State Elections 2010:
Budgets and Boundaries

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Overview

1) **Facts and Figures of New Control:** Republicans now hold the most seats nationwide since 1928…

2) **Impact on Decision Making:** With redistricting taking place in 2011, the new leaders will oversee the drawing of lines that impact politics for at least the next decade.

3) **New Leaders, Same Old Budget Woes:** Governors and state legislators will have to balance campaign promises with the realities of increasing budget deficits and halting federal stimulus.
<table>
<thead>
<tr>
<th>Legislature Control (Excluding Nebraska)</th>
<th>Number of States Before Election</th>
<th>Number of States After Election</th>
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<tr>
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<td>14</td>
<td>25</td>
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<td>Democrat</td>
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<table>
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<th>Governors</th>
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<tbody>
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<tr>
<td>Democrat</td>
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<td>19</td>
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<td>Independent</td>
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*Minnesota race still undecided

<table>
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<tr>
<th>Total Party Control</th>
<th>Number of States Before Election</th>
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<td>20</td>
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<tr>
<td>Democrat</td>
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Republican Control...

• Picked up almost 700 legislative seats nationwide, biggest gain by any party, ever

• Now occupy 53% of statehouse seats

• 822 more Republicans ran for state legislative offices in 2010 than 2008 – compared to 50 fewer Democrats.

• Overwhelming examples of the shift:
  • New Hampshire, netted 100 seats to flip the state legislature
  • The South, most Republican control since Reconstruction
States vary in processes for redistricting, and further vary in methods for state legislative redistricting and congressional redistricting, the process that garners greater media attention.

30 states legislative redistricting plans follow the typical lawmaking path - in this era of “total control states” this redrawing process faces less political opposition across branches of state government.

Not necessarily a once-in-a-decade move anymore. The Supreme Court has ruled that states can redraw the lines at anytime.
For state legislative redistricting:

- **20 States**: legislature passes a bill, governor signs it (12 of these states are “total control” states – 9 R, 3 D)

- **3 States**: legislature adopts a bill with no gubernatorial oversight (all 3 are Republican controlled legislatures)

- **10 States**: legislative process with gubernatorial oversight, but deadlines are imposed that trigger other methods such as court involvement (7 of these states are “total control” states – 4 R, 3 D)

- **17 States**: Use various types of commissions and non-legislative branch oversight to determine and oversee the process
Budgets

- States could collectively face a budget shortfall of $112 to $140 billion according to CBPP.
- Stimulus money is pretty much gone ($60 billion in 2011, and $6 billion in 2012).
- Budget decisions in states are increasingly dependent on past or pending federal policy decisions:
  - Health care reform, Medicaid expansion
  - Race to the Top
  - Transportation
Budgets and Promises

- Part of the Republican wave entailed campaign promises to not raise taxes, and many went further promising to cut taxes.

- With declining revenues, likely little to none fiscal stimulus from the new Republican Congress, this new leadership will have to face perhaps the toughest decisions of the Great Recession because the easy cuts (that weren’t all that easy) have already been made.

- The newly elected have already started planning how to shake things up: Texas considers bowing out of Medicaid, and Wisconsin and Ohio halt high speed rail development.
States and a New Congress ...

- With an austerity Congress, every decision made in Washington will have 2012 in mind. With Washington deadlocked, the role of states as drivers of policy innovation may increase.

- States will have to pay closer attention to the rulemaking process in absence of the administration’s initiatives finding much legislative success with a Republican controlled U.S. House.

- New Congressional leadership will have to balance their interest in states’ rights with the notion that consistency in regulations across states boosts business by creating certainty and therefore spurring job growth.
For further assistance contact CSG Washington

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