



National Lieutenant Governors Association

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WHAT TO EXPECT IN THE 2016 STATEHOUSE SESSIONS

By Director & CEO Julia Hurst, National Lieutenant Governors Association (NLGA)

On this day next year, we will be entering the final 8-weeks of Presidential election year 2016. On November 8, 2016, 12 states will also hold gubernatorial elections and elections will be held in 86 state legislative chambers. Amidst this din of political activity, what policy activity might be happening in the statehouse sessions in 2016?

I surveyed more than 100 representatives of the National Lieutenant Governors Association (NLGA) Conference Associates Partners (CAPs) program on "What issues will dominate state sessions in 2016?" NLGA CAPs have their ears to the ground and feet on the stairs in every Capitol across the nation. To this, I added data from current and planned 2016 activity of officials in states and my own observations on the intersection of politics and policy in 2016.

SUMMARY

Regardless of the industry a lobbyist represented, the answer to the question "What issue will dominate statehouse sessions?" was overwhelming. Medicaid issues will dominate the sessions, hand in hand with passing a state budget. The other top issues will be education, roads, and public safety – each linked in some way to the budget and funding. The final top issue trailed these a bit, but still registered high. Environmental related issues are expected to grab a few headlines in 2016.

Above all this, though, 2016 election activity will likely drive much statehouse floor activity. State officials will often be led, at least in talking points, by Presidential campaign issue hot buttons. Likewise, statehouse session schedules are more apt to reflect a busy electoral year. With two national party conventions that many officials will attend and elections from the top to the bottom of the ballot, it is likely more states will conclude session work on time and legislatures are less likely to be called back in for special session.

TOP ISSUES

Medicaid & State Budgets

The issue of Medicaid expansion and funding will top 2016 statehouse conversation. States will continue to grapple with 'if' and 'how' to expand Medicaid, what federal stipulations may accompany such moves, and how to fund Medicaid as it grows. Medicaid spending, a largely non-discretionary item, then substantially impacts every other part of the state budgets from education to roads and public safety.

As the Affordable Care Act (ACA) is implemented and becomes the "new normal," 2016 may also be a time of looking at unexpected costs or unintended consequences of the law. Some states may look to greater oversight and coordination of emergency services moving

forward. This may range from insurance prior authorization requirements on select emergency care to better first responder field coordination aimed at decreasing costs and increasing efficiencies. Pharmaceuticals issues such as pricing transparency and biosimilar dispensing will also be on tap.

In addition, many states will feel an additional budget squeeze from energy prices, pension liabilities, or both. Some energy dominant state budgets are already under pressure from dropping oil prices. And, many states are already falling behind in the ability to 'make good' on pension requirements and the long term care and stability of retired workers impacted by same.

Education / Workforce

The second most forecast 2016 statehouse issue was education and workforce. With Medicaid and other issues squeezing the budgets, lawmakers will look at education funding and innovation, hand in hand. At every level, officials will seek innovation in education – doing more with less and becoming more efficient in outcomes. At the pre-K and elementary levels, funding will be primary, along with continued consideration of various testing, curriculum, teacher certification, and school choice issues.

Secondary and higher education are likely to be impacted by reauthorization of the Higher Education Act, which may begin in late 2015. States and the federal government will continue to look at how to promote technical and community college education making students expertly and directly prepared to enter the workforce. Many states will have an emphasis on STEM (science, technology, engineering, and math) study. State officials will explore additional ways to incentivize colleges and universities to graduate students, rather than emphasizing just enrolling students.

The 2014 NLGA survey of its CAPs revealed this quote: “The ‘ya ya’ days of throwing money at problems are over, probably forever.” It seems statehouses may begin to show this in 2016.

Roads & Taxes

With Congress continuing to languish on any solid, long-term agreement and plan for transportation, a great deal of dialogue and action among states has occurred and will continue regarding funding local transportation needs. States have acted on higher fuel taxes, vehicle fees, and bonds to repair aging bridges and roads that will relieve traffic congestion. This year alone, 14 states raised gas taxes to fund state infrastructure projects, and others are considering similar measures, according to the American Society of Civil Engineers. Given the needs and the stress on the budgets in all areas of policy, it is likely state officials – particularly in states not holding gubernatorial elections or in which legislative elections are not likely to change party control - will visit tax reform in 2016. This may range from property tax methodology to gas taxes to business taxation.

Public Safety

Law enforcement and corrections will be a notable issue across statehouses in 2016. Discussion will occur on officer training, body cameras, and body armor for field policing. The Texas senate is currently inquiring into suicide rates in county and state prisons, while Tennessee is currently facing worker shortages in the department of corrections. At the federal level, an experimental project is launched to increase educational opportunities for prisoners in the hopes of reducing recidivism rates.

Substance abuse is an issue impacting police and first responders, public health, education, road safety, and corrections. States will continue to explore responses to increasing abuse of heroin, methamphetamine, and controlled substances. At a macro level, state officials will continue to be ever wary of needs and changes in veterans' issues and homeland security. As noted, the tightening budgets will impact state leaders' ability to act on these issues.

Environment

States are addressing impacts of new federal regulations on energy and water. While 2016 marks the election of a new President, it is possible states may find an additional Executive Order or regulation related to the environment enacted before the current President's term expires. States may be engaged in increased environmental action at the state level or see such action at the local level. In the agriculture sector, scientific advances are leading to debate on the use of various technologies, chemicals, and GMO products, and the use of sound science in evaluating these decisions.

Technology

In this 21st century, state officials face contemporary questions related to technology and advancement. Regulation of unmanned aerial vehicles (UAVs or drones) and driverless automobiles are pressing issues for safety, commerce, and more. Security of computer data in the public and private sectors will remain paramount. How will states support cybersecurity and aid victims of identity theft? At the same time, states will continue to try to ensure access of high speed internet opportunities to rural areas, senior citizens, and low income families.

Election Year

In 2016, the issues surrounding immigration, abortion, and guns will get floor time at the federal and state levels. In the 50 states, there are 99 state legislative chambers altogether, and 86 of the 99 state legislative chambers will hold elections on November 8, 2016. The United States gubernatorial elections of 2016 will be held in Delaware, Indiana, Missouri, Montana, New Hampshire, North Carolina, North Dakota, Oregon, Utah, Vermont, Washington, and West Virginia.

CONCLUSIONS – 2016 STATEHOUSE PROGNOSTICATIONS:

- State government officials and lobbyists focused on health care and state budget reliant items will be busy.
- Social issues will be raised and get floor time.
- The sessions will end timely, with few to no special sessions in 2016.
- With strapped state budgets, a need for roads, educational and public safety demands, and an attention to timely legislative action in 2016, any issue or proactive agenda which requires funding may need to be limited or presented faster and more efficiently.

I invite and appreciate any feedback or additional insight you can share.

NLGA is the only association serving all state and territorial officials who are first in line of succession to governor.

More information on the office of lieutenant governor is available at www.nlga.us.

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