August 12, 2020
“State of Play”
Tim Storey, Executive Director - NCSL

Featuring:
Lucy Gettman, Executive Director Women In Government
Colorado State Senator Julie Gonzales, Western Regional Director, WIG Board of Directors
Colorado Senate President Pro Tempore Nancy Todd, Immediate Past Chair, WIG Board of Directors
Tim Storey, Executive Director, National Conference of State Legislators

Lucy Gettman: Welcome to Women In Government’s Policy Roundtable: State of Play. I’m Lucy Gettman, Executive Director. As many of you know, we ordinarily would be meeting in person today at NCSL’s Legislative Summit for a Wake Up With WIG Breakfast. We’re excited to bring you this program on the vital issues impacting states with remarkable leaders in the field. And since we won’t have time to introduce everyone, we hope you’ll use the Chat function to introduce yourself to the group.

Women In Government is a non-partisan non-profit organization that serves women state legislators nationwide with educational programming and resources to address complex policy issues. WIG is fortunate to have the leadership and guidance of our Board of Directors who are all sitting women state legislators. During this, the Women’s Suffrage Centennial year, we celebrate the record number of women state legislators in our nation. As of yesterday, we also celebrate the third woman Vice Presidential candidate on a major party ticket. With the first African American and Asian American on it as well.

We invite everyone to keep connected with WIG! You can find Women In Government on Facebook, Instagram, Twitter, LinkedIn, and SoundCloud.

Now please join me in welcoming Jim Clark, representing Roche, our Sponsor for today’s event and a valued member of WIG’s Business Council. WIG would not be able to do what we do without the Business Council and our sponsors. Thank you, Jim, for joining us today, and for introducing our Moderators. Take it away!

Jim Clark: Good afternoon, everyone. Roche is a proud sponsor of today’s policy roundtable and a member of Women In Government’s Business Council. I would like to take this opportunity to congratulate Lucy and her team on once again finding a very creative way to add value to their membership and their corporate sponsors.

I’m particularly pleased to introduce our Colorado Co-Moderators today: Senator Nancy Todd and Senator Julie Gonzales.

Senate President Pro Tempore Nancy Todd was elected to represent Colorado District 28 in 2012, after serving 8 years in the House of Representatives. She serves as Chair of the Senate Committee on Education and Vice-Chair of the Joint Committee on Technology. She is also a Member of the Senate Committees on Finance and Legislative Audit.
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Senator Julie Gonzales was elected in 2018 to serve on behalf of Senate District 34, which includes north, west, and downtown Denver. She quickly rose to become Chair of the Finance Committee, and she serves as Vice Chair of the Judiciary Committee and as a member of the Appropriations and Finance Committees. Senator Gonzales was selected to join the WIG Board of Directors as a Regional Director representing 14 western states.

Thank you, Senators. The podium is now yours.

Senator Nancy Todd: Thank you, Jim, and hello everyone. I’m Senator Nancy Todd, Immediate Past Chair of Women In Government’s Board of Directors. Jim, I appreciate your longtime support of WIG and your leadership role on the Business Council. Before we begin, I’d like to let everyone know that you can submit your questions and comments into the Chat Box in the Zoom Meeting Toolbar. Please be sure to identify yourself by name and state, and please be sure to select “To: Everyone” from the drop-down menu.

Senator Julie Gonzales: Thank you, Senator Todd. My name is Julie Gonzales, and I'm proud to represent Northwest in downtown Denver in the State Senate in Colorado. I'm also proud to recently have been elected to the Board of Directors for the as the Western Regional Director. I am proud to introduce our Colorado colleague and our featured speaker Tim Storey. Tim started at NCSL as an intern thirty years ago and was named Executive Director in 2019. A native of North Carolina, he holds a bachelor’s degree in English and political science from Mars Hill University in North Carolina and a master’s in public administration from the University of Colorado School of Public Affairs.

Senator Nancy Todd: Over his career, Tim gained expertise in redistricting, elections, legislative organization and management, and education, and has served as director of Leaders Services and Legislative Training. Most recently, he served as director of State Services, which includes the Center for Legislative Strengthening, fiscal research, institutional studies, leaders’ services, staff training, and redistricting and elections.

Senator Julie Gonzales: Welcome, Tim. We're going to lean on you for all of your expertise today to give us an analysis of our state budgets, our election and ballot issue trends, and what's going on with federal stimulus aid. After your comments, both Senator Todd and I will moderate the Q&A section.

Tim Storey: Awesome, you guys are terrific. It's so great to be in this powerhouse of Colorado Senators on the call and bringing the Colorado love out to the WIG group of Wake Up With WIG. I realize it's 3:00 Eastern Time and 1:00 in Denver and Colorado. There's somebody on from Hawaii, so it's still kind of wake-up time in Hawaii, and maybe the Speaker from Guam is on here who's very active in NCSL and it's usually in the middle of the night out there.

It’s Wake Up With WIG, and I get excited about this stuff, so I'll try to spark everybody awake. Maybe you're getting ready to doze off your afternoon nap, as I do sometimes. I was really excited that we had this big Colorado connection, and Senator Gonzales, congratulations on getting put on the WIG
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Board. That’s awesome, and I also want to say thanks to Jim and for the sponsorship. Roche has been a longtime NCSL partner, and we’re able to do so many cool programs for legislators and legislative staff because of our partners in the private sector. So, thank you for letting us do this.

I’m going to go in 10 minutes - this is almost like the superfast, put it on double play speed - to talk about state elections mostly, ballot measures which are very interesting this year, and I’ll touch on that as well as a state budgets and then do the stimulus package and what we’re seeing in terms of what Washington might do with state and local aid.

I’m just going to talk briefly about elections because it is the big kahuna of legislative elections and of course that’s what I love to talk about. As we all know, redistricting looms around the corner, and there tends to be this overfocus on redistricting, setting aside the fact that there’s so many other reasons why elections matter and elections have consequences.

You folks are working on the big difficult issues that states grapple with: health equity and the health issues around the pandemic, infrastructure funding, education K-12, and of course now all of the effects that the pandemic is having on these – the huge things that states do like public safety, education, and health care. It’s the most important stuff. I truly believe that. And I’m a big believer in the institution of the legislature and what you do, so I’m grateful, and it's kind of humbling and an honor to be doing this.

These legislative elections matter. As many of you probably know, there are 7,383 legislators around the country. Most of those are elected on a two-year cycle in the Houses and the Assemblies around the country. Many of the Senates have a staggered situation like the US Senate, but it’s usually half is up one year and then half is up two years later. A few states don't have elections this year - Maryland and Alabama. They have four-year terms for both House and Senate members, and they’re kind of skipping this year because they were elected two years ago.

And then there are four states that have their elections during odd numbered years - Mississippi, New Jersey, Virginia and Louisiana. But there are elections in 44 other states in terms of regularly scheduled legislative elections. That tallies up to about 5,885 seats that are scheduled for their regular elections, and then there’s usually a handful of special elections. There’s a lot of legislative action on the ballot for American voters this year. That’s just below 80% of all legislative seats.

And as you can see here, for the last couple of legislative cycles, the GOP has really been in a very dominant position in terms of control of legislatures. But the Democrats have had two kind of strong election cycles, both in 2018 and to a lesser degree in 2019 when the Virginia House and the Virginia Senate went over to the Democratic column. I just want to show the partisan lay of the land, and I don’t have time to get into a whole lot of detail about that. But as you can see, since 2018 Democrats have picked up five legislative states which have gone into the full Democratic control column and then the Republicans have sort of had two states fall out. And then, three states went from being divided to being either Republican or Democrat. Minnesota is the only state in the country – and this is the first
time in American history that there's only one state with a divided legislature – in this case a Democratic House and Republican Senate. That's kind of fascinating, and both chambers are in play in Minnesota.

There really are only about 13 or 14 chambers that I think are realistically in play for the minority party to overtake the majority party, and it will come as no surprise to both Republicans and Democrats on this call that the wind does appear to be at the back of the Democrats. I think the Republicans find that they're playing much more defense. I've spoken with many Republican leaders around the country who are spearheading their campaigns as well as Democratic leaders who are spearheading their campaigns, so it's really sort of a Democratic opportunity year. I think that the Republicans will be would be very happy if this map stays the way it is today.

But it is definitely kind of an uphill battle for Republicans, and the Democrats are doing sort of remarkable fundraising. There are 13, maybe 14 chambers in play and about 80% of all legislative seats, so it's a big legislative election. Let's jump to the next slide.

There are a couple things that continue to get much tighter. For about 50 years - this chart goes all the way back to 1900 when Republicans actually had more legislators as a percentage of all seats, and then it's kind of goes back and forth. During the first half of the last century, the Democrats had some of their biggest gains ever when FDR is president, and then in the 1950s the Democrats in terms of total seats really sort of dominate legislature for about 50 years, and then they get close in the 1980s. As you can see, since 2010 the Republicans have been in the majority in terms of total seats. Let's jump to the next slide.

And by the way, I saw that note about Alaska, which has the coalition, and it's sort of tough to explain on here. But yes, it's a great point that technically Alaska has coalition leadership in the House. And so it's not really a united Republican government, so I'm glad somebody pointed that out.

One of the reasons this is a big election - there's all the policy, but it is redistricting year. I could go on for an hour about redistricting, but I only have 10 minutes. Reapportionment does matter a lot. In most states the legislators draw the Congressional lines, and in about 15 states a Commission does the legislative lines. There's actually another Legislative Reissuing Commission on the ballot in Virginia, this year. The blue states are the states that are predicted to lose Congressional seats, so this gives you some idea of where the Congressional seats are leaving – mostly the Great Lakes and Midwest area. Even California is losing a seat by our predictions right now – and then the yellow states are the ones gaining right now with Texas and Florida looking to gain multiple seats, with Texas three and Florida two.

But there's tremendous uncertainty about redistricting and the Census, and one of the things that the Trump administration is exploring are ways to essentially adjust the reapportionment count. The Census Bureau produces two sets of data. There's data for reapportionment and there's data for redistricting. For the reapportionment data the White House has said they want to take out
undocumented people from the Census counts. If they do, California might lose two Congressional seats, Texas would only gain two and Florida would only gain one. Ohio, Alabama, and Minnesota actually hold on to their seats if they do that. The reason I point that out is this. There has never been this kind of uncertainty about the Census and the Census data. Of course, COVID-19 is really playing on all that as well.

Jump to the next slide. I think this is the most exciting thing not just for the people on this call but for Americans in general. There has been a tremendous resurgence - and not just the last two or three years – with higher record numbers of women candidates running for legislative seats, and of course that result in record numbers of women legislators in U.S. legislatures. Now I like to point out to people that we’re getting close to 30% of all state legislators being women, but as you probably know more than 50% of all Americans are women. There’s a long way to go until there’s anything approaching equality in governance at the state level.

And that also goes for leadership where only 13 of the 99 top legislative leaders are women – that’s the Senate President, the Speaker - whoever’s really in charge of the Chamber. There’s a lot of growth opportunity for women to be in these key roles around the country as well as being governors, although we also have record number of women governors, if my memory serves me.

That's teeing up the election aspect of it. We talked about putting things on the ballot and so there will be fewer ballot measures than in decades, maybe of all time. So far only 102 measures have qualified for the ballot in November. That is way down from what would normally be around 160 at this point. The average number of ballot measures on the ballot is 170, so voters will be voting on fewer things than normal.

The thing that is going to be most prominent on the ballot - and it's not super prominent since it's really just in four or five states - is marijuana this year. There are three states voting on recreational marijuana: New Jersey, Arizona and South Dakota. South Dakota is also voting on a medical measure. It's a separate measure, though, so I don't know exactly how those interplay. Mississippi's voting on medical marijuana.

Oregon is voting to legalize psilocybin or psychedelic mushrooms for medical purposes and for medical research. So psychedelic mushrooms are on the ballot in Oregon. There are three states – Florida, Colorado, and Alabama - that have a measure that would say that only American citizens could vote. I think many people think it's more of a symbolic thing because you do have to be a citizen to vote in those states already. It probably has something to do with getting people to the polls in those three states.

Then you got a whole bunch of one-offs, but some familiar things. Nevada is going to be voting on a renewable energy measure where the state would have to get 50% of its energy by 2030 from renewable sources. There are several tax measures in California, which are big deals. I don’t have the
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time to get into the details on those, but you should go to our website and look at those tax measures and the number of bonding measures across the country.

There are two states, Florida and Alaska, that are going to be voting on the ranked choice voting measure. This will shift how they do elections where voters would say I like these people -1, 2, 3 - and if their first choice doesn't make the first tally of the ballots and they get knocked off, then their vote gets assigned to their second choice. So it would be kind of a cumulative way to determine the winner in these races.

Alaska is voting on a top four primary, and Florida is voting on a top two primary, much like California now has, so everybody from the same party would run in one primary. The two winners would go on. Now that has to be approved by 60% of the voters in Florida, so that's not an easy thing to do.

Maine has a vaccination exemption that they're trying to reinstate, the exemption for religious and philosophical purposes for people to not get vaccines. Interestingly, Oklahoma and Missouri both have already voted on ballot measures to expand Medicaid. So now I think you're down to just 12 states that have not adopted Medicaid expansion since the Affordable Care Act was passed.

Just a couple of interesting ones - Mississippi will be voting on a new flag – not whether to have a new flag but what to put into place. It's a big deal in Mississippi, as I'm sure you all know. The legislature has removed the current flag, so the voters will decide what new flag will go into place. There's a commission that's working on a very fast schedule. It has yet to determine which flag they'll have to choose from on the ballot. It's an up or down vote on the one that Commission puts on the ballot. It's just really interesting to me, and you should look it up. They have narrowed it down to 300, and I kid you not, one of them is a big mosquito in the middle of the flag. There must be a lot of mosquitoes in Mississippi. So, a lot of ballot measures but not nearly as many as normal.

Before I finish up with the budget, let me talk about the executive orders that came out over the weekend and what's going on with the stimulus four package. One - they aren't executive orders. There was the President signed four documents on Saturday. One was an executive order which was to direct federal agencies to look into ways to alleviate evictions and people who have difficulty making mortgage payments and rent payments. So that really didn't have any sort of direct effect, as I understand it. It was to have federal aid to look at ways to alleviate that for renters and homeowners around the country.

There were three memorandums - these were not executive orders, so there's some question as to sort of the power and effect of these instruments. But they really do affect states, especially one of them. Now one of them would allow anyone making under $208,000 a year to defer their payroll taxes until next January. Note the word defer, so people would still have to pay their payroll taxes next year. It's from September 1 until December 31, 2020. As of now, it's going to go into effect so people can opt to not pay their payroll taxes currently but would have to catch up on them unless Congress came back and made that permanent in some way.
The second one just extends the pause on student loans and student loan interest that college borrowers have to pay. That was just really an extension of something that had already been put into place. And then the third one is the unemployment insurance, which I'm sure many of you are tracking. This was all part of the negotiations between Speaker Pelosi, Senator Schumer, Senator McConnell, and the White House that would have been taking place over the last 10 days. NCSL, along with many other state and local groups, have been as involved as we can be in those. We’re pushing hard and sending a lot of information and data to all of the parties involved as well as issuing statements, along with other state local organizations supporting some aid for state and local governments.

What the memorandum did that the president signed is it allows FEMA to take money from the emergency fund - they had about $44 billion in that - and provide it to states for a $300 extension of unemployment insurance per week until the fund runs out. The states can put in $100 more using their coronavirus relief funds if they haven't already spent those. Many states have already at least allocated those funds, but they haven't spent them.

The Treasury Department actually gave a report that said that states had only spent 25% of their coronavirus relief funds as part of the CARES Act, meaning that 75% was unspent. That's sort of not accurate because most states have assigned or allocated or appropriated those funds - they just haven't spent them yet. And that's the money where state got 1.25 billion for state and then the locals also got a big share through the CARES Act that came in stimulus package three.

Stimulus four - as far as we can tell, there are no talks. Now, there's a lot of talks about talks, and the big sticking point is the state and local aid, from what we’ve heard. It’s one of the two biggest sticking points between the Senate Republicans, Speaker Pelosi and House Democrats, and the White House. It's partly because Speaker Pelosi in the Heroes Act that the House passed had $900 billion for state local aid. Moody's analytics did a study that the National Governors Association has supported asking for $500 billion for state and local aid.

But this shifts into my final touch thing which is state budgets. So NCSL did a survey just a little over a week ago, and we collected data from all 50 states. The fiscal staff did a great job in helping us out with this. We asked what projected revenue shortfalls were for FYI 21, and what we found was that it wasn't quite as bad as maybe the original estimate. The total revenue shortfall for the nation is about $100 billion for next year. We have been communicating that if you want to do state and local aid for the next two years, $200 billion would, according to the revenue estimates states are working under, cover the state just on the revenue shortfall. Now, that doesn't mean that states couldn't also enact fiscal measures to cover the shortfall.

The last thing I'll say about state budgets is that they are not as bad as people thought. The revenues from 2019 were quite a bit stronger in many states, and the states now are trying to figure out what's going to happen next and nobody knows. There's a great deal of dire circumstances thinking that it could get worse, maybe it could get better. But states are not in terrible shape right now. In fact, I have
spoken with many legislative leaders and they're saying that July 15 income tax returns were better than anyone had expected. So, I would say that state budgets are not terrible, but they're certainly not in great shape and everybody is really anxious and nervous because they don't know where it's going to go. And it's really hard hitting the tourism states and the oil and gas states. So happy to get into more details answer questions about elections process or elections partisan stuff or budgets or whatever I can. Thank you very, very much for letting me give me that quick overview.

Senator Nancy Todd: Thank you so much, Tim, for a great deal of information and insightful analysis of the state of the states. What would we do without NCSL and the partnership with Women In Government? You are fabulous, and we are so very, very appreciative of all the information you just gave us. I know that we have some questions. We’re really kind of running close on time.

Senator Julie Gonzales: There is a question about options for states that don’t have an income tax and what the fiscal outlook may be in those states.

Tim Storey: Yeah. Really the fiscal outlook is contingent on your revenue mix, right? The states that have a traditional balance of sales, personal income, and corporate income taxes that are fairly balanced across the state revenue sources are doing the best. The states that rely heavily on excise taxes, oil and gas taxes are the ones that are in the most dire situations: Oklahoma, Alaska, and North Dakota. And then, Florida, Hawaii and some of the really tourism-dependent states are in more dire circumstances than others. Creating a tax under any circumstance or a whole regiment of taxes and one of those categories is just so difficult to do.

I see something in the chat about the infusion of federal dollars really ticking up some state revenues. That's a really terrific point because I've spoken to a number of State Revenue Directors and Appropriations Chairs and Revenue Chairs. What they said was that - I don't think people fully understand how much federal money was put into the economy through the stimulus checks, through the PPP program, and through the unemployment insurance that went up $600 a week. So, there's a lot of temporary money that is sort of supporting the economic status of the states not being as bad as you would have thought. But then that begs the question - once the stimulus shot sort of runs out, where does it go?

The word that's been overused since the pandemic started is unprecedented because it is. We've heard it over and over again. This is unprecedented, but the word that I think is even more important and prominent is the word uncertainty. In my time looking at budget state budget tax systems and scenarios, there's never been this much uncertainty. There is no playbook. This is uncharted. There's no map to how we come out of the pandemic and what it does to the revenues and what happens with the federal government. Is there another federal stimulus package? I think there will be, by the way, I really do. Our DC staff is as wired in as anybody. I think we all understand that it will happen, but it's not going to be for another few weeks, I think. The conventions are going to kind of gobble up the time for the next two weeks. So maybe in early September there could be another shot at this.
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Senator Nancy Todd: We want to thank you so very much. I know that there's some other questions, and we certainly would love for people to be able to get some responses. We know that NCSL is always open, and your door is always open for responding and making those kinds of replies. There are many questions that all the legislators have today.

I also want to acknowledge that this is my last year as a State Senator and serving and being involved with WIG and with NCSL. Boy, what an honor and a pleasure it's been to be able to work with people like yourself. I also want to say a special thank you to Jim Clark of Roche for supporting our event today and all the WIG Board Members and Business Council members you can see on the slide. We can't do this without you. It is essential that all these partners participate - both with Women In Government and with NCSL - to keep us going. Thank you to all WIG’s Business Council and Associate members for their partnership.

Senator Julie Gonzales: And I just want to thank Senator Todd for being such a mentor to me over our time together serving in the legislature and for introducing me to Women In Government. Thank you to everyone who's participated. This presentation will be available on the Women In Government website in a few days.

Women In Government will be back this fall with our State Directors Conference and our Healthcare & Technology Summit, so keep an eye out for those resources. Thanks again for joining us today. Take care and stay safe.

Senator Nancy Todd: Thank you, everyone. Be safe. God bless you all. Thanks.

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