligation to the states to properly fund infrastructure improvement. So when it comes to bridges, roads and public buildings, there's a lot of deferred maintenance. And with the continued expansion of many urban areas, there is a need for new investments as well."

Adkins sees this as an opportunity for states to help stimulate the national economy. "Many states have in the pipeline already approved, shovel-ready projects that could have workers onsite and money being spent in the economy within 90 to 180 days," he said.

'A Public Trust'

Along with the states, CSG as an organization will have to make some tough choices during these difficult times. "We can assume resources are going to be very tight for the next two to three years," Adkins said. "And as such I think we owe it to our states to not only focus even more sharply on how we can be relevant to them, but how to use our resources very, very wisely."

He believes CSG staff and members need to be involved in determining the organization's focus and how the organization can best accomplish what the members need.

"Part of that transparency is just honoring our stewardship of the public funds entrusted to us," he said. Unlike many trade organizations, CSG receives state appropriations as one of its primary sources of funding. "I think we have to consider spending by CSG as part of a public trust. I think we enhance our accountability by being transparent in how those resources are spent."

Adkins, however, is undaunted by the challenges CSG and state policymakers face.

"This organization is very collaborative by its nature. We have four very strong regions, we have a number of valued affiliates and we have private sector partners," he said. "If you are asking open-ended questions; if you are curious by nature about the way things work, then you are in a good position to share that information and help policymakers craft better solutions."

Foundation for Public Policy Excellence

And Adkins believes CSG is well-positioned to provide the foundation for excellence in public policy.

"That's really tough these days. We live in a post-fact world in which a lot of people, and this is sometimes true in politics, don't really want to know the facts," he said. "I think CSG is an organization that can provide the ballast in the public policymaking process. Facts do matter."

Increasingly, Adkins said, sources of information have an ideological lens associated with them. "I think CSG has to work very, very hard to protect the objectivity of the information that it is brokering and in doing so remain a trusted source of information for legislators."

CSG should be the GPS system for state officials to use to help them navigate the future, said Adkins. But he also recognizes policymakers need information that can help them face today's challenges.

"So many of the rewards built into the political world encourage short-term thinking. The effects are magnified by the impact of term limits," he said. "We want to help empower leaders to develop a vision grounded in the realities of today, but with an eye on the horizon."

—Jack Penchoff is CSG's director of communications and senior editor of State News.

David Adkins *CSG Executive Director*

Work Experience

- University of Kansas Medical Center,
  Vice Chancellor for External Affairs, 2004–2008
- Kansas State Senator 2002–2005
- Kansas State Representative 1993–2001

Gubernatorial Appointments Include:

- Chairman, Kansas Youth Authority
- Chairman, Kansas Advisory Group on Juvenile Justice and Delinquency Prevention
- Member, Governor's Task Force on Higher Education

Awards and Honors:

- Kansas Health Foundation Leadership Fellow
- Henry Toll Fellow, Council of State Governments
- Kansas Outstanding Young Lawyer Award, Greater Kansas Bar Association

Education

- University of Kansas School of Law, 1986
- University of Kansas, BA, Political Science, 1983
  - Student Body President
  - Harry S. Truman Scholar
  - Toll Collector, Kansas Turnpike

Seaman High School, Topeka, Kan., Class of 1979

- Student Body President
- Kansas Boys State Governor
- Salutatorian
- Eagle Scout

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States Taking Steps to Shore Up Public Pension Funds

To address unfunded liability of public pension systems, some states are making changes, including moving new employees from a defined benefits plan to a defined contribution plan, similar to a 401(k).

By Mary Branham Dusenberry

Stephen Sweeney makes no bones about it: The New Jersey state employee pension system is failing.

In the current financial crisis—and even before—Sweeney knows his state isn't alone. But as his state's Senate majority leader, Sweeney can do something about the New Jersey pension problem. And he can tell you just how it got into this situation, the recent stock market collapse notwithstanding.

"They legislated a whole bunch of enhancements without any money," he said. "They gave workers more without paying for it."

That came during the flush years of the 1990s; the state's pension funding level was at 101 percent as late as 2002, but has since dropped to 79 percent in 2006, according to a Pew Center on the States report, "Promises with a Price: Public Sector Retirement Benefits," released in December 2007.

So the state—and its workers—cut their payments when times were good.

Consider this: In 1997, the level of funding from what the state and its employees put in was 288 percent; that dropped to as low as 3 percent in 2002, but has slowly increased to 27 percent in 2006, according to the Pew report.

Now, Sweeney said, New Jersey is facing a dire situation. "I think the only way to save the pension system in New Jersey now is to eliminate it," he said. "We do not have the money, nor will we ever have the money, to fund the pension the way it's structured."

That means scrapping the defined benefits formula for new workers and shifting to a defined contribution plan, he said.

Alaska Leads the Pack on Change

And some states, like Alaska, are leading the way in this shift. In fact, there are at least 10 states that have a defined constribution plan in their retirement systems.

It's a trend more states are considering, according to Sujit CanagaRetna, senior fiscal analyst for The Council of State Governments' Southern region, the Southern Legislative Conference.

"It's less onerous; it's less of a financial responsibility for the states," CanagaRetna said. "At the same time, people are going to be more nervous about investing in the market."

In 2005, Alaska was facing a nearly $6 billion shortfall in its pension fund. In an effort to stop the bleeding, the legislature passed a bill to move any state employee hired after July 1, 2006, from the defined benefits plan, which would pay a guaranteed income after retirement, to a defined contribution plan, which, like a 401(k), is based on employee and employer contributions over the years.

State Rep. Mike Kelly was one of the leaders in Alaska's House of Representatives pushing for the change. "It became absolutely obvious that the unsustainable defined benefits plan had set us up for this liability," Kelly said.

Since Kelly entered the legislature four years ago, the unfunded liability of the pension system doubled from an estimated $5 million to about $10 million, he said. As a state legislator, Kelly could have enrolled in the state pension system. He chose not to because he knew he would be critical of it.

"Since everybody is at the trough on this thing, the legislature included, there has been very little pressure to contain the cost of the system, so we ended up with a system that's not sustainable," he said.

The move to a defined contribution system, he said, will help the long-term security of state employee retirement and will help the state address the unfunded liability problem.

"It has put in place a system that will not create billions of unfunded liability going forward and allowed us to strike a line under the unfunded liability and begin to pay it off," he said. "If the boat's got a hole in the bottom and it's going down, you probably ought to fix the hole before you proceed."

In addition to moving new employees to the defined contribution plan—existing employees as of July 1, 2006 could join the new plan and some did—Senate Bill 141 also included provisions to sock away money for the defined benefits plan. Starting in 2009, the state will put $450 million toward the unfunded pension liability, Kelly said. At that rate, Kelly predicts it will take 25 years to shore up the old pension system.

Retirement Plans' Mission, Design

That's a key point for states considering a shift to defined contributions, Roderick Crane told attendees at The Council of State Governments' policy session, "Buy Now, Pay Later: Transforming Public Retirement Systems" in December.

"Moving to a defined contribution plan leaves untouched the funding obligations of the prior defined benefit plan," Crane, director of Strategic Sales for TIAA-CREF, said. "The legacy costs of defined benefit plans are what they are. Having the defined contribution plan doesn't change that equation."

But the change can lower risks in the future for states and their employees, according to Crane. The key, he said, is the plans must be designed properly.

"Retirement plans should focus on providing adequate and secure income throughout retirement," Crane said. "In contrast, the corporate world 401(k) plan is primarily aimed at wealth accumulation."

The need for a solid mission, as well as proper design, isn't limited to defined contribution plans, according to Keith Brainard, research director for the National Association of State Retirement Administrators.

"If you design and govern a traditional pension benefit properly, you can accomplish the objectives of all relevant stakeholders with a traditional pension plan," he said. "There is nothing that says a traditional pension plan, a defined benefits plan, is more expensive than a defined contribution plan."

But that's only if rules are set and enforced.

That means states must pay their actuarially required contributions, according to Girard Miller, a senior strategist for Public Financial Management Group who is considered an expert on public pensions.

"That's just saying we can't continue to push these costs off to the next term of office," Miller said at the CSG meeting. "And we can't continue to push these costs off on our children and grandchildren, because it will blow up on the American society eventually."

States haven't met those obligations over the past few years, according to the Pew report. Co-authors Katherine Barrett and Richard Greene found a wide disparity in the amount of contributions states were making. Some states—Maine, Louisiana and Indiana—consistently made full contributions, while others—including New Jersey, Illinois, Colorado, Pennsylvania and Vermont—were making considerably lower payments into the system, according to Barrett.

Miller predicted that if the situation is not addressed soon, the magnitude of problems with public pensions could rival those facing Social Security.

The dire situation calls for some pretty drastic measures, he said. But states shouldn't make changes to the benefits promised to existing employees, Miller said.

That could mean tiered benefits—giving new employees less under a new plan than existing employees, Crane said.

"It's not pretty, but it may be a reality for many public employees," he said. "The price of having made the prior defined benefit promises may be borne by the future, not just taxpayers, but employees as well."

Promises Come with a Price

Across the country, states have made promises of about $2.35 trillion for state employee and teacher pensions. And that doesn't include $381 billion for retiree health care and other non-pension benefits, according to Barrett. On average, she said, states had funded at levels around 85 percent in 2007. As the stock market has taken a hit over the past few months, that figure has probably dropped to around 65 percent, according to Miller.

Even in 2007, the average funding level included 19 states that were at less than 80 percent. Some states were severely underfunded, including Connecticut at 56 percent, Illinois at 60 percent, New Hampshire at 61 percent, Hawaii at 65 percent, and Kentucky at 70 percent. In contrast, only five states—Florida, North Carolina, Oregon, New York and Wisconsin—were considered fully funded when Barrett and Greene wrote their report.

"We hit the states at a point where they had been doing fairly well for the last few years, but were still feeling the effects of the downturn in the early part of this decade," Barrett said.

Half the states were fully funded in 2000, according to Barrett. The markets were doing well, and that got state officials feeling generous. Many states, Barrett said, gave benefit increases to retirees at that time.

"The idea that what goes up must come down escaped a lot of people," she said.

When the market started declining in 2001, pension funds were in trouble because of those benefit increases and pension holidays. Barrett ticks off examples of that trouble: Between 2000 and 2003, the pension bill coming due for Illinois jumped $20 billion; and Pennsylvania went from having a $16.6 billion surplus to a $12 billion shortfall.

Investment rules had changed during this time period and states began taking on more risk in their pension funds.

"In the last 15 years or so, states have moved aggressively away from the staid, conservative Treasury bills, in terms of their investment portfolio, to more esoteric instruments," CanagaRetna of CSG said. Those investments include the stock market, real estate market, international equities and hedge funds, he said. West Virginia, for instance, had 98 percent of its investments in 2006 in nongovernmental equities, according to CanagaRetna.

"It's almost like a gambler … You're hoping the next roll of the dice is going to be the big jackpot," he said.

That can be good when the markets are doing well. But the recent freefall of the stock market has exposed the danger of that mentality. California pension funds, for instance, are tens of billions of dollars in the hole because of the stock market correction, CanagaRetna said.

Miller would agree. "Pension funds have been clobbered by this because asset values have fallen by 45 percent," he said.

And that, he said, makes it imperative for states to act now.

Public Pension Facts

- In 1950, the worker to retiree ratio was 16.5-to-1. It's at 3.3-to-1 now, and is expected to drop to 2-to-1 in the next 40 years.
- In 1993, public pension plans had only 62 percent of total cash and investment holdings in nongovernmental securities. That had ballooned to nearly 80 percent by 2005.
- 12 percent of the nation's work force is employed by state and local governments.
- About 90 percent of those employees have a traditional or defined benefit plan.
- The combined assets of public pension funds is about $2.35 trillion.

Sources: Sujit CanagaRetna, senior fiscal analyst for The Council of State Governments, and Keith Brainard, research director for the National Association of State Retirement Administrators

"Revenues will come up off this recession, but not at the levels we've seen before," Miller said. "This is a credit implosion and it will retard the capacity for future growth for state and local government budgets and because of that, there won't be enough money in the good years to come—and there will be good years—to pay for all the problems we've got now.

"The pension benefits and OPEB benefits that have been committed to are fundamentally unsustainable for the long run," he said.

Finding Political Will to Address Problems

But just because the need is there doesn't mean action will follow.

Sweeney, for instance, has fought for reforms in the New Jersey pension system, but getting them passed hasn't been easy. In July, the legislature raised the retirement age from 60 to 62 and the threshold for pension eligibility from $1,500 per year to $7,500 per year. The pension threshold, he said, hadn't been changed in 50 years.

Those were moderate changes, but Sweeney, who is a union leader in private enterprise, faced harsh criticism by the state employee labor unions. Therein lies the problem, Sweeney believes.

"There's not the willpower or the stomach to do the right thing. It just doesn't exist," he said.

Slowly but surely, though, some states are taking steps to address the problem:

- Just last month, Illinois State Treasurer Alexi Giannoulias suggested merging the investment functions of the state's five pension systems. He believes that action could save the state up to $82 million annually in administrative costs and management fees.
- In Kentucky, Gov. Steve Beshear's Work Group on Pension Reform suggested selecting experienced pension board trustees, selling bonds to reduce health care costs and diversifying investment assets to address the state's unfunded liability.
- And in New York, lawmakers approved legislation in October that closes loopholes allowing some public employees to collect six-figure salaries on top of six-figure pensions. The new law, pushed by Attorney General Andrew Cuomo, increases penalties for pension fraud, requires greater accountability from agencies seeking to hire public retirees, and bars public-sector retirees from returning to the same or similar job for a year.

Most changes come with opposition, as Sweeney and Kelly know well.

"There's been a lot of pressure and it's been a thankless job," Kelly said. "The goal was, I think, certainly a noble goal and that is one to recognize an absolutely terrible situation that existed with that unfunded liability."

Continued inaction, Crane said, will cost states in the long run. Either states cover the pension benefits now, or they'll be covering their retirees in social welfare systems down the road, he said.

"There's no free lunch for governments not having effective retirement plans," said Crane.

Getting that message out in order to make real reform is difficult, Sweeney believes.

"What I found out through the process is that people really don't care," he said. "They just want to kick the can down the road and leave it for the next guy. Eventually you're going to get to the end of the road and you're not going to be able to kick it any further."

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

States Struggle to Pay Promised Retiree Health Benefits

By Mikel Chavers

Even though states have saved an estimated 85 percent—some estimates put that as low as 65 percent since the market crash—needed to cover the collective pension bill, there is very little put aside for other post-employment benefits like retiree health insurance, according to the latest report on state pension plans from The Pew Center on the States.

The trouble is states are promising retirees health care, dental care, vision care and other long-term care benefits they may not be able to pay for.

These are called other post-employment benefits and are commonly referred to as OPEBs.

Now that states are required by the Governmental Accounting Standards Board Standard 45 to account for the costs of those other post-employment benefits, it is becoming increasingly obvious that states are struggling to pay for the health care benefits they've promised.

In fact, the culture has been buy now and pay later.

"In bad budget times, retirement benefits become easy substitute salary increases because states can put off the bills," the Pew report, "Promises with a Price," said. "In good times, feelings of legislative largesse can create new retirement benefit policies that have costly long-term price tags."

Basically, state governments are now making the calculations today on what they've promised. And in doing that, some states are recognizing they can't afford those promises, according to David Bean, director of research and technical activities for the Governmental Accounting Standards Board.

The new financial and accounting rule—nicknamed GASB 45—was issued in 2004, but states are just now beginning to implement it because of the rule's phased-in implementation period. The latest phase-in period for the rule was just last month. Now all state and local governments must begin reporting what they're promising in the way of other post-employment benefits.

"We've seen a shift in the past—because this is something where (state government officials) can offer a benefit and (they) don't have to worry about it because it's going to be paid 20 years from now," Bean said at The Council of State Governments "Buy Now, Pay Later—Transforming Public Retirement Systems" policy workshop in Omaha, Neb., Dec. 2.

According to the Pew report, the bill for other post-employment benefits is only 3 percent funded nationwide in all state plans.

So states—now that they're required to—are taking a hard look at these promised retiree health benefits.

"Until recently, if you work for the state of North Carolina for five years, quit and go to work in the private sector, when you retire, you get free retiree health care. Not anymore. They took that away," said Sujit CanagaRetna, senior fiscal analyst with The Council of State Governments Southern region, the Southern Legislative Conference.

In a "perfect storm of having America's deepest economic crisis … governments are having to face up to the fact that they haven't been paying enough to their OPEB plans," said Girard Miller, senior strategist for Public Financial Management Group, at the CSG session.

The recession, he said, will likely make the situation worse, and unfunded liability in these benefits will likely grow.

And, Miller warns, even if states continue to pay as they go for these retiree benefits, "the hole gets deeper. The myth that even if we pay as we go, we'll continue to stand still ... in fact, that isn't mathematically correct," he said.

But going into 2009, some states may borrow their way out of part of the problem by issuing what are called OPEB bonds, Miller said.

"It is actually smart economics," Miller said. "It may be the most cost-efficient way in a recession period for people to fund OPEB obligations." But, he said, "The only successful time they're used is in a recession period or shortly thereafter."

OPEB bonds typically fund all or a portion of the unfunded liability of the benefits, much like pension bonds fund the unfunded liability of a state's pension plan. But, according to the American Bar Association, the future liabilities of retiree medical plans depend on factors that aren't present in pension plan calculations. That means they're more difficult to accurately predict, the association said. It's like predicting the cost of medical care more than four decades down the road—not an easy calculation.

Minnesota allows the sale of OPEB bonds by law now and the state did some other things to address the underfunded retiree health benefits issue.

Miller calls Minnesota the clear leader in OPEB laws, but mostly because the state is one of only a few taking action on the issue at all.

Minnesota's 2008 statute, Trusts for Postemployment Benefits (Section 471.6175), basically creates an investment authority, a tax authority and a bond financing authority, Miller said. Unique about the law is that it gives public entities—such as counties—the ability to create revocable and irrevocable OPEB trusts, or trust funds used to accumulate resources to pay for those other post-employment benefits.

An irrevocable trust cannot be changed or canceled once set up without the consent of the beneficiary. Irrevocable trusts also offer some tax advantages that revocable trusts don't.

But Minnesota also allows revocable OPEB trusts because some public enti-

ties in the state believe the federal government will become involved in health care in the next 30 years and if national health care becomes a reality, the retiree health care benefits states promise to their workers could be reduced or done away with all together. And because the calculations to fund these plans are made over a 30-year time period, some folks in Minnesota didn't want large amounts of money to be trapped in irrevocable OPEB trusts.

"Even though public entities cannot improve their financial statements with a 'revocable' trust, many feel that being able to get some of the money returned if some form of national health care is adopted is worth whatever discomfort will be associated with having a large net OPEB liability on their annual financial statements," Minnesota State Auditor Rebecca Otto wrote in June in an article published in *Minnesota Counties*.

Miller, however, doesn't like this part of Minnesota's law. "I think it's a fatal flaw," he said.

Another problem with the Minnesota statute is that it allows local agencies to sell OPEB bonds—to bond their way out of the problem, Miller said, "which is pure madness."

There are school districts in Minnesota that are selling OPEB bonds, he said. "School districts have been encouraged to borrow their way out of the problem."

Wisconsin law also created an OPEB trust investment authority while Virginia law created an OPEB trust authority that Miller believes relies unnecessarily on existing governance structures.

But, Miller warns, OPEB bonding should be timed correctly to be helpful.

"There's only one window in the business cycle where this should be done, and when that window closes, we need to shut them down."

—Mikel Chavers is associate editor of State News *magazine*.

Public Pension Trends

States have been taking action to address the problems with their public pension funds over the past few years. Sujit CanagaRetna, senior fiscal analyst for The Council of State Governments, addressed these trends in a 2006 presentation. Those trends still hold true today, CanagaRetna said.

Among the actions states have taken:

- Moving workers away from defined benefit plans to defined contribution plans;
- Linking annual increases to the consumer price index;
- Preventing workers from securing pensions larger than their salaries;
- Capping the amount of end-of-career raises that add to pensions;
- Adjusting the age at which retirees are paid full benefits;
- Reducing percentage of pay retirees get each year;
- Ending practice of employees serving a short period in a position to boost the overall pension;
- Cutting back and increasing health and life insurance costs;
- Placing salary caps on rehired retirees;
- Debating and ending states offering lucrative health plans to retirees;
- Eliminating gain sharing, increasing pension checks when investments expand;
- Increasing the costs to workers, counties and cities;
- Consolidating retirement boards;
- Deliberately aiming for low but guaranteed investment income from conservative bonds; and
- Making unorthodox investments.

2009 CAPITOLS GUIDE

Your source for the makeup of the state capitols: Find information on this year's executive officials, the 2009 legislative sessions and party control maps for governors, state senates and state houses.

Party Shifts in States Make History

This election year made history. Not only did the nation elect its first African-American president, but in the states, both parties benefited from shifts in party control.

And those that shifted were historic.

President-elect Barack Obama named Arizona Gov. Janet Napolitano as his secretary of Homeland Security in December, and although it's not official until she's confirmed by the U.S. Senate, her departure will set the course for a significant political shift in the state, according to the *Arizona Daily Star*.

Once Napolitano is confirmed, the second-term Democrat will be replaced by Republican Secretary of State Jan Brewer because Arizona does not have a lieutenant governor. The Republicans will then have control of both the executive and legislative branches of state government for the first time in six years, the *Arizona Daily Star* reports.

Obama also nominated New Mexico Gov. Bill Richardson as commerce secretary. If Richardson is confirmed, New Mexico Lt. Gov. Diane Denish, another Democrat, will take over as the state's chief executive for the next two years, according to *The Washington Post*.

On the legislative side, Democrats gained control of legislatures in three states during the election, while Republicans maintained control in 14 legislatures. Before the November vote, Democrats controlled 23 legislatures, Republicans controlled 14, and 12 were split. Nebraska's unicameral legislature is nonpartisan.

Democrats now control both chambers of the legislature in 27 states, up from 23 before Nov. 4. The GOP, however, still controls 14. The difference was in the number of legislatures in which both parties share control. That figure dropped from 12 to seven. Nationally, Democrats won 52 percent of the contested legislative races.

In Montana, recounts in two close races left the House split between Democrats and Republicans, according to *Helena Independent Record*. The House was previously controlled by the Republicans, but since the legislature is split 50-50, the Democrats will choose the speaker because rules give that power to the political party that holds the governor's office. The state's Senate is in GOP control.

One of the most momentous changes was in the New York state Senate, where Democrats gained control for the first time since 1966 and for only the second time since 1939. This month when the legislature convenes, Democrats will control the state's assembly, senate and governor's office for the first time since 1986.

In Wisconsin, the Democrats now also control the legislature and governor's office after capturing the majority in the assembly for the first time since 1994.

In Delaware, the Democrats swept into power in the house by defeating seven Republican incumbents, including Speaker Terry Spence, the longest serving house speaker in the country. The Democrats now control the Delaware House 26-15. Democrats also gained three seats in the state Senate to strengthen their control in that chamber 16-5.

Democrats took control of the Nevada Senate for the first time since 1991and now control both chambers of the legislature.

Democrats seized control of the Ohio House, picking up seven seats. They now control that chamber 51-48. The GOP maintained its control of the state Senate.

In Alaska, Democrats gained a seat to split the Senate evenly at 10-10. The House remains majority Republican.

Republicans also made gains by taking control of legislative chambers in Tennessee, Montana and Oklahoma.

For the first time since Reconstruction, the GOP controls both chambers in the Tennessee legislature. Republicans gained control of the House for the first time since 1971 with a narrow 50-49 edge and broke a 16-16 tie in the Senate to give them an 18-15 lead there.

History was also made in Oklahoma, where for the first time Republicans took control of the state Senate, which gives the party control of both chambers. Before Nov. 4, the Senate was evenly split.

—Jack Penchoff

2009 Executive Officials

State	Governor	Lt. Governor	Treasurer	Attorney General	Secretary of State
Alabama	Bob Riley (R)	Jim Folsom Jr. (D)	Kay Ivey (R)	Troy King (R)	Beth Chapman (R)
Alaska	Sarah Palin (R)	Sean Parnell (R)	Brian Andrews □	Talis J. Coberg (R)	Sean Parnell (R)***
American Samoa	Togiola Tulafono (D)	Ipulasi Aitofele Sunia (D)*	Velega Savali Jr.	Arthu Ripley Jr.	Ipulasi Aitofele Sunia (D)
Arizona	Janet Napolitano (D) (1)	Jan Brewer (R) *	Dean Martin (R)	Terry Goddard (D)	Jan Brewer (R)
Arkansas	Mike D. Beebe (D)	Bill Halter (D)	Martha Shoffner (D)	Dustin McDaniel (D)	Charlie Daniels (D)
California	Arnold Schwarzenegger (R)	John Garamendi (D)	Bill Lockyer (D)	Jerry Brown (D)	Debra Bowen (D)
Colorado	Bill Ritter (D)	Barbara O'Brien (D)	Cary Kennedy (D)	John Suthers (R)	To Be Announced
Connecticut	M. Jodi Rell (R)	Michael Fedele (R)	Denise L. Nappier (D)	Richard Blumenthal (D)	Susan Bysiewicz (D)
Delaware	Jack Markell (D)	Matthew Denn (D)	To be named	Joseph Biden III (D)	Harriet Smith Windsor (D)
District of Columbia	Adrian Fenty (D) ♦	Victor Reinoso & Neil Albert ♦♦	Lasana Mack □	Peter Nickles (D)	Stephanie Scott (D)
Florida	Charlie Crist (R)	Jeff Kottkamp (R)	Alex Sink (D)	Bill McCollum (R)	Kurt Browning (R)
Georgia	Sonny Perdue (R)	Casey Cagle (R)	W. Daniel Ebersole	Thurbert E. Baker (D)	Karen Handel (R)
Guam	Felix Camacho (R)	Mike Cruz (R)	Yasela Pereira	Alicia G. Limtiaco	Mike Cruz (R) ***
Hawaii	Linda Lingle (R)	James R. "Duke" Aiona Jr. (R)	Georgina K. Kawamura	Mark J. Bennett (R)	James Aiona (R) ***
Idaho	C.L. "Butch" Otter (R)	To be named	Ron G. Crane (R)	Lawrence Wasden (R)	Ben Ysursa (R)
Illinois	Rod Blagojevich (D)	Patrick Quinn (D)	Alexander Giannoulias (D)	Lisa Madigan (D)	Jesse White (D)
Indiana	Mitch Daniels (R)	Becky Skillman (R)	Richard E. Mourdock (R)	Greg Zoeller (R)	Todd Rokita (R)
Iowa	Chet Culver (D)	Patty Judge (D)	Michael L. Fitzgerald (D)	Tom Miller (D)	Michael Mauro (D)
Kansas	Kathleen Sebelius (D)	Mark Parkinson (D)	Dennis McKinney (D)	Steve Six (D)	Ron Thornburgh (R)
Kentucky	Steve Beshear (D)	Daniel Mongiardo (D)	L.J. "Todd" Hollenbach (D)	Jack Conway (D)	C.M. "Trey" Grayson (R)
Louisiana	Bobby Jindal (R)	Mitch Landrieu (D)	John Kennedy (D)	James D. "Buddy" Caldwell (R)	Jay Dardenne (R)
Maine	John Baldacci (D)	Beth Edmonds (D)**	David Lemoine (D)	G. Steven Rowe (D)	Matthew Dunlap (D)
Maryland	Martin O'Malley (D)	Anthony G. Brown (D)	Nancy K. Kopp (D)	Douglas F. Gansler (D)	John McDonough (D)
Massachusetts	Deval Patrick (D)	Timothy P. Murray (D)	Timothy P. Cahill (D)	Martha Coakley (D)	William Francis Galvin (D)
Michigan	Jennifer Granholm (D)	John Cherry (D)	Robert J. Kleine	Mike Cox (R)	Terri Lynn Land (R)
Minnesota	Tim Pawlenty (R)	Carol Molnau (R)	Tom Hanson	Lori Swanson (D)	Mark Richie (D)
Mississippi	Haley Barbour (R)	Phil Bryant (R)	Tate Reeves (R)	Jim Hood (D)	Delbert Hoseman (R)
Missouri	Jeremiah W. Nixon (D)	Peter Kinder (R)	Clint Zweifel (D)	Chris Koster (D)	Robin Carnahan (D)
Montana	Brian Schweitzer (D)	John Bohlinger (R)	Janet Kelly **	Steve Bullock (D)	Linda McCulloch (D)
Nebraska	Dave Heineman (R)	Rick Sheehy (R)	Shane Osborn (R)	Jon Bruning (R)	John A. Gale (R)
Nevada	Jim Gibbons (R	Brian K. Krolicki (R)	Kate Marshall (D)	Catherine Cortez Masto (D)	Ross Miller (D)
New Hampshire	John Lynch (D)	Sylvia Larsen (D)**	Catherine Provencher (I)	Kelly Ayotte	William Gardner (D)
New Jersey	Jon Corzine (D)	Richard Codey (D)**•	David Rousseau	Anne Milgram (D)	Nina Mitchell Wells (D)
New Mexico	Bill Richardson (D) (1)	Diane Denish (D)	James Lewis (D)	Gary King (D)	Mary Herrera (D)
New York	David A. Paterson (D)	To be named	Aida M. Brewer	Andrew M. Cuomo (D)	Lorraine Cortés-Vázquez (D)
North Carolina	Beverly Perdue (D)	Walter Dalton (D)	Janet Cowell (D)	Roy Cooper (D)	Elaine Marshall (D)
North Dakota	John Hoeven (R)	Jack Dalrymple (R)	Kelly Schmidt (R)	Wayne Stenehjem (R	Alvin A. (Al) Jaeger (R)
No. Mariana Islands	Benigno R. Fitial (Covenant)	Timothy Villagomez (Covenant)	Antoinette S. Calvo	Vacant	NA
Ohio	Ted Strickland (D)	Lee Fisher (D)	To Be Named	Nancy Hardin Rogers (D)	Jennifer L. Brunner (D)
Oklahoma	Brad Henry (D)	Jari Askins (D)	Scott Meacham (D)	W.A. Drew Edmondson (D)	M. Susan Savage (D)
Oregon	Ted Kulongoski (D)	Kate Brown (D)*	Ben Westlund (D)	John R. Kroger (D)	Kate Brown (D)
Pennsylvania	Ed Rendell (D)	Joseph R. Scarnati III (R)	Robert McCord (D)	Tom Corbett (R)	Pedro Cortés (D)
Puerto Rico	Luis Fortuno (NPP)	Ferdinand Bonilla (PDP) *	Juan Carlos Mendez Torres	Roberto J. Sanchez-Ramos	Kevin McClintock (NPP)
Rhode Island	Donald L. Carcieri (R)	Elizabeth H. Roberts (D)	Frank T. Caprio (D)	Patrick C. Lynch (D)	A. Ralph Mollis (D)
South Carolina	Mark Sanford Jr. (R)	R. Andre Bauer (R)	Converse A. Chellis III (R)□□□□	Henry McMaster (R)	Mark Hammond (R)
South Dakota	Mike Rounds (R)	Dennis M. Daugaard (R)	Vernon L. Larson (R)	Larry Long (R)	Chris Nelson (R)
Tennessee	Phil Bredesen (D)	Ron Ramsey (R)**	Dale Sims	Robert E. Cooper Jr. (D)	To be named
Texas	Rick Perry (R)	David Dewhurst (R)	Susan Combs (R)	Greg Abbott (R)	Esperanza "Hope" Andrade (R)
U.S. Virgin Islands	John deJongh Jr. (D)	Greg Francis (D)	Austin Nibbs □□□□□	Vincent Frazer	Greg Francis (D) ***
Utah	Jon Huntsman Jr. (R)	Gary Herbert (R)	Richard K. Ellis (R)	Mark Shurtleff (R)	Gary Herbert (R)***
Vermont	James Douglas (R)	Brian Dubie (R)	Jeb Spaulding (D)	William H. Sorrell (D)	Deborah Markowitz (D)
Virginia	Tim Kaine (D)	William T. Bolling (R)	J. Braxton Powell	Robert F. McDonnell (R)	Katherine K. Hanley (D)
Washington	Christine Gregoire (D)	Brad Owen (D)	Jim McIntire (R)	Rob McKenna (R)	Sam Reed (R)
West Virginia	Joe Manchin III (D)	Earl Ray Tomblin (D)**	John D. Perdue (D)	Darrell V. McGraw Jr. (D)	Natalie Tennant (D)
Wisconsin	Jim Doyle (D)	Barbara Lawton (D)	Dawn Sass (D)	J.B. Van Hollen (R)	Douglas LaFollette (D)
Wyoming	Dave Freudenthal (D)	Max Maxfield (R) *	Joe Meyer (R)	Bruce Salzburg (D)	Max Maxfield (R)

(1) Gov. Janet Napolitano of Arizona and Gov. Bill Richardson of New Mexico have been nominated for posts in President-elect Barack Obama's administration. If approved by the Senate, they will leave office, creating vacancies in their state. Napolitano will be replaced by Republican Secretary of State Jan Brewer, while Richardson would be replaced by Democrat Diane Denish. Those vacant posts would need to be filled.

** Secretary of state. ** Senate president. In Tennessee, Speaker of Senate. *** Duties performed by lieutenant governor. **** Named interim Secretary of State. ♦ Mayor. ♦♦ Deputy mayors. □ Deputy Commissioner of Revenue performs Treasurer's duties. □□ Director of the state Department of Administration. □□□ Was elected by the General Assembly to serve as treasurer in August 2007. □□□□ Acting Commissioner of Finance*

• Beginning with the Nov. 3, 2009, general election, this office will be filled.

2009 **State Legislative Sessions**

State	Duration of Session	Limitation on Length of Session	Legislative Web Site	Bill Status Information
Alabama	Feb. 3–May 19	30 L in 105 C	http://www.legislature.state.al.us/	S: (334) 242-7826; H:(334)246-7627
Alaska	Jan. 20–April 19	121 C	http://w3.legis.state.ak.us/index.php	S & H: (907) 465-4648
Arizona	Jan. 12–April	(a)	www.azleg.state.az.us	S: (602) 542-3559; H (602) 542-4221
Arkansas	Jan. 12–TBD	60 C (b)	http://www.arkleg.state.ar.us/	S: (501) 682-6107; H (501) 682-7771
California	Dec. 1, 2008–Sept. 15, 2009	None	http://www.leginfo.ca.gov/	S: (916) 445- 4252; H: (916) 445-3614
Colorado	Jan. 7–May 6	120 C	www.leg.state.co.us	S & H: (303) 866-3055
Connecticut	Jan. 7–June 3	(c)	http://www.cga.ct.gov/	S & H: (860) 240-0555
District of Columbia	Jan. 6–Dec. 31	None	www.dccouncil.washington.dc.us	(202) 724-8050
Delaware	Jan. 13–June 30	June 30	http://legis.delaware.gov/	S & H: (302) 744-4114
Florida	March 3–May 1	60 C (b)	www.leg.state.fl.us	S & H: (850) 488-4371
Georgia	Jan. 12–April	40 L	www.legis.state.ga.us	S: (404) 656-5040; H: (404) 656-5015
Hawaii	Jan. 21–April	60 L (b)	www.capitol.hawaii.gov	S & H: (808) 587-0700
Idaho	Jan. 12–March	None	www2.state.id.us/legislat	S & H: (208) 332-1000
Illinois	Jan. 14–TBD (Meets all year)	None (d)	http://www.ilga.gov/	S & H: (217) 782-3944
Indiana	Jan. 7–April 29	odd-61 C or Apr. 29; even-30 C or Mar. 14	www.in.gov/legislative	S: (317) 232-0404; H: (317) 232-9856
Iowa	Jan. 12–April	None	www.legis.state.ia.us	S & H: (505) 281-5129
Kansas	Jan. 12–May	odd-None; even-90 C (b)	www.kslegislature.org	S & H: (785) 296-2149
Kentucky	Jan. 6–March 30	odd-30 L; even-60 L	www.lrc.state.ky.us	S & H: (888) 829-0021
Louisiana	April 27–June 25	even-60 L in 85 C; odd 45 L in 60 C	www.legis.state.la.us	S: (800) 868-2456; H: (800) 868-3178
Maine	Dec. 3, 2008–June 17	3rd Wed. of June; 3rd Wed. of April	janus.state.me.us/legis	S & H: (207) 287-1583
Maryland	Jan. 14–April 13	90 C	http://mlis.state.md.us/	(410) 946-5400
Massachusetts	Jan. 7–Dec. 31(Meets all year)	(e)	www.state.ma.us/legis	S: (617) 722-1276; H: (617) 722-2798
Michigan	Jan. 14–Dec. 31 (Meets all year)	None	www.michiganlegislature.org	(517) 373-0169
Minnesota	Jan. 6–May 18	120 L or 1st Mon. after 3rd Sat. in May (i)	www.leg.state.mn.us	S: (651) 296-0504; H: (651) 296-6646
Mississippi	Jan. 6–April 4	125 C (f); 90C (f)	http://billstatus.ls.state.ms.us/	(601) 359-3719 (in session) or (601) 359-3135 (out of session)
Missouri	Jan. 7–May 30	May 30	www.moga.mo.gov	S: (573) 751-4666; H: (573) 751-2979
Montana	Jan. 5.–April	90 L	leg.state.mt.us/css	(406) 444-4800 (in session) or (406) 444-3064 (out of session)
Nebraska	Jan. 7–June 4	odd-90 L; even-60 L	www.unicam.state.ne.us	(402) 471-2271
Nevada	Feb. 2–June 1	120 C	www.leg.state.nv.us	See Web site
New Hampshire	Jan. 7–July 1	45 L	www.gencourt.state.nh.us/ie	S: (603) 271-3420; H: (603) 271-2548
New Jersey	Jan. 13–Jan. 13, 2010 (Meets all year)	None	www.njleg.state.nj.us	(609) 292-4840

	(Meets all year)			
New Mexico	Jan. 20–March 21	odd-60 C; even-30 C	www.legis.state.nm.us	(505) 986-4600
New York	Jan. 7–Dec. 31 (Meets all year)	None	www.nysl.nysed.gov/ils/legislature/legis.html	S: (518) 455-7545; H: (518) 455-4218
North Carolina	Jan. 28–July	None	http://www.ncga.state.nc.us/	(919) 733-7779
North Dakota	Jan. 6–April 30	80 L in the biennium	http://www.legis.nd.gov/	(888) 635-3447 (in session) or (701) 328-2916 (out of session)
Ohio	Jan. 5–Dec. 31 (Meets all year)	None	www.legislature.state.oh.us	S & H: (614) 466-8842
Oklahoma	Feb. 2–May 29	last Fri. in May	www.lsb.state.ok.us	S: (405) 521-5659; H: (405) 521-2733
Oregon	Jan. 12–June 30	None	www.leg.state.or.us	S & H: (503) 986-1000
Pennsylvania	Jan. 6–Dec. 31 (Meets all year)	None	www.legis.state.pa.us	S: (717) 787-5920; H: (717) 787-2342
Rhode Island	Jan. 6–June	None	www.rilin.state.ri.us	S & H: (401) 222-3580
South Carolina	Jan. 13–June 5	None	www.scstatehouse.net	(800) 922-1539 (in session) or (803) 734-2060 (out of session)
South Dakota	Jan. 13–March 30	odd-40 L; even-35 L	http://legis.state.sd.us/index.aspx	S & H: (605) 773-3251
Tennessee	Jan. 13 –May	90 L (g)	www.legislature.state.tn.us	(615) 741-0927 (in session) or (615) 741-3511 (out of session)
Texas	Jan. 13–June 1	140 C	www.capitol.state.tx.us	S & H: 877-824-7038 (in Texas) 512-463-2182 (outside Texas)
Utah	Jan. 19–March 4	45 C	www.le.state.ut.us	S: (801) 538-1588; H: (801) 538-1029
Vermont	Jan. 7–May	None	www.leg.state.vt.us	S & H: (802) 828-2231
Virginia	Jan. 14–Feb. 28	odd-30 C (b); even-60 C (b)	legis.state.va.us	S: (804) 698-7410; H: (804) 698-1500
Washington	Jan. 12–April 26	odd-105 C; even-60 C	www.leg.wa.gov	S & H: (360) 786-7573
West Virginia	Feb. 11–April 11	60 C (b)	www.legis.state.wv.us	(304) 347-4836
Wisconsin	Jan. 5–Dec. 31 (Meets all year)	None	www.legis.state.wi.us	(608) 266-2400
Wyoming	Jan. 13–March 9	odd-40 L; even-20 L; biennium-60 L	legisweb.state.wy.us	(307) 777-7881
American Samoa	Jan. 13–TBD	45L	http://www.samoanet.com/asg/asglb97.html	S: (684) 633-5866; H: (684) 633-4366
Guam	Jan. 13–March 9	None	http://www.guamlegislature.com/	(671) 472-3443/3472
No. Mariana Islands	Jan 12–Jan. 12, 2010 (Meets all year)	90L (h)	http://www.cnmileg.gov.mp/	S: (670) 664-5103; H: (670) 664-8846
Puerto Rico	Jan. 12–June	5 mo.	http://www.senadopr.us/	(787) 723-4112 (Office of the Director) or (787) 723-5021 (Office of Legislative Services)
U.S. Virgin Islands	Jan. 12–Dec. 31 (Meets all year)	None	http://www.legvi.org/	(340) 693-3501

Key:

L - Legislative days

C - Calendar days

(a) No constitutional rule or statutory provision; however, by legislative rule regular sessions shall be adjourned sine die no later than Saturday of the week during which the 100th day from the beginning of each regular session falls.The Speaker/President may by declaration authorize the extension of the session for a period not to exceed seven additional days. Thereafter the session can be extended only by a majority vote of the House/Senate.

(b) Session may be extended by vote of members in both houses. Arkansas 2/3 vote. Florda 3/5 vote, session may be extended by vote of members in each house. Hawaii - petitition of 2/3 membership for maximum 15-day extension. Kansas: 2/3 vote. Virginia: 2/3 vote for 30 C extension. West Virginia: may be extended by the governor.

(c) Odd numbered years: not later than Wednesday after first Monday in June; even-numbered-years: not later than Wednesday after first Monday in May.

(d) Constitution encourages adjournment by May 31.

(e) Legislative rules say formal business must be concluded by Nov. 15th of the 1st session in the biennium, or by July 31st of the 2nd session in the biennium.

(f) 90 C sessions every year, except the first year of a gubernatorial administration during which the legislative session runs for 125 C.

(g) 90 legislative days over a two year period. During special sessions members will be paid up to 30 legislative days; further days will be without pay or per diem.

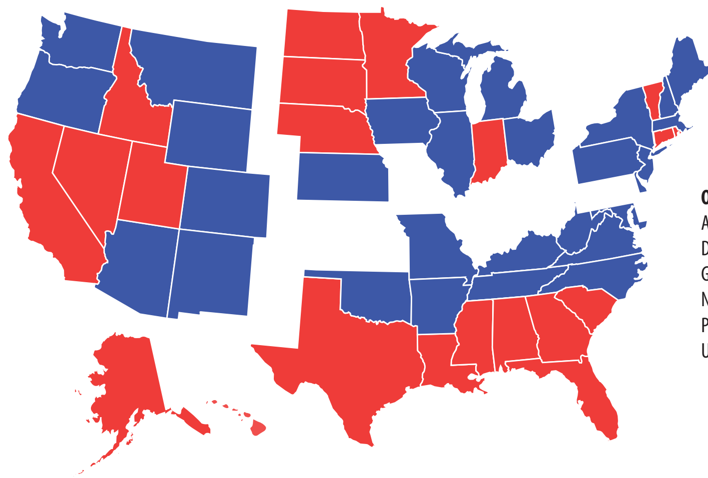
(h) 60 L before April 1 and 30 L after July 31.

(i) Legal provision for session in odd-numbered year; however, legislature may divide, and in practice has divided, to meet in even-numbered years as well.

2009 Party Control Maps

Governors

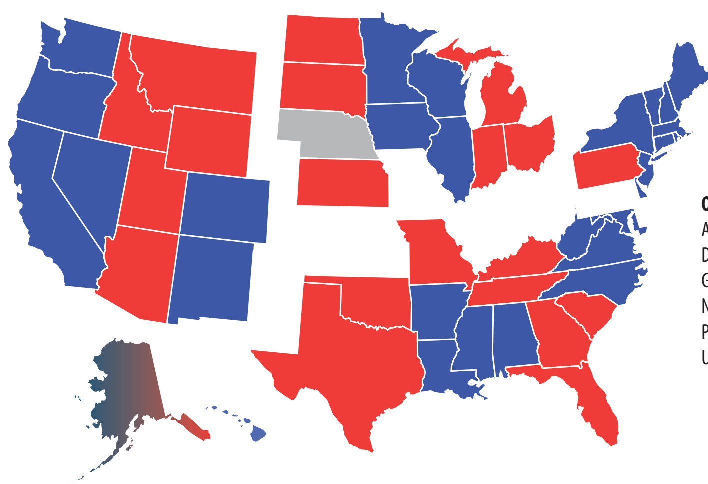
- Democrat
- Republican



Other Jurisdictions
American Samoa—Democrat
District of Columbia—Democrat, mayor
Guam—Democrat
Northern Mariana Islands—Covenant Party
Puerto Rico—New Progressive Party
U.S. Virgin Islands—Democrat

Senate

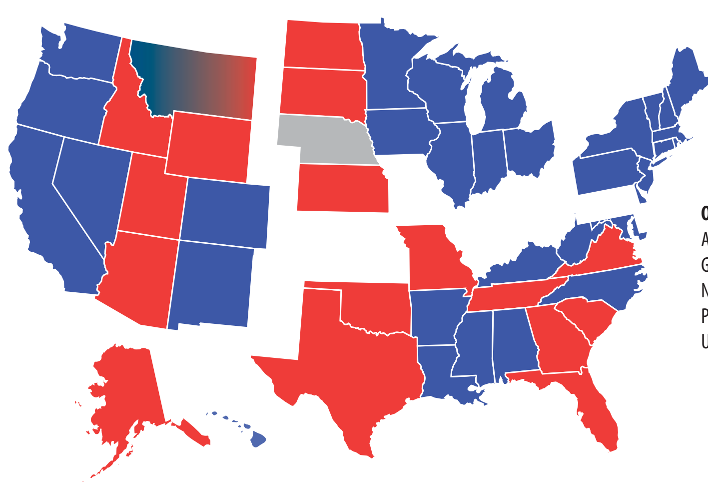
- Democratic majority
- Republican majority
- Unicameral, nonpartisan
- Even Split



Other Jurisdictions
American Samoa—Nonpartisan
District of Columbia—Democrat, council
Guam—Democrat
Northern Mariana Islands—Republican
Puerto Rico—New Progressive Party
U.S. Virgin Islands—Democrat

House

- Democratic majority
- Republican majority
- Unicameral, nonpartisan
- Even Split



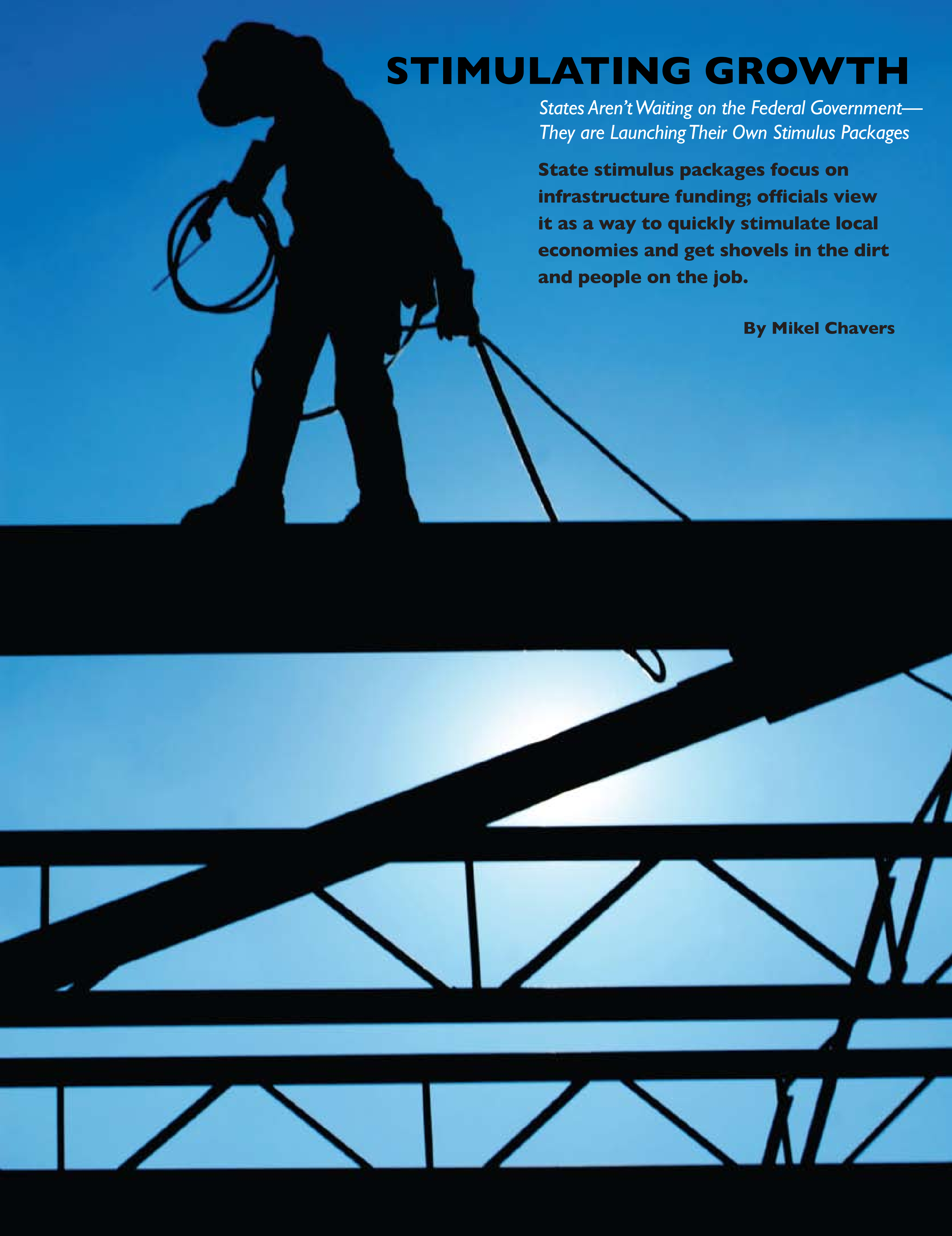
Other Jurisdictions
American Samoa—Nonpartisan
Guam—Unicameral
Northern Mariana Islands—Republican
Puerto Rico—New Progressive Party
U.S. Virgin Islands—Unicameral

STIMULATING GROWTH

States Aren't Waiting on the Federal Government—They are Launching Their Own Stimulus Packages

State stimulus packages focus on infrastructure funding; officials view it as a way to quickly stimulate local economies and get shovels in the dirt and people on the job.

By Mikel Chavers



When Washington Gov. Christine Gregoire caught wind of a state budget crisis, she asked for ideas on how to solve it. But she didn't just ask the academics, the aides and the analysts—she also asked the state's residents for help.

If the state was going to get out of this economic mess, it would need all the help it could get.

And Gregoire got quite a response.

Late last year, the governor's Web site included a place where anyone could submit ideas on how the state could save money. During just one week in November, more than 700 ideas were submitted, touching on all areas of state government, including education, energy, social services, health care and transportation.

One resident suggested removing the state liquor control board and adopting a system similar to Michigan and others, where stores can apply for a liquor license. The resident thought stores would gladly pay for a liquor license—which would provide capital to the state—plus the state would save money by not having to run every single distribution point for alcohol.

"This is a hard suggestion for me to write," the resident said. "My father is a shift supervisor at the state liquor warehouse in south Seattle."

Some suggestions from residents might help form Gregoire's proposed stimulus package, designed to not only boost her state's ailing economy, but also to include some ways to make state government more efficient. Those plans are due out this month.

In fact, Washington is not alone in proposing a stimulus package. States such as Florida, Ohio and Vermont have already implemented state stimulus packages to jumpstart their economies.

States Turn to Bonds to Stimulate Economy

For the most part in these stimulus packages, states are relying on new bonds to fund much-needed infrastructure projects and other projects.

"Basically what has happened is in the last eight or nine years, states have relied on raising money via bonds as a very typical strategy to generate funding that is needed for a range of different projects," said Sujit CanagaRetna, senior fiscal analyst with The Council of State Governments' Southern region, the Southern Legislative Conference. "And part of the reason for this is because raising taxes is so politically radioactive."

Now with states facing a range of money problems because of the ongoing national recession, "you can't cut spending anymore than you already have and you need these funds to embark on some very serious and very fundamental projects," CanagaRetna said. "So how do you come up with the money? You go down the bond route."

But not all states can simply bond their way out of trouble.

In 1998, state net tax-supported debt was $198 billion. It's nearly doubled in nine years—in 2007, states owed nearly $400 billion in outstanding debt to bondholders, according to CanagaRetna.

"There are some states that are obviously in better shape in terms of their bond market scenarios compared to others. In other words, some states have a bigger per capita of bond indebtedness level," he said.

For example, Massachusetts and New Jersey have very high levels of bond indebtedness per capita, CanagaRetna said.

But those states that can take on more bonds are using this as an opportunity to resuscitate their economies just in time.

Vermont, one of the states with a stimulus plan in action, has allowed more bonding in transportation to stimulate its economy. And, because Vermont has a Triple A bond rating, the state is able to borrow at lower interest rates, according to Vermont's Commerce and Community Development Secretary Kevin Dorn.

"We are extremely cautious about debt in this state," Dorn said. "It was believed by those who advised the state on bonding that we had some limited additional capacity to bond primarily because Gov. (Jim) Douglas has been buying down the debt over the last four to five years," Dorn said. "So we had some capacity and the governor decided to invest that capacity."

Vermont Focuses on Transportation, Housing Projects

That extra money from transportation bonds will amount to $10 million a year through 2013 in Vermont. The $10 million a year is expected to create more than 450 new jobs annually. The first transportation projects benfiting from the added funds began late last year, according to Dorn.

In fact, infrastructure projects are showing up in a majority of the state stimulus packages to date.

"You inject capital and you revive those local economies—these are not jobs that are going to go overseas," CanagaRetna said.

Last summer's sales tax holiday in Vermont was also part of the state's stimulus package. The two-day sales tax holiday was widely perceived as very successful—with retailers doing well over the two-day period as well as the extended period for energy efficient appliances, Dorn said.

In hindsight, Vermont was able to pass the tax holiday measure through the legislature just as the nation was creeping toward a recession, Dorn said. "It may not have been so successful had it been delayed until today," he said.

The housing piece, known as the Vermont Neighborhood Initiative, has now borne its first applicant—the Village Square project in Essex Junction, Vt. The process basically aims to cut through red tape by reducing costs associated with the permitting process, so housing projects can begin more quickly. Dorn said speed is important because there's a housing shortage in his state.

"We feel we can stimulate Vermont's economy by stimulating the housing sector and there's a demand for it," Dorn said.

Another portion of the stimulus included a Vermont Employment Growth Incentive for employers that provide environmental products or services. A key central Vermont employer, Vermont Castings, took advantage of the incentive and decided to consolidate operations in the state instead of moving another plant to Mexico or Kentucky, according to Dorn. Vermont Castings makes wood-burning and pellet stoves.

That incentive is what Dorn calls a cash in incentive because the company will get $488,000 in payments over five years as it adds new employees and payroll.

But Vermont Gov. Jim Douglas—also a past president of The Council of State Governments—isn't done with efforts to stimulate his state's economy. Douglas is proposing another stimulus plan, the Economic Growth Plan, and is calling on the legislature to pass it within 100 days after returning in January.

The new proposal includes incentives for environmentally friendly companies as well as a challenge to the private sector to come up with the latest and greatest energy saving technology. *See CSG's blog, Capitol Comments for more on the new Vermont stimulus plan.*

Ohio Launches $1.6 Billion Stimulus Package

Ohio's $1.57 billion stimulus package is also primarily funded by bonds. And Ohio, like other states, is focusing some of that funding on infrastructure projects.

"A business doesn't want to locate in an area where highways, roads and bridges are falling apart," said Ohio Lt. Gov. Lee Fisher. "Access to transportation is a key decision."

As for infrastructure funding, $920 million was allocated for the stimulus package in the summer to fund various initiatives, including $400 million for the Clean Ohio Fund. The bonds to fund this part of the package had to be approved as a ballot measure by voters in November.

Basically, the Clean Ohio Fund provides grants that turn so-called brown properties to green properties.

An example is the future Stein Industrial Park in Canton, Ohio. The fund will be used to finance the remediation of the site—which operated as a scrap metal recycling facility for 85 years—turning it into a light industrial park. The city of Canton will get nearly $700,000 to clear the debris piles and clean up the site, making it ready for redevelopment.

"It is essential that we revitalize our physical assets in Ohio and those physical assets include abandoned and vacant buildings and land, most of which has environmental contamination," Fisher said.

There's also a tax credit for 25 percent of the total rehabilitation costs for historic sites. Without the historic tax credit, developers in Cincinnati and Cleveland, for example, would not have been able to restore properties—particularly in the downtown areas, according to Fisher.

The plan also includes $400 million to industry clusters, including advanced energy, bioproducers, the biomedical industry and the state's logistics and distribution infrastructure.

In November, details were released about grants for one of the clusters—logistics and distribution—totaling $100 million. That specific portion of the grant money will go toward creating a seamless multimodal transportation infrastructure across the state, linking railroad lines, roads, waterways and airports.

The other $250 million will go to Ohio's Higher Education Workforce Initiative. The initiative's goal is to keep Ohio graduates in the state by linking them to internships and cooperative education programs while they earn their degrees.

> "The dramatic downturn in the national economy has hurt Ohio just as it has hurt all other states. Having said that, we have made unprecedented investments during these last two years that have substantially strengthened our competitive position."
>
> *—Ohio Lt. Gov. Lee Fisher*

Florida Speeds Up Transportation Projects

Florida Gov. Charlie Crist announced his state's stimulus package in the summer as well. A major component of his plan, "Accelerate Florida: Extending Florida's Economic Horizons," is to speed up this fiscal year's transportation projects, scheduled to start at different times throughout the year.

The state's construction engineers met with industry to determine how to get the projects underway more quickly and how to "get the shovels in the ground quicker—because that's really how people start getting paid," said Marsha Johnson, director of the Florida Department of Transportation Office of Financial Development.

"We can let these projects and get them awarded, but until the people get out on the job and the shovel is in the ground, the people don't get paid."

Streamlining the bureaucracy to get these projects done more quickly required a quicker permitting process, Johnson said. It also required simply getting the contracts signed and awarded more quickly, cutting down on the paperwork, she said.

It's not that there is more money involved—money is already available for all projects slated for this fiscal year. Speeding up road construction was more about cutting down on layers of bureaucracy that was slowing the entire process.

For example, resurfacing projects in Manatee County were originally scheduled for construction bidding in February, but since the governor's Accelerate Florida program hit, the construction contract was actually awarded in December.

The goal of the program is to cut more than a month from the process for each project. The result, Johnson hopes, will be immediate jobs to ease Florida's rising unemployment rate, which has been looming around 7 percent. The state hit a 15-year high when the unemployment rate reached 7 percent in October.

It took a challenge—and that challenge was the ailing economy—to expedite road projects in Florida. That took sitting down with environmental agencies that do the necessary environmental permitting work as well as getting the local governments to agree to a change in plans.

"There will be a little bit faster cash flow rate," Johnson said. "If you start the job quicker than what you're originally scheduled, the cash will go out the door faster—you'll lose interest on those dollars," she said.

But, Johnson adds, "the cost of getting that project and those people out working will far outweigh the loss of the interest."

The stimulus plan in Florida aims to employ around 39,000 people and generate nearly $8 billion in economic benefit—just by speeding up road projects. For every dollar invested in transportation, there's more than a $5 return on investment, according to Johnson.

"It trickles down," Johnson said. "There is a huge economic benefit to transportation—it stimulates the economy."

Gregoire Proposes Stimulus Plan, Pushes for Federal Stimulus

But the situation, like many other states, is still dire in Washington.

Gregoire unveiled her proposed 2009-2011 state budget in mid-December, and deep cuts are expected across the board, according to the Associated Press. Gregoire and state lawmakers were looking at a projected budget deficit of more than $5 billion through 2011, according to AP. That budget deficit could grow to nearly $6 billion, Gregoire told the AP.

Gregoire already ordered budget cuts close to $600 million for the current fiscal year, which ends in June. Transportation projects will likely get a big push in Washington's stimulus plan, to be announced this month. *For the latest, check CSG's blog, Capitol Comments.*

—Mikel Chavers is associate editor of State News *magazine.*

Federal Stimulus to the States Could Be a '21st Century New Deal'

During a nearly two-hour meeting Dec. 2, governors from across the country met with President-elect Barack Obama to lobby for a federal stimulus that supports the states. The governors asked for funds that would help them avoid budget cuts in important areas such as Medicaid and infrastructure projects, according to the National Governors Association, which hosted the meeting.

Pennsylvania Gov. Ed Rendell (far left) and Vermont Gov. Jim Douglas (far right) joined governors across the country in a historic meeting with President-elect Barack Obama and Vice President-elect Joe Biden in Philadelphia sponsored by the National Governors Association. Photo Credit: The National Governors Association.

Infrastructure spending from the federal government—being lobbied for by several governors—might be the quickest way to inject needed capital into the states' economies and also repair the nation's aging and crumbling infrastructure, according to Sujit CanagaRetna, senior fiscal analyst with The Council of State Governments Southern region, the Southern Legislative Conference.

The numbers being bandied about for the next federal stimulus are huge—between $500 billion and $700 billion, he said. "By laying out why, say a $500 to $700 billion infrastructure injection, is smart, I think Congress and the administration will get on board in terms of pushing this through," CanagaRetna said.

"We don't invest even 1 percent of our GDP on infrastructure. China on the other hand is plowing in approximately 6 to 7 percent," he said.

And that's why CanagaRetna thinks the federal stimulus to the states should be around $500 billion to $700 billion—a larger percentage of the nation's Gross Domestic Product—for infrastructure funding. It makes sense in terms of the nation's GDP, he said.

"I wouldn't call it a bailout, but rather an infrastructure investment," CanagaRetna said. "It's a 21st Century New Deal that we need to implement just to compete globally."

In fact, Obama painted the proposed federal stimulus plan to the states as the largest public works project since the federal highway system was built in the 1950s.

But governors are excited about more than just the obvious benefits of improving the nation's infrastructure—they're excited about getting shovels in the dirt immediately and getting people jobs.

Pennsylvania Gov. Ed Rendell said after the meeting with Obama and Vice President-elect Joe Biden that states have $136 billion worth of projects ready to go, according to *The New York Times*.

Washington Gov. Christine Gregoire said in December that her state needs at least $600 million in federal money for short-term road and bridge projects to help resuscitate the state's ailing economy, according to The Associated Press.

And these aren't projects that would experience a long lag time either. Washington has at least that much in projects ready to go as soon as Congress approves a stimulus to the states, the AP reports.

But some governors aren't jumping on the stimulus bandwagon.

In early December, Texas Gov. Rick Perry and South Carolina Gov. Mark Sanford wrote an op-ed piece in *The Wall Street Journal* explaining why they are against another federal bailout—even if it is aimed at the states.

"As governors and citizens, we've grown increasingly concerned over the past weeks as Washington has thrown bailout after bailout at the national economy with little to show for it," the two governors wrote in the editorial.

The two expressed concern about the federal government's mounting debt and also a leaning toward a "bailout mentality."

"Our Founding Fathers were clear and deliberate in setting up a system whereby the federal government would only step in for that which states cannot do themselves. An expansionist federal government of the last century has moved us light-years away from that model, but it doesn't mean that Congress can't learn from states that are coming up with solutions that work," the pair wrote.

The two governors point to creating favorable business environments and other measures to stimulate the economies in their states as more worthwhile plans.

But Perry and Sanford may be in the minority.

"I don't think you're going to have a groundswell of governors that are going to be against this federal package because you need it for the jobs, the revenue aspect and you also need it because the infrastructure is crumbling and aging and falling apart," CanagaRetna said.

—Mikel Chavers

2009 TRENDS IN AMERICA

Upcoming Trends in America Publications for 2009



In the coming months, CSG will release several more issue briefs and reports, including:

- **Early Childhood Education—**a Trends in America Special Report that focuses on financing and structure of pre-kindergarten programs in the U.S.
- **Middle Class Issues—**an issue brief examining exactly how the current financial crisis affects the average Joe
- **Identity Crime—**a Trends in America Special Report that educates state lawmakers about the types of identity crime as well as solutions to the growing problem
- **Renewable Portfolio Standards—**a look at the effects on states of laws that require renewable energy sources supply a certain percentage of retail electricity
- **Health Disparities—**an issue brief that focuses on how health outcomes differ for people in different socioeconomic and racial groups in the U.S.

To read the Trends in America publications, please visit **www.trendsinamerica.org**.

MORE THAN SIDEWALKS

States Focus on Projects to Provide Safe Routes to School

Despite a recent drop in energy costs, many states continue to look for ways to reduce student transportation expenses. One program aimed at encouraging more students to walk to school might have benefits far beyond lessening the cost of transporting students to school. The Safe Routes to School program is giving states $612 million over five years to improve infrastructure and educate children and motorists about pedestrian safety. But some say the amount Congress approved for the program is just a fraction what is needed to accomplish the job.

By Tim Weldon

Michigan may be the country's automobile capital, but these days the state is also earning a reputation as a pioneer in convincing people to leave their cars at home and walk.

It may sound like a paradoxical message in this mecca of the automobile industry, but Michigan was singled out in 2007 as the winner of the first James L. Oberstar Safe Routes to School Award, named after the Minnesota congressman who authored legislation in 2005 that provided funding for a national Safe Routes to School program.

That initiative was created in 2005 to encourage children to walk or bike to school, rather than ride in buses or the family car, whenever practical. So far, more than 4,000 schools and communities across the U.S. have received federal funds to build sidewalks, improve crosswalks and make other infrastructure improvements, according to the National Center for Safe Routes to Schools. Under the program, federal funds are distributed to state departments of transportation, which steer the money to local schools and communities.

States have awarded 80 percent of available funding through the program's first three years, a clear sign that providing safe routes for children to walk or ride bicycles to school is gaining traction, according to Lauren Marchetti director of the National Center for Safe Routes to School, based in Chapel Hill, N.C.

"The Safe Routes to School program is an excellent opportunity to start changing a mindset that we've got to change," she said.

The Idea Behind Safe Routes

As recently as four decades ago, walking to school was the norm, not the exception. According to the U.S. Centers for Disease Control and Prevention, 50 percent of all children walked to school in 1969. Today, that number has dropped to a scant 15 percent.

Inactivity is one factor that has led one-third of young people in the U.S. to become overweight or obese. Meanwhile, numerous studies show approximately one-fourth of morning traffic is attributed to parents driving their children to school. Supporters contend that if children walk or ride bicycles to school, they will become more active, reducing child obesity levels. Less traffic also would have environmental benefits, according to proponents.

"First and foremost, places where kids are walking and biking that are unsafe need to be fixed," Marchetti said. "Without safety, none of the rest of it can move forward."

In 2005, as part of the comprehensive transportation bill commonly called SAFETEA-LU, Congress designated $612 million to fund the Safe Routes to School program. It guarantees that each state will receive at least $1 million per year during the five-year program. Oberstar called it the most important bill he's been able to pass in Congress.

"By giving kids a fun and safe way to incorporate exercise into their daily routines, we are teaching them at a young age how to lead a healthy lifestyle," Oberstar told the Congressional Subcommittee on Highways and Transit in 2007.

All 50 states and the District of Columbia have appointed full-time coordinators to oversee the program. Forty-two states have released application guidelines for cities and schools to apply for funding, according to the Safe Routes to School National Partnership.

"I think we're moving toward solutions. We probably haven't found them all yet," Marchetti explained. Despite early successes, however, some say the program is dramatically underfunded.

Michigan's Success Story

Michigan became a pioneer in promoting safe routes to school even before Congress appropriated funding for the program. In 2003, Michigan developed a Safe Routes to School Handbook, which more than 350 elementary and middle schools have registered to use as a prerequisite to apply for funding.

The Safe Routes to School program has given Michigan, like all states, funding to create an environment where children can walk to school more safely. From the 2005 through 2009 fiscal years, Michigan is slated to receive $17 million in federal funds, an amount that Michigan's Safe Routes to School Coordinator Bryan Armstrong calls miniscule.

"I could easily envision over five years being able to spend 100 times the money that we have now," Armstrong said. Nevertheless, he contends the program provides benefits that outweigh the limited dollars provided by the federal legislation.

"The federal funding is not the mechanism that will make Safe Routes to School work," Armstrong said. "It is the buy-in from the stakeholders from across the policy areas and the implementation areas that will cause it to have traction."

So far, Michigan has been able to convince groups such as the Michigan Fitness Foundation and the state departments of community health and education, as well as several nonprofit organizations and universities, to get behind Safe Routes to School.

Lee Kokinakis, director of Safe Routes to School at the Michigan Fitness Foundation, believes the program will help remove some of the barriers that prevent students from walking or riding bikes to school.

"When the walk is safe and practical, it provides an easy opportunity for daily physical activity. It also provides a lifestyle message to children who walk to school … instead of hopping in the car," Kokinakis explained.

She points to recent research by Michigan State University that surveyed 6,000 students from 29 schools in Michigan. That study found 40 percent said they would or might walk or ride bicycles to school if routes were made safer, or more than twice the number who currently travel to and from school that way.

Other States Joining In

In 2003, the death of Jasmine Miles, a 13-year old girl killed while walking home from school in Lansing, became a watershed event that focused efforts in Michigan to improve pedestrian safety near schools. Within months of her death, a bill was introduced in the Michigan legislature to require school crossings be established within a safe distance from a school located on a street or highway with a speed limit of 25 miles per hour or more. That bill was approved and signed into law the following year.

Winans Elementary in Lansing, a school that Miles previously attended, was one of the first schools in Michigan to receive funding under the Safe Routes to School program. The school was awarded nearly $500,000 to construct a pedestrian island students can use while crossing a busy street. Additional projects include resurfacing and expanding a connector path around the school and constructing sidewalks near the school. The work is slated for completion in 2009.

Michigan isn't alone in touting success under Safe Routes to School. Delaware and seven other states passed legislation prior to the program's creation to provide access to state or federal funds or to regulate how funds are spent, according to the Safe Routes to School National Partnership.

Even though Delaware receives the minimum funding available to states through the program—$1 million per year—the National Center for Safe Routes to School considers it a model program. According to the center, Delaware incorporated several innovative elements into the application process to ensure the long-term sustainability of the funded projects. Delaware regulations require representatives of different stakeholders within a community to submit applications. Proposals must be comprehensive, covering each of the five E's relating to Safe Routes to School: education, encouragement, engineering, enforcement and evaluation.

> "The federal funding is not the mechanism that will make Safe Routes to School work. It is the buy-in from the stakeholders from across the policy areas and the implementation areas that will cause it to have traction."
>
> *—Bryan Armstrong, coordinator Michigan's Safe Routes to School*

Additionally, Delaware's Department of Transportation created a streamlined application process that allows funding for individual projects to be available sooner, and the state has created partnerships with groups of stakeholders, which makes them an exemplary program, according to the national center.

Delaware's program coordinator, Sarah Coakley, said state policymakers need to consider the many benefits of children walking to school when considering legislation. "While it may be a small program from a funding perspective, it has the ability to affect the health benefits of children and parents, community benefits, as well as cost benefits from reducing bus transportation," she said.

The Safe Routes to School National Partnership says model legislation should include permanent funding sources and require expert direction for program activities. Legislators should also require that local programs be guided by a diverse group of stakeholders and that each of the five E's be considered when developing a local program.

Barriers Remain

But while states aim to provide opportunities for more children to walk or ride their bicycles to school, supporters acknowledge convincing some parents that it's safe for their children to do so may be one of the most difficult barriers to overcome.

"We've created a safety culture where parents truly believe that if we take them from the box of the house to the box of the car to the box of the school, then we have made the trip as safe as possible," Marchetti said. "But what we're robbing children of is the sense of independence—the ability to navigate on your own the active lifestyle."

In Michigan, Armstrong hopes this program will also jumpstart a new focus on policies that extend long after the funding is exhausted. He wants to convince Michigan legislators that all public infrastructure should accommodate those who walk or ride bicycles, not just those in cars and trucks. That includes city and county roads, which account for more than 90 percent of all roads in Michigan.

"We want policymakers and officials at all levels, from the state legislature to staff at local agencies, to recognize walkability in everything that gets built in society," Armstrong said. "The thing that policymakers need to recognize is, what are the benefits to health—and they are huge—and what are the policies and practices and incentives that we need to put in place to cause these behaviors, to change these behaviors?"

Also on the minds of Safe Routes to School advocates is uncertain future funding in austere budget times. However, Marchetti points out Oberstar, the program's biggest supporter in Congress, chairs the powerful House Transportation Committee, and she believes he will use that position to steer additional funding to support that students have safe routes to walk or ride bicycles to school.

—Tim Weldon is an education policy analyst with The Council of State Governments.

CRIMES IN ANOTHER NAME

States Trying to Address Criminal Identity Theft

By Jennifer Horne Boyter

In May 2008, Christie Scalzo, a pregnant mother of two, was arrested in Henderson, Nev., in front of her children after being pulled over in a routine traffic stop. Completely unknown to her, there was a warrant out for her arrest, stemming from a 2002 arrest of someone who claimed to be her. Scalzo believes the person who posed as her is the same person who broke into her car in 2002 and stole her wallet with all her identification.

Despite Scalzo's protestations of innocence and explanations of identity theft to the officers, she was booked on burglary, drugs and weapons charges and faced 20 years behind bars for offenses she did not commit. After spending $3,500 on legal fees and months of litigation, she finally got her day in court, and the case was dismissed in seconds, because her fingerprints and booking photo did not match those from the 2002 arrest.

Scalzo is one of the nearly 8.5 million Americans each year who are victims of some form of identity crime. More specifically, she was a victim of criminal identity theft, which is described as the worst case scenario of identity theft by the Privacy Rights Clearinghouse, a nonprofit consumer education organization that advocates for consumers' privacy rights.

Criminal identity theft, in which a person poses as another when apprehended for a crime, occurs when a person gives someone else's name and identifying information, such as a driver's license or Social Security number, to a law enforcement officer during an investigation or at an arrest. In many cases, the perpetrator fraudulently obtained a driver's license or other identification in the victim's name and simply provided the document to law enforcement.

In other cases, if a perpetrator is cited for a traffic violation or a misdemeanor, he or she may claim to not be carrying identification and then provide the identifying information of another person, often a family member or friend. Once that person is released from custody, he or she will agree to appear later in court. When the person fails to show up, a bench warrant may be issued for the perpetrator, but under the name of the victim. The victim may not even know there is a warrant out for his or her arrest, and could be detained following a traffic stop, as was the case with Scalzo.

In other cases, the perpetrator will appear in court for the violation and plead guilty without the identity theft victim's knowledge. If the perpetrator is jailed for a felony offense, such as a drunken driving violation, the personal identifying information of the victim will be entered in the state's criminal justice databases, which can be shared nationwide. A victim may not learn of the criminal activity of the perpetrator until his driver's license is suspended or he is denied employment or even fired from his current job after a background check.

The burden of clearing one's name within the criminal justice system falls primarily on the victim. The steps required to clear the victim's incorrect criminal record depend on the jurisdiction in which the crime was committed and whether the true identity of the perpetrator can be determined. Some states have procedures in place to assist victims who are wrongly linked to crimes committed by other people in their names. Typically, victims petition a court for a factual declaration of innocence, and if granted, the name and associated personal identifying information contained in court records and files would be deleted, sealed or labeled to show that the data is incorrect.

Other states have taken additional steps to assist victims of criminal identity theft. For example, California, South Carolina and Wyoming maintain a database of victims of identity theft crimes who have received factual declarations of innocence. These databases are accessible to criminal justice agencies, identity theft victims and individuals and agencies authorized by the victim.

A person who is entered into the database can inform law enforcement officers that he is a victim of criminal identity theft and that an official record of the status is available from the state. The officer can verify that, preventing unwarranted arrests or detentions. Similarly, employers can confirm the status of a potential employee before performing a background check.

In addition, 11 states—Arkansas, Delaware, Iowa, Maryland, Mississippi, Montana, Nevada, Ohio, Oklahoma, Tennessee and Virginia—offer victims so-called identity theft passports, certifying victims of identity crime. They can be presented to law enforcement to help prevent arrest or detention for an offense committed by another person. In some cases, these passports may also be presented to creditors to aid in the investigation of fraudulent accounts or charges. Typically, victims must apply for the passport through local law enforcement agencies or through the state attorney general's office and provide sufficient documentation of the identity theft—likely a police report.

In fact, 28 states require law enforcement agencies to take a report from a person who believes he or she is a victim of identity theft, even if the jurisdiction for investigation and prosecution lies elsewhere. In states without this requirement, some victims said their local law enforcement agencies were reluctant to take a police report. Because identity theft cases are often hard to solve, they appear as unsolved cases—which isn't so great for crime statistics. But 11 of the states requiring police to provide reports to victims stipulate that identity theft incident reports are not counted as open cases for purposes of compiling open case statistics.

—Jennifer Horne Boyter is a senior public safety and justice policy analyst with The Council of State Governments.

Trends in America: Criminal Identity Theft

- In 2007, for the eighth year in a row, identity theft was the number one consumer complaint received by the Federal Trade Commission, with more than 258,000, or 32 percent, of the more than 813,000 total complaints received by the agency related to identity theft.
- Identity theft victims spend an average of 116 hours repairing the damage done by identity theft to an existing account used or taken over by the thief. In cases where a new account was created, respondents reported it took an average of 157.8 hours to correct the situation.
- A joint study by the California Public Interest Research Group and the Privacy Rights Clearinghouse found that most victims surveyed did not find out their identity had been stolen for more than a year after it occurred.

TRANSPORTATION & INFRASTRUCTURE FINANCE

a csg national report

States are looking for alternatives to fuel taxes.

State governments are increasingly realizing that raising fuel taxes is politically difficult and that future revenue yield from existing funding sources will be inadequate to maintain our existing transportation systems and to increase capacity for the future.

This report examines the transportation funding issues facing states, the finance options available to them, and how states can decide which options best fit into their transportation plans. It draws on the work of two federal commissions created by Congress, as well as the research and assessment of numerous other transportation, law and tax policy analysts, expert panels, and state and federal officials. In addition to numerous state case studies from around the country, the report includes tables, maps, charts and graphs that assess the transportation finance landscape.

Get Your Copy!

The full *Transportation & Infrastructure Finance: A CSG National Report* will be available in January.
To receive a copy, contact:

Sean Slone
The Council of State Governments
2760 Research Park Drive
Lexington, KY 40511
(859)244-8234 • sslone@csg.org

It will also be available for download on the CSG Web site at *www.csg.org.*

States Finalize Military Children Education Compact

Representatives from 11 states met in Phoenix in October to establish operating guidelines and bylaws for the Interstate Compact on Educational Opportunity for Military Children, an interstate agreement that addresses common problems affecting military students because of frequent moves and deployments.

According to officials, the average military student faces transition challenges more than twice during high school, and most military children will attend six to nine different school systems from kindergarten to 12th grade. Those challenges include transferring school records, graduation requirements, extracurricular activities, entrance and exit testing, and kindergarten and first grade entrance requirements.

The new compact commission deals with these issues, as well as compact enforcement, administration, finances, communications, data sharing and training.

The compact, developed by The Council of State Governments through its National Center for Interstate Compacts, in cooperation with the U.S. Department of Defense, was enacted by 11 states this year. Those states are Arizona, Colorado, Connecticut, Delaware, Florida, Kansas, Kentucky, Michigan, Missouri, North Carolina and Oklahoma. States signing the compact agree to work collectively with other compact states to create uniform standards of practice to deal with issues facing military children.

The inaugural meeting on the compact held Oct. 27–29 gave representatives from those states an opportunity to discuss bylaws, a financial structure and interim rules. Members also elected officers and developed and assigned committees.

The commission elected Cheryl Walker, superintendent of Fountain-Fort Carson School District in Colorado, as chairperson; Joey Strickland, director of the Arizona Department of Veterans Affairs, as vice chair; and Brad Neuenswander, director of school finance with the Kansas Department of Education, as treasurer. Members also formed the executive and rules committees.

Work to develop the compact began in October 2006, when CSG convened an advisory group and formed a drafting team to identify the issues the compact will resolve upon enactment. By 2007, the groups completed the draft bill, which was presented to state legislators in December.

NLGA Strengthens Relations with China

NLGA Executive Director Julia Hurst joins dozens of children who survived an earthquake in China. The children and their families are temporarily staying at a Sichuan high school.

Five U.S. lieutenant governors visited China Oct. 5–12 as part of a National Lieutenant Governors Association economic development and humanitarian mission.

Lieutenant governors from Alabama, Connecticut, Kansas, Nevada and Wisconsin visited Beijing, Chengdu, Mianyang and Shanghai to meet with federal, provincial and local officials, as well as business people. They talked about a host of policy areas including sustainable urban and rural development, as well as climate change, economic development and earthquake relief.

The mission, hosted by the NLGA through work with the People's Friendship Organization and the People's Republic of China, was part of NLGA Chair Wisconsin Lt. Gov. Barbara Lawton's focus on bringing jobs and economic development to the U.S. and building a stronger network of relationships in China to gird the growing export economy. The delegation is the first time the People's Republic of China has initiated and fully funded a multi-state delegation of this kind.

"As NLGA chair, my leadership brings focus to building our export economies, bringing jobs and economic development to our states by deepening cultural understanding between countries, improving relations and expanding overseas trade," Lawton said.

"We encourage an objectively formed view of China by U.S. officials," said China Assistant Foreign Affairs Minister Liu Jieyi. "We welcome constructive criticism and visits. We ask officials not to objectify China based on no personal, objective knowledge."

The shared challenges of sustainable development, increased trade and stable world economies were among the chief concerns discussed on the mission.

state capitol comments

CSG Midwest Calls for Leadership Academy Participants

Applications are being accepted for The Council of State Governments Midwest's leadership program, the Bowhay Institute for Legislative Leadership Development.

The Bowhay Institute is the only leadership training program designed exclusively for newer state legislators in the Midwest. The application deadline is March 30.

Each year, the Midwest's leadership academy awards fellowships to 36 select legislators in the Midwestern states and Canadian provinces to help them develop skills needed to be effective leaders and policymakers.

The 15th annual Bowhay Institute will be held July 10-14 in Madison, Wis. The intensive five-day program is conducted by CSG Midwest, in cooperation with The Robert M. La Follette School of Public Affairs at the University of Wisconsin.

This collaboration allows the institute to tap into the expertise of top scholars in a variety of policy areas. Fellows take part in seminars covering some of the most pressing policy issues facing state government. During the program, professional development trainers conduct leadership and skill development workshops, and participants have the opportunity to learn from current and former legislative leaders from across the region.

Fellowships are awarded on a competitive, nonpartisan basis by the institute's steering committee, a bipartisan group of legislators from each state in the region. Applicants are evaluated based on leadership potential, problem-solving skills, dedication to public service and commitment to improving the legislative process.

Each fellowship covers the cost of tuition, lodging and meals. Participants are also eligible for a nominal travel stipend to help cover the cost of travel to Madison.

Applications for this summer's Bowhay Institute for Legislative Leadership Development are now available by contacting Laura A. Tomaka at (630) 925-1922 or *ltomaka@csg.org*. Applicants can also download or submit materials online by visiting the CSG Midwest Web site at *www.csgmidwest.org*.

Western Legislative Service Agency & Research Directors Work on Management Skills

Management training was at the top of the agenda when the nonpartisan Western legislative staff leaders met in Santa Fe, N.M., Oct. 23–24 for their annual fall training seminar hosted by The Council of State Governments-*WEST*. The featured trainer was Jackie Hood, a professor at the Anderson School of Management at the University of New Mexico. Hood worked with staff leaders on managing workplace conflict and workplace motivation.

The Legislative Service Agency/Research Directors Committee is one of the core programs of CSG-*WEST*. Committee members share best management practices with the goal of delivering high quality service to Western legislators in a positive work environment.

Staff shared information about new member orientation, legislative training and practices in e-communications. CSG-*WEST* released a new publication along those lines—"Committee Chair Training in Western Legislatures."

Mike Christensen, director of Utah's Office of Legislative Research and General Counsel, led a session on managing difficult people based on John Lund's book, "How to Hug a Porcupine."

Participating states included Alaska, California, Colorado, Hawaii, Montana, New Mexico, Oregon and Utah. Pam Varni, executive director of the Alaska Legislative Affairs Agency, was elected to chair the group in 2009 and 2010. Utah's Mike Christensen was elected vice-chair.

In Memoriam: Pennsylvania's First Female Lieutenant Governor Dies

Pennsylvania Lt. Gov. Catherine Baker Knoll, who served as East Region Chair of the National Lieutenant Governors Association, died Nov. 12 after a four-month battle with neuroendocrine cancer.

"She fought this illness with the same tenacity she brought to a lifetime of public service," her son, Albert Baker Knoll, said in a press release. "Our mother loved working for the people of Pennsylvania and was proud of the friendship she enjoyed throughout the commonwealth."

Knoll, 78, was a lifetime public servant, serving as a school teacher and businesswoman and later in state government. Knoll served for eight years as state treasurer, and was the first woman in Pennsylvania history to serve as lieutenant governor. Knoll was nearing the end of her sixth year as lieutenant governor when she died.

In a statement, Pennsylvania Gov. Ed Rendell called Knoll "one of the strongest, most dedicated public servants in Pennsylvania's history."

Knoll spearheaded Pennsylvania's participation as one of 10 states involved in NLGA's education campaign regarding cervical cancer—"Ending Cervical Cancer in our Lifetime"—beginning in August 2006.

Western Legislative Academy Hones Leadership Skills

Front row (l to r): Susan Chew (Rep ID), John Mizuno (Rep HI), Gail Schwartz (Sen CO), Mary Throne (Rep WY), Amy Stephens (Rep CO), Andrew Barreras (Rep NM), Anna Fairclough (Rep AK) and Chuck Riley (Rep OR). Second row: Lindsey Holmes (Rep AK), Carlos Bilbao (Rep ID), Dean Takko (Rep WA), Franke Wilmer (rep MT), Brad Winn (Rep UT), Mike Gabbard (Sen HI) and Cloves Campbell (Rep AZ). Third row: Mark Blasdel (Rep MT), Marge Chadderdon (Rep ID), Jeff Essmann (Sen MT), Mitch Tropila (Sen MT), James Ohrenschall (Asmbr NV), Tick Segerblom (Asmbr NV) Steve Farley (Rep AZ) and Phil Riesen (Rep UT). Fourth row: James Strickler (Rep NM), Candy Spence Ezzell (Rep NM), Craig Johnson (Rep AK), Ken Esquibel (Rep WY), Jim Hammond (Sen ID), Mary Helen Roberts (Rep WA) and Edward Casso (Rep CO). Last row: Troy Kelley (Rep WA), Bob Fecht (Sen WY), Bruce Hanna (Rep OR), Richard Berry (Rep NM) and Tobias Read (Rep OR). Photo Credit: Bouttes Photography

Thirty-five state legislators from throughout the West gathered Nov. 17–20 in Colorado Springs for the ninth annual Western Legislative Academy held by The Council of State Governments-*WEST*. Admission into this prestigious training program for lawmakers is competitive, with each Western state receiving at least two but no more than four slots each year.

Lawmakers spent three days engaged in intensive training focused on leadership skills and institution building. The leadership academy faculty is drawn from the private sector, military, veteran legislative leaders and academia. Classes included the legislature as an institution, time management, negotiations and consensus building, media relations, public decision making, ethics and communications. A half day was spent at the U.S. Air Force Academy assessing personal leadership styles and developing team building skills.

Arizona Rep. Steve Farley was elected president of the Class of 2008. Farley reflected on his experience at the academy by saying, "WLA made me feel a part of a larger team of citizen legislators of both parties … "

In her capacity as 2008 CSG-*WEST* chair, Alaska Sen. Lesil McGuire presided over the Academy. McGuire was elected WLA class president in 2001.

Applications for the 2009 Western Legislative Academy will be available in January 2009. Participation is limited to Western legislators in their first four years of service. Call (916) 553-4423 for more information.

conference calendar

This calendar lists meetings as designated by CSG's Annual Meeting Committee. For details of a meeting, call the number listed. "CSG/" denotes affiliate organizations of CSG. Visit *www.csg.org* for updates and more extensive listings.

Other meetings have value to state officials. Purchase a meeting listing by calling (800) 800-1910 or by e-mailing *sales@csg.org*. Announce your meetings to thousands in the state government market through an advertisement or a Web listing.

January 2009

Jan. 23–25 **National Association of State Personnel Executives (NASPE) Mid-Year Meeting**—Washington, DC—Embassy Suites Hotel. Contact Jessica Ruble at (859) 244-8179 or *jruble@csg.org.*

Jan. 27–28 **CSG/Educational Policy Institute's National Capitol Summit—Education & the New Administration**—Washington, D.C.—On Capitol Hill. Contact Pam Goins at (859) 244-8142 or *pgoins@csg.org*. Visit *www.educationalpolicy.org.*

Jan. 31–Feb. 3 **National Association of State Technology Directors (NASTD) Southern Region Winter Meeting**—Biloxi, MS—Beau Rivage Hotel. Contact Pamela Johnson at (859) 244-8184 or *pjohnson@csg.org*. Visit *www.nastd.org*.

February 2009

Feb. 8–11 **CSG/American Probation and Parole Association (APPA) Winter Training Institute**—Myrtle Beach, SC—Embassy Suites Hotel at Kingston Plantation. Contact registration at (859) 244-8204 or *kchappell@csg.org*. Visit *www.appa-net.org.*

March 2009

March 7–10 **National Emergency Management Association (NEMA) Mid-Year Conference**—Alexandria, VA—Hilton Alexandria Mark Center. Contact Karen Cobuluis at (859) 244-8143 or *kcobuluis@csg.org*. Visit *www.nemaweb.org*.

March 8–11 **National Association of State Treasurers (NAST) Legislative Conference**—Washington, DC—Willard InterContinental Hotel. Contact Adnée Hamilton at (859) 244-8174 or *ahamilton@csg.org.*

April 2009

April 18–21 **National Association of State Technology Directors (NASTD) Eastern Region Seminar**—Saratoga Springs, NY—The Saratoga Hilton. Contact Pamela Johnson at (859) 244-8184 or *pjohnson@csg.org*. Visit *www.nastd.org.*

May 2009

May 3–6 **National Association of State Technology Directors (NASTD) Midwestern Region Seminar**—Madison, WI—The Madison Concourse Hotel. Contact Pamela Johnson at (859) 244-8184 or *pjohnson@csg.org*. Visit *www.nastd.org.*

May 12–15 **National Association of State Treasurers (NAST) Treasury Management Conference & Exposition**—Atlanta, GA—Marriott Marquis Hotel. Contact Adnée Hamilton at (859) 244-8174 or *ahamilton@csg.org.*

May 16–19 **CSG 2009 Spring Conference**—Coeur d' Alene, ID. Contact registration at (800) 800-1910 or *registration@csg.org.*

June 2009

June 6–9 **National Association of State Technology Directors (NASTD) Western Region Seminar**—Whitefish, MT—Grouse Mountain Lodge. Contact Pamela Johnson at (859) 244-8184 or *pjohnson@csg.org*. Visit *www.nastd.org.*

June 27–July 1 **National Association of State Technology Directors (NASTD) Southern Region Summer Seminar**—Louisville, KY—The Brown Hotel. Contact Pamela Johnson at (859) 244-8184 or *pjohnson@csg.org*. Visit *www.nastd.org.*

July 2009

July 10–14 **CSG/Midwestern Legislative Conference—15th Annual Bowhay Institute for Legislative Leadership Development (BILLD)**—Madison, WI—Fluno Center of Executive Education—Contact Laura Tomaka at (630) 925-1922 or *ltomaka@csg.org.*

July 11–15 **National Association of State Personnel Executives Annual Meeting**—Park City, UT—Park City Marriott. Contact Jessica Ruble at (859) 244-8179 or *jruble@csg.org.*

August 2009

Aug. 2–5 **CSG/Eastern Regional Conference 49th Annual Meeting and Regional Policy Forum**—Burlington, VT—Vermont at the Hilton Hotel. Contact Pamela Stanley at (212) 482-2320 or *pstanley@csg.org*.

Aug. 9–12 **CSG/Midwestern Legislative Conference—64th Annual Meeting**—Overland Park, KS. Contact Cindy Andrews at (630) 925-1922 or *candrews@csg.org*, or visit *www.csgmidwest.org* for more information.

Aug. 9–12 **National Association of State Technology Directors (NASTD) 32nd Annual Conference & Technology Showcase**—Montgomery, AL—Renaissance Montgomery Hotel & Spa at the Convention Center. Contact Pamela Johnson at (859) 244-8184 or *pjohnson@csg.org*. Visit *www.nastd.org.*

Aug. 15–19 **CSG/Southern Legislative Conference—63rd Annual Meeting**—Winston-Salem, NC. Contact Elizabeth Lewis at (404) 633-1866 or visit *www.slcatlanta.org* for additional information.

Aug. 22–24 **CSG/Southern Governors' Association (SGA) Annual Meeting**—Williamsburg, VA. Contact Liz Purdy Porter at (202) 624-5897 or *sga@sso.org.*

Although the federal government tends to get more attention, state officials are often on the front lines of cutting-edge trends and issues. On the other hand, sometimes in the community of state governments, the more things change, the more they stay the same.

In print since 1958, *State News* (formerly *State Government News*) has chronicled many of the changes … and continuities.

Here's what we reported on:

40 years ago—January 1969
Legislative Control Shifts Through the Years

Republicans gained control of more state legislatures in 1969 following the Nov. 5, 1968, general elections. The overall picture showed an even split among state houses across the country, according to the January 1969 issue of *State Government News*. According to the magazine, Democrats and Republicans controlled both houses in 20 states, while the remaining 10 were split or nonpartisan.

The GOP scored a net gain of three legislative houses in the 1968 elections. Those elections saw Republicans gaining majorities in the state senates in Delaware, Indiana and Iowa, and the lower houses in California, Nevada and New York. Democrats took control of the lower houses in Alaska, Michigan and Pennsylvania. Party control was split in Alaska, Michigan, Montana, Nevada, Oregon, Pennsylvania and Washington. Both Minnesota and Nebraska elected legislators on a nonpartisan basis at that time.

Update

Democrats gained control of legislatures in three states in the 2008 elections, giving them a control of more state houses and senates than Republicans. Before the November vote, Democrats controlled 23 legislatures, Republicans controlled 14, and 12 were split. Nebraska's unicameral legislature is nonpartisan.

Democrats now control both chambers of the legislature in 27 states, up from 23 before Nov. 4. The GOP, however, still controls 14. The difference was in the number of legislatures in which both parties share control. That figure dropped from 12 to seven. Nationally, Democrats won 52 percent of the contested legislative races.

For more on party control of states, as well as a listing of state executive branch officials and information about state legislative sessions, check out the Capitols Guide starting on Page 18.

25 years ago – January 1984
Top Issues Facing States

State budgets and education topped the list of legislative priorities for 1984, according to a survey of state leadership detailed in the January 1984 issue of *State Government News*.

Governors, legislative leaders and other leading state officials were asked to name the five most important issues facing their state this year. Most listed tax, fiscal or budget concerns first. Almost as many named education as the first or second priority, according to the article.

Also on the list from 54 officials in 35 states were environmental concerns, including hazardous waste and water quality; economic development; health issues including health care costs; and corrections, especially jail overcrowding. Other concerns were government reorganization, pension reform, infrastructure, especially transportation, and utility rates.

Update

In 2009, those same issues are likely to be at the forefront of state officials' concern. The recent economic crisis has put fiscal issues at the top of the list, and many states are trying to deal with budget shortfalls—see the State Source on page 6. Pensions are still on many state legislators' list, and may be an even more critical issue as lawmakers address the unfunded liabilities of state pension funds. See the Special Focus articles starting on page 12. And state infrastructure is being addressed as well, particularly as a way to boost the economy. See the story on page 23 about with state stimulus packages.

To learn more about other issues facing states today, visit www.trendsinamerica.org *to read Trends in America issue briefs.*

10 years ago—January 1999
States Ponder Needle Exchange Programs

Support was growing in the late 1990s for needle exchange programs as a way to prevent HIV infection among intravenous drug users. An article in the January/Feburary issue of *State Government News*, detailed the options available to state and local officials in establishing these programs. While support was growing for such programs, some officials see needle exchange as the wrong solution, according to the article.

The federal budget that went into effect in October 1998 included a ban on federal and District of Columbia funding for needle exchange programs within the district, the article said. That provision only affected the Washington, D.C., area, not the programs operating at the time in 30 states.

In fact, then-President Bill Clinton opposed a congressional proposal to ban use of federal funds for needle exchange programs. He argued that the president and secretary of Health and Human Services should determine the scientific and public health merit of such programs.

Update

The ban on using federal funds for needleexchange programs is still in effect, but that hasn't stopped some states from moving ahead with state-supported needle exchange programs. An article in the May 2008 State News *details how New Jersey's new needle exchange programs were faring. New Jersey's needle exchange programs rely on private donations while other states such as California and New York provide state funding for theirs. The article compared the syringe exchange programs supported by the state—as in New York—to programs that were not state-supported—as in New Jersey's case. New York's elaborate network of syringe exchange programs and other harm-reduction programs helped the state decrease the spread of HIV dramatically. "State funding is the difference between distributing thousands of syringes and millions of syringes," said Dan O'Connell, deputy director for HIV Prevention and Program Evaluation for the New York State Department of Health. There are an estimated 186 syringe exchange programs in the U.S., the Indian Nations, Puerto Rico and Washington, D.C., according to the North American Syringe Exchange Network. Some states still do not allow syringe exchange to operate under state law.*

Photo Courtesy of Tim Eberly

Photo Courtesy of Coeur d'Alene Visitors Bureau

Photo Courtesy of Tim Eberly

Photo Courtesy of Tim Eberly and the Coeur d'Alene Visitors Bureau

SPRING CONFERENCE

MAY 16–19, 2009

Coeur d'Alene

The Council of State Governments