

STATE AND LOCAL UPDATEOctober 29, 2019

Policy and Politics**I. Trending Topics****Issue in Focus**

TOO MANY JOBS, NOT ENOUGH WORKERS: A labor shortage is [jeopardizing](#) economic expansion in almost every state, putting pressure on lawmakers to find ways to attract more residents and coax people who have dropped out of the workforce to rejoin it. States are offering financial incentives to entice prodigal natives to move home and raise families. They're also reaching out to discouraged workers who don't show up in the record-low unemployment rate because they've given up seeking jobs. Among them: people with outdated skills, high-school dropouts and those with criminal records. In 39 states, there are more jobs than people looking for them, according to a Stateline analysis of June hiring and employment data from the federal Bureau of Labor Statistics. North Carolina had the highest job openings rate, with 5.7% of all jobs unfilled. Missouri, North Dakota and Virginia were close behind at about 5.3%. In Northern and Midwestern states such as Missouri and North Dakota, the labor pool is limited by slower population growth and a higher proportion of older residents. In fast-growing Southern states such as North Carolina and Virginia, there aren't enough construction and health care workers to meet the needs of new residents. Nationally the number of job openings in August was 7.1 million, compared with 6 million unemployed people looking for work, according to federal statistics.

A. BUDGETS, TAXES, & REVENUE

CITY REVENUE LAGS INFLATION FOR FIRST TIME IN SEVEN YEARS: U.S. cities' revenues are [failing](#) to keep pace with inflation for the first time in seven years, signaling an increase in the financial pressure on local governments despite the nation's record-long economic expansion, according to a survey released by the National League of Cities. On average, municipal finance officers estimate general-fund revenues will decline by 1% when adjusted for inflation, the survey found. At the same time, officials have grown more cautious about the economic outlook, with almost two-thirds of those from large cities now forecasting a recession as soon as next year.

MURPHY CONTINUES TO PUSH FOR SALT-CAP REMOVAL: New Jersey Governor Phil Murphy [said](#) he will continue to back a legal challenge to President Donald Trump's limit on state and local tax deductions despite a recent setback in federal court. In an interview with Bloomberg TV, Murphy said the Trump administration "weaponized" the tax law against states like New Jersey and reiterated his commitment to legally challenging the deduction cap. His state joined with New York, Connecticut and Maryland to file a lawsuit to challenge the law that limited write-offs for state and local taxes. A federal judge tossed out that suit on Sept. 30, saying the federal government has the "exhaustive" power over U.S. taxes.

MUNICIPAL SALES SET TO SURGE MOST SINCE 2017, EXTENDING SUPPLY BOOM: U.S. state and local governments are [poised](#) to sell bonds at the fastest pace in almost two years as they take advantage of lower interest rates and strong investor demand. Municipal bond issuers are expected to sell \$21.4 billion in debt over the next month. This is the highest visible supply since December 2017, when governments rushed deals to market to get ahead of federal tax law changes effective at the start of 2018.

HOW THE SPORTS BETTING RULING WILL IMPACT STATE BUDGETS: The U.S. Supreme Court's recent [reversal](#) of a federal law banning sports betting in most states is expected to boost revenues for gaming companies and -- at least for now -- a handful of states. Connecticut, Mississippi, New York, Pennsylvania and West Virginia stand ready to benefit

because they recently legalized sports betting in anticipation of a favorable ruling in the case *Christie v. NCAA*, which challenged the 1992 Professional and Amateur Sports Protection Act banning states from authorizing or licensing sports betting. "They do have an advantage because they have already gone through whatever legal process it is they have to go through," says Marcy Block, senior director at Fitch Ratings. "That's really the first hurdle." With a majority of legislatures adjourned for the year, most states will have to wait until next year to act unless a special session is called. (Four states -- Delaware, Montana, Nevada and Oregon -- met a 1991 deadline to approve sports betting before the federal ban went into effect.) The case was brought by former New Jersey Gov. Chris Christie, who argued that the federal ban violates states' 10th Amendment right to govern themselves. On Monday, the court agreed in a 6-3 opinion. In striking down the 1992 law, the justices said the legalization of sports gambling was an important policy choice. "[B]ut the choice is not ours to make," Justice Samuel Alito wrote. "Congress can regulate sports gambling directly, but if it elects not to do so, each state is free to act on its own." Scores of state and local government organizations supported overturning the ban. In a statement, the National Conference of State Legislatures called the case a "landmark ruling" that "provides states another tool with which they can continue to craft smart, tailored policies during a time of congressional gridlock in Washington."

VAPING TAXES SHOULD BE CAREFULLY DESIGNED: The incidence of increased vaping among teens as well as a recent uptick in lung disease has captured the attention of everyone from President Trump, who [called](#) for a ban on flavored nicotine liquids used for vapor products, to Senate Finance Committee Ranking Member Ron Wyden (D-OR), who followed by proposing legislation to levy an excise tax on vapor products. Wyden's proposal suggests excise levels similar to that for traditional combustible tobacco products. Many states also are discussing whether and how to tax these vaping products. With all good intentions to reduce the underage use of a product designed for adults, the question remains: Is increasing excise taxes to punitive levels the best way to achieve this honorable target? Punitive excise levels not only impact minors but also limit the availability of vapor products to adults, who are trying to quit smoking.

UTAH'S TOP EARNERS WOULD GET LARGEST SHARE OF PROPOSED TAX CUT: The biggest chunk, about 40%, of the tax relief under a [proposal](#) pushed by Utah's Republican lawmakers would go to those making \$113,000 a year and above. That's about 20% of all income tax filers. This top-salary tier would claim more of the \$128 million cut for individual taxpayers than would the bottom 60% of the state's earners, according to a legislative staff analysis of the plan lawmakers are readying for a possible December special session. The state tax force crafting this proposal wants to slash income tax rates while at the same time increasing the tax on food and adding the sales tax to motor fuel purchases. And while the package does contain breaks targeted to low- and middle-income Utahns, some are still dismayed that the biggest winners would be the state's wealthier residents. Others point out that the highest earners pay more in income taxes to begin with, so it makes sense that lowering the rate would put more money back in their pockets.

B. HEALTHCARE & INSURANCE

IS NORTH CAROLINA THE MOST INNOVATIVE HEALTHCARE STATE? Two top Obamacare officials spent years in their Washington offices, right next door for a time, thinking about how to fix health care. Then both came to North Carolina, [determined](#) to put their ideas to the test in the real world. One runs the state Health and Human Services Department, including Medicaid. The other led the state's dominant private insurer. Combined, they cover well over 6 million people, more than half the state. Together, they made North Carolina arguably the most innovative state in the country when it comes to improving how health care is delivered and addressing the underlying social and economic drivers, like homelessness, of poor health and high costs. North Carolina is not the most obvious place for an outsized health care experiment. Once the face of the "New South," the state swung hard right, and then swung again to a contentious middle. It's among the dwindling number of states, mostly in the South, still holding out on Obamacare's Medicaid expansion.

Democratic Gov. Roy Cooper intensely wants to change that and cover another 600,000 low-income people. The Republican state Legislature, just as intensely, does not.

ARIZONA QUIETLY SUSPENDS MEDICAID WORK REQUIREMENT: Arizona quietly [suspended](#) plans to require about 120,000 people to work, volunteer or go to school to receive Medicaid benefits, as courts have taken a dim view of similar mandates in other states. The decision is another setback to efforts by President Donald Trump and his allies in many Republican-led states to put conditions on low-income people seeking taxpayer funded benefits. In Arizona, "implementation is being temporarily delayed, as court cases in other states play out, to avoid disruptions to and protect Arizona's most vulnerable members," the Arizona Health Care Cost Containment System — the state Medicaid program — said last week in a three-sentence notice on its website. The Trump administration had approved Arizona's request to implement work requirements no earlier than Jan. 1, 2020.

NEW YORK EYES DELAYING MEDICAID PAYMENT TO AVOID BUSTING CAP: The Cuomo administration [said](#) it may again push more than \$1 billion in Medicaid spending into the next fiscal year in order to avoid violating a legal cap and to forestall deep cuts in health care programs. The Cuomo administration said the practice of pushing costs into the next fiscal year is simply managing "the timing of Medicaid payments to ensure compliance with the global cap," the term for the annual cap on Medicaid spending. "We are reviewing options to reduce spending and remain under the global cap, including the option to manage the timing of payments," said Freeman Klopott, spokesman for the state Division of Budget, in a recent interview. But it's an option independent analysts warn is a mistake. They say the short-term fallout of further delays in payments would hurt hospitals and health care providers that are already operating on tight budgets. Long term, analysts warn further delays could result in forced cuts in care to the third of New Yorkers receiving Medicaid and cuts in other programs such as school aid.

BGR Insights

INSIGHT FROM BGR SENIOR DIRECTOR OF STATE AFFAIRS KRISTIN STROBEL: Now more than ever, state attorneys general are at the frontlines in political and legal battles that are impacting companies and trades throughout the country. In the absence of Congressional legislation, litigation is often serving as the more effective means to drive public policy. Their broad discretion in office gives AGs considerable power and pushes them into the fray of partisan politics. Democratic attorneys general have repeatedly sued the Trump Administration over such issues as border security, climate change, the rewrite of fiduciary rules and health insurance coverage. On the other side of the aisle, Republican attorneys general have worked to define the appropriate levels of state regulation around technology, energy, immigration and privacy issues.

Currently, 26 state attorneys general are Democrats and 24 are Republicans. However, the Democratic advantage is likely to shift Republican come early November. Voters head to the polls next week to choose two new state attorneys general and public canvases have indicated that it could be a big pick-up day for Republicans.

On November 5th, elections will take place in Kentucky, Louisiana, and Mississippi, but Republicans can rest easy on one race. Incumbent Attorney General Jeff Landry (R-LA) won his primary election on October 12th and will not be on the November ballot. General Landry is the current President of the National Association of Attorneys General (NAAG).

In Kentucky, Senator Mitch McConnell's (R-KY) protégé, Daniel Cameron, is leading the polls for state attorney general over former Kentucky House Speaker, Greg Stumbo (D-KY). McConnell's former aide, Mr. Cameron, is a Louisville-based lawyer, who has benefited from several events headlined by McConnell, as well as support from the Republican Attorneys General Association (RAGA), and other national groups. If elected, Mr. Cameron will be the first African American elected

to a statewide office in Kentucky. He has gained national recognition after he was endorsed by President Trump earlier this fall. Kentucky is one of nine states where the governor and the attorney general are not from the same party. That dynamic may remain intact if both Daniel Cameron, a Republican, and incumbent Kentucky Attorney General Andy Beshear (D-KY), a Democrat who is running for Governor, win their races. The bluegrass state is unique in that the top ticket race will have little impact on Mr. Cameron's projected win to become the commonwealth's next attorney general.

In Mississippi, the race for attorney general will be historic. Both the Republican and Democratic candidates are women, which will make the winner the first female attorney general of that state. In August, state Treasurer Lynn Fitch (R-MS) won a tight Republican runoff with 52 % of the vote. On November 5th, Fitch will face Democrat Jennifer Collins, the Executive Director of the Mississippi American Civil Liberties Union (ACLU). The winner will be the first new attorney general since 2003. Incumbent Attorney General, Jim Hood (D-MS), has served in his role for 16 years and is seeking to win higher office as Mississippi's next Governor. Unlike Kentucky, the top of the ticket is expected to considerably influence the bottom of the ticket. General Hood's opponent in the gubernatorial race, Tate Reeves, is predicted to win his race and create a trickle-down effect that will benefit other Republican candidates on the ballot. Political experts and pundits have indicated that President Trump and Vice President Pence's support for Reeves should boost voter turnout and secure many other Republican wins in the state. If Fitch secures the win, she will be the first Republican attorney general from Mississippi since 1878.

Despite the outcomes of the two races in November and continued partisan politics, state attorneys general will remain a commanding voice across the country. Collectively, most of the nation's generals have put aside their political differences to join efforts in overseeing antitrust enforcement, fair credit practices, false claims cases, environmental safety, and consumer protection. In just this year alone, attorneys general have investigated several tech giants on potential anti-trust violations, e-cigarette/e-vaping companies who have violated consumer protection statutes, and several environmental protection cases. As 2020 approaches, states' top law enforcement officers will continue play an important role in protecting their constituents, their state rights, and the law.

C. ECONOMY, TRADE & INFRASTRUCTURE

CUOMO'S CANNABIS REGULATION PLAN COULD CHANGE THE GAME: As long as the federal government [refuses](#) to lift cannabis prohibition, it will be up to states to devise sensible regulations for the cultivation, production, sale and use of the plant. New York Gov. Andrew Cuomo last month took the lead in doing just that by inviting governors from neighboring Connecticut and New Jersey to work together to create consistent cannabis regulations among the three states. They will host an initial meeting on Oct. 17 to begin developing a regional plan, which may include medical and adult use cannabis legalization. Gov. Cuomo should be applauded for the initiative and creative problem solving that he and the governors of Connecticut and New Jersey have shown in advancing cannabis legislation. Cannabis legislation is a complicated issue with many tricky nuances to navigate, making the Governor's effort all the more welcome. Right now, in the U.S., the cannabis industry exists in a fragmented state environment where there is no defined federal oversight. Cannabis companies are forced to accommodate [33 sets of laws](#) across the states which have [lifted prohibition](#) in one form or another. For example, various states have differing requirements for packaging, labeling, production and cultivation, which has a major — and negative — impact on business operations. Not to mention the fact that product must be produced in the same state it is sold in and cannot cross state lines. No other industry has to deal with this level of state-specific regulations.

NYC'S CONGESTION PRICING PROGRAM MOVES FORWARD: The MTA's [plan](#) to heavily tax cars driving in the busiest parts of Manhattan is taking shape. The agency recently announced Tennessee-based technology company TransCore has been selected for a \$507 million, seven-year contract to "design, build, operate and maintain" the tolling infrastructure that will enforce New York City's congestion pricing scheme. The tolling system will not go live until at least January 2021 — and the prices and exemptions will be set by the Metropolitan Transportation Authority board no earlier than Nov. 15, 2020. TransCore's technology will need to track every single vehicle entering Manhattan south of 61st St.; cars driving on the West Side Highway and FDR Drive will be given a pass. The car-taxing system will need to generate enough money to pump \$15 billion into the MTA's next five-year capital plan, which aims to aggressively modernize the subway's signaling system and add accessibility features to an additional 66 subway stations.

WHITMER WRITES MICHIGAN WORKERS DESERVE MORE OVERTIME: In the *Detroit Free Press*, Gov. Whitmer [writes](#): "The new rule that I announced last week will expand the right to overtime pay for nearly 200,000 Michiganders. It will raise the salary level under which employees are automatically entitled to overtime pay. It will also take into consideration the valuable feedback from employers and stakeholders to ensure we're setting a threshold that's right for all Michiganders. The rulemaking process will likely take eight to 12 months."

MICHIGAN WILL EXPAND OVERTIME RIGHTS TO MORE WORKERS: Under the current rules, salaried workers earning less than \$23,660 have a clear [right](#) to time-and-a-half pay for hours worked beyond 40 in a week. Obama tried to roughly double that threshold to include millions more workers, but was blocked by a federal judge. The Trump administration is moving forward with a watered-down version of the Obama rule, raising the level to \$35,568 in January. But worker advocates say that new threshold is too low by historic norms, allowing employers to work employees into the ground without an overtime premium. Whitmer has not proposed a number yet, but under her direction the Michigan labor department would now begin figuring one out. Obama put forth a threshold that today would be roughly \$51,000, a figure that will serve as a starting point for Michigan. Were Obama's proposal law instead of Trump's, Whitmer's office estimates that an additional 200,000 Michigan workers would be eligible for overtime pay. Whitmer said Trump's proposal "isn't good enough."

COOPER ANNOUNCES CREATION OF GOVERNOR'S ADVISOR COUNCIL ON FILM, TV, DIGITAL STREAMING: Governor Roy Cooper recently [announced](#) the creation of the Governor's Advisory Council on Film, Television and Digital Streaming, which will lead efforts to continue growing North Carolina's successful film industry. Governor Cooper signed Executive Order 111 to create the council at Screen Gems Studios in Wilmington, North Carolina. The Council will advise Gov. Cooper on efforts to grow and develop North Carolina's film industry and support the work of the State Film Office. An initial list of council members have been named and are as follows: Department of Natural and Cultural Resources Secretary Susi Hamilton, Dr. Amy Tiemann, Beth Petty, Wilmington Mayor Bill Saffo, Bill Vassar, Chris Cooney, Chip Hackler, Dale Williams, Darla McGlamery, David Burris, Eric Johnson, Herman A. Stone, John Bankson, Johnny Griffin, Judy Girard, Lana Garland, Lauren Vilchik, Mike McGaha, Rebecca Clark, Robert Newton, Tim Bourne, and Tod Thorne. Additional members may be added.

NGA SELECTS FOUR STATES FOR ASSISTANCE IN ENERGY SECURITY EXERCISE: The National Governors Association (NGA) competitively [selected](#) four states – Colorado, Hawaii, Idaho and Maryland – to participate in a focused technical assistance project to enhance their experiences in the GridEx V energy security exercise and support the states' energy security planning efforts. GridEx is a biennial exercise conducted by the North American Electric Reliability Corporation (NERC) to simulate a cyber and physical attack on the electric grid across North America. Participants include members of the electric sector, other critical infrastructure operators, law enforcement, and state, local and federal officials from

across the country. The GridEx V exercise will take place Nov. 13-14, 2019. Supported by the U.S. Department of Energy's Office of Cybersecurity, Energy Security, and Emergency Response, NGA will work with the four states to prepare for, participate in, and share lessons learned and promising practices from the exercise via phone consultations, an in-person workshop planned for January 2020.

NEWSOM LAUNCHES \$75 MILLION PROGRAM TO MITIGATE IMPACT OF POWER SHUTOFFS: As utility-initiated Public Safety Power Shutoffs (PSPS) continue to impact residents across California, Governor Gavin Newsom recently [launched](#) the Local Government PSPS Resiliency Program to mitigate the impact on Californians by supporting continuity of operations and efforts to protect public health, safety, and commerce in affected communities. Governor Newsom and the State Legislature included a \$75 million one-time General Fund appropriation in the 2019 Budget Act to support state and local government efforts to protect public safety, vulnerable populations and individuals and improve resiliency in response to utility-led PSPS actions. The funding will focus on jurisdictions where there is heightened PSPS vulnerability. Half of the funds will be allocated to local governments – at least \$150,000 will be awarded to all 58 counties with additional funding based on county size and experience with PSPS. The cities of Los Angeles, San Jose, San Diego, and Oakland will receive \$500,000 each. A total of \$8 million will support competitive grants available to other incorporated cities and \$1.5 million will be available in competitive grants for tribal governments.

D. EDUCATION & THE ENVIRONMENT

CALIFORNIA INSPIRES OTHER STATES TO PUSH TO PAY COLLEGE ATHLETES: A new California law that will [allow](#) collegiate athletes to profit from the use of their name or images has fueled a rush of new legislation in other states that hope to allow their own athletes to make money while still in college. California's bill, which takes effect in 2023, will allow student athletes to hire agents and to sign endorsement deals. None would be paid directly by the schools themselves, a key distinction that backers of similar bills in other states have used to anchor their legislation. The new bills are coming from both Democratic and Republican sponsors, marking a rare bipartisan moment that legislators across the country said would go a long way to addressing inequality and even racial injustice in sports.

What We Are Reading

HOW CITIES FELL OUT OF LOVE WITH SPORTS STADIUMS: With a few exceptions, the decades-long city [infatuation](#) with major league sports teams has been cut by a healthy amount of skepticism. Few now speak of stadiums as the windfall agent many thought they would be. To be sure, officials remain guilty of throwing gobs of money at other high-priced proposals. The billion-dollar incentives to win Amazon's second headquarters are evidence that "ribbon-cutting syndrome" is still alive and well. But when it comes to public money, public opinion and wealthy team owners, the honeymoon is over. "The Blues had to fight like cats and dogs to get the city to live up to its obligation," says Kevin Horrigan, a longtime reporter and columnist for the St. Louis Post-Dispatch. "I think a lot of it was, 'We just don't want to be snookered again.'"

MAYORS BACK NEW CLIMATE ROADMAP AT C40 SUMMIT: Eight US cities – all winners of the Bloomberg Philanthropies' American Cities Climate Challenge – [reaffirmed](#) their commitment to reducing emissions at the C40 World Mayors Summit in Copenhagen. The mayors of Los Angeles, Austin, Boston, Honolulu, Philadelphia, Portland, San Antonio and Seattle outlined their policies during a press conference for the launch of the American Cities Climate Challenge

Climate Action Playbook. Eric Garcetti, Mayor of Los Angeles and newly elected C40 Chair told the audience: "When Donald Trump said we're getting out [of the Paris Agreement], we all said we're jumping in. I have always said that it doesn't matter who got elected president as much as who is the mayor in your city. If it was Hillary Clinton who had won, 80 percent of the work would still have been done with these mayors in these cities." The playbook, published by Bloomberg Philanthropies, will act as a roadmap for cities across the globe to reduce emissions and create healthier, more resilient communities.

E. TECHNOLOGY & PROCUREMENT

NASCIO ANNOUNCES NEW LEADERSHIP, CYBERSECURITY AWARDS: The National Association of State Chief Information Officers [announced](#) that North Carolina CIO Eric Boyette will be the group's next president, as well as several other changes to its leadership on the opening day of its annual conference in Nashville, Tennessee. Boyette, who has been North Carolina's CIO and secretary of its Department of Information Technology since April 2017, succeeds Delaware CIO James Collins as NASCIO's leader. The organization also announced that Stephanie Dedmon, CIO of Tennessee, and Greg Zickau, CIO of Idaho, will be joining as directors of its executive committee. Since taking over as North Carolina's top IT official, Boyette has focused on areas including cybersecurity, steeling the state's tech infrastructure against natural disasters like hurricanes and expanding access to high-speed internet in rural areas. Boyette has overseen the North Carolina Broadband Infrastructure's distribution of millions of dollars in new grants to expand access across the state's rural areas. The state is also joining the ranks of jurisdictions challenging the Federal Communications Commission's maps of broadband coverage. On cybersecurity, Boyette has convened tabletop exercises with other state agencies to prepare for the 2020 presidential election, in which North Carolina is expected to be a battleground state. He's also promoted an apprenticeship program that provides disabled military veterans with cybersecurity jobs with the state government, and a training program that offers free cybersecurity classes to veterans seeking IT careers.

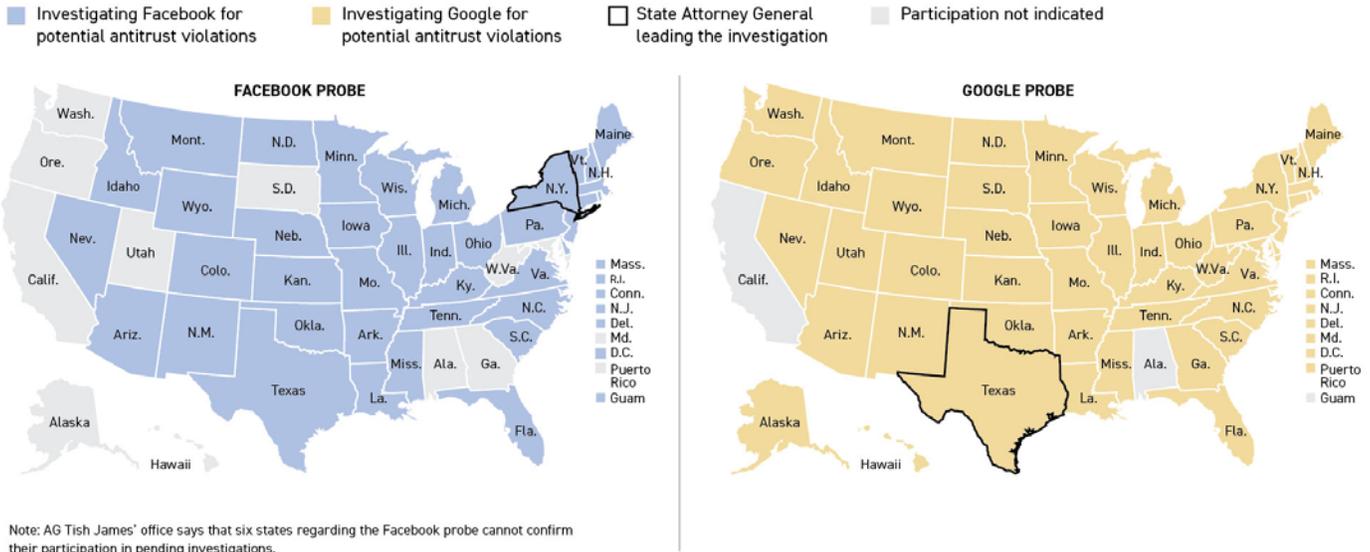
KANSAS INFRASTRUCTURE TECHNOLOGY IS A \$3.8 MILLION MESS: The Kansas Department of Administration recently [informed](#) a legislative committee of budget problems in the executive branch's central IT operation because of a billing dispute with the Legislature, a pending federal penalty for overcharging agencies for technology services and the bungled purchase of computer equipment. DeAngela Burns-Wallace, secretary of administration and the state's chief technology officer since August, said financial challenges had been years in the making and jeopardized the state's ability to undertake modernization and security upgrades to systems serving dozens of agencies. She said there was a simmering dispute with the Legislature related to nonpayment of \$3.8 million billed by the Office of Information Technology Services. In addition, she said, overbilling by OITS initially discovered in 2017 would lead to a federal penalty to the state of at least \$1.1 million but possibly as much as \$5.7 million. The state has been sanctioned previously for charging IT clients too much in fees.

Client in the News

THE LOBBYING PUSH THAT CHANGED WASHINGTON'S MIND ABOUT CANNABIS, BANKING: The 151-year-old [Scotts Miracle-Gro Co.](#) doesn't sell weed. It sells plant food and other gardening products, including its flagship Miracle-Gro brand fertilizer in iconic green and yellow packaging. But over the past few years, Scotts has started tapping into the growing demand for cultivating cannabis, which 33 states have legalized in some form. The hydroponics division it's built as part of that effort has become big business for Scotts despite the federal ban on marijuana sales.

MOST OF THE U.S. IS SUING TECH GIANTS FOR ANTITRUST VIOLATIONS: As of Oct. 24, 47 attorneys general nationwide have joined together to investigate if the social media and tech giant Facebook broke state or federal laws that put consumer data at risk in order to strengthen the company’s standing among its competitors. AGs of 50 states and territories have also teamed up to probe whether Google engages in anti-competitive behavior.

States and territories participating in antitrust investigations of Facebook and Google



Sources: Press release from New York Attorney General Tish James' office on Oct. 22, 2019, POLITICO staff reports

By Cristina Rivero, POLITICO Pro DataPoint

F. FEDERAL/STATE RELATIONS

STATES WIN, TRUMP LOSES IN COURTS: California [would](#) have the fifth largest economy in the world if the state was a separate nation. And ever since Donald Trump’s election as president of the United States, the Golden State has behaved as if it really is a separate country, standing up to Trump and repeatedly suing the federal government on a panoply of issues. So far, California is well ahead. State Attorney General Xavier Becerra (D) has filed 61 lawsuits against the Trump administration, winning 16 and losing two, according to the tabulation by Ben Christopher of the nonpartisan group CalMatters. Thirty-nine decisions are still pending and four lawsuits are on hold, Christopher’s term for cases that have been dropped or suspended with neither side emerging as a clear winner. California is not alone in successfully challenging Trump. Attorneys general in other Democratic-controlled states, particularly in the Northwest and East coast, have filed scores of multi-state lawsuits and won the majority of them.

COOPER LEADS BIPARTISAN GROUP OF GOVERNORS TO PUSH FOR FEDERAL DISASTER RECOVERY REFORM: North Carolina Governor Roy Cooper [led](#) a bipartisan group of governors in calling on Congress to make critical reforms to long-term federal disaster recovery programs. Governors from Alabama, Illinois, Indiana, Missouri, North Carolina, Virginia and Wisconsin sent a letter to Congressional leadership advocating for faster, more efficient help. As the number of natural disasters lashing our country grows, it is increasingly important to streamline disaster recovery programs to help survivors get the resources they need as quickly as possible, the letter said. “We need Congress to make important changes to federal disaster recovery programs,” said Governor Cooper. “When a disaster strikes, it doesn’t discriminate

between Democrats or Republicans and we need continued bipartisan cooperation to make these common sense recovery changes. The people of North Carolina are a strong and resilient bunch, but we cannot continue to wait on Washington to get necessary aid to disaster survivors.” The governors called on Congress to pass bipartisan legislation (S. 2301 and H.R. 3702) to formally authorize the Community Development Block Grant – Disaster Recovery (CDBG-DR) program, which would standardize and expedite this funding source.

II. Politics

A. GOVERNORS & STATEWIDE OFFICES

TRUMP DIVES INTO RED-STATE RACES TO REVERSE IMPEACHMENT SLUMP: Donald Trump is [going](#) all-in on a trio of Southern governor’s races in November, gambling that a clean sweep will help him regain his political footing at the most perilous moment of his presidency. Trump is expected to barnstorm Kentucky, Mississippi, and Louisiana over the next few weeks while dispatching prominent supporters to help in each contest. And Vice President Mike Pence is planning a bus tour through Eastern Kentucky, a pivotal area on the state’s political map that could decide the fate of Republican Gov. Matt Bevin. Trump badly needs a boost right now, and the White House sees the elections in the conservative states as the best near-term hope of achieving it. With the impeachment inquiry intensifying and congressional Republicans increasingly vocal in their criticism of the president, the elections give Trump the opportunity to demonstrate his political strength and shift a narrative that’s turned sharply against him. But the offensive isn’t without risk: Though all three races are in Trump-friendly states, Democrats have a decent shot in at least two of them. A Republican loss in any of the elections could give the president’s detractors ammunition to argue he’s politically weakened as he heads into a treacherous 2020 campaign.

RED-STATE GOVERNOR RACES PUT BOTH PARTIES ON EDGE: Three nail-biting gubernatorial contests in deeply red states have both Democrats and Republicans on [edge](#) before Election Day, in races that will test President Trump’s ability to move votes a year before his reelection bid. Two incumbents, Kentucky Gov. Matt Bevin (R) and Louisiana Gov. John Bel Edwards (D), are on the ballot next month. In the third state, Mississippi, Republican Lt. Gov. Tate Reeves is facing off against Democratic Attorney General Jim Hood. And in all three contests, polls show a tied race. The latest Mason-Dixon poll in Kentucky showed Bevin and his rival, Attorney General Andy Beshear (D), knotted at 46 percent apiece. A We Ask America survey in Louisiana found Edwards and businessman Eddie Rispone (R) locked at 47 percent each. An internal survey conducted for Hood’s campaign shows him leading Reeves 45 percent to 42 percent, well within the statistical margin of error. And a Mason-Dixon poll released Wednesday morning shows Reeves leading Hood by a similarly slim 46 percent to 43 percent margin, also within the margin of error. On the face of it, the close races might reflect a strong political climate for Democrats in three deep-red states that President Trump easily carried in 2016. Democrats say they are confident that the closely fought contests bode well for them next year, even if they do not achieve a clean sweep.

THE RED-STATE SAVIOR DEMOCRATS DON’T WANT: At a moment when Democrats were confused, depressed and desperate to understand Trump’s appeal to white working-class voters, Montana Governor Steve Bullock [was](#) the oracle of Helena, receiving calls from liberals across the country and hosting a stream of party leaders in his state’s capital. They wanted to know if his brand of Western populism might serve as an antidote to Trumpian xenophobia for all those Obama-Trump voters who had decided the 2016 election. The excitement was understandable. Bullock’s presidential campaign has not lived up to its initial billing, and any support is welcome at this point. Democrats had reason to expect more: Bullock won reelection in 2016 in a Trump landslide state. Some 25 to 30 percent of Bullock’s voters also voted for Trump, and after that seemingly miraculous achievement, a parade of Democrats looked west to try to understand how he had picked the lock of Trumpism. And then – nothing.

THE TIRELESS LIEUTENANT: While Gov. Andrew Cuomo's national ambitions are a constant source of speculation in Albany, his second-in-command, Lieutenant Governor Kathy Hochul, is rarely mentioned in conversations about the state's political stars. Perhaps she [should](#) be, because even as she operates in the formidable shadow of the governor, she has been independently carving out a place for herself and whatever ambitions she may have in every corner of the state. Her travels certainly have the trappings of a would-be candidate building a profile for some future bid for another office, perhaps the one her boss currently occupies. Hochul is also the incoming chair of the Democratic Lieutenant Governors Association.

NOEM ANNOUNCES NEW CHIEF OF STAFF: Joshua Shields has been [appointed](#) to serve as Gov. Kristi Noem's new chief of staff. Shields replaces Herb Jones, the governor's chief of staff since January. Jones also served on the governor's campaign and transition team.

B. STATE LEGISLATURES & MAYORS

TEXAS HOUSE SPEAKER WILL NOT SEEK REELECTION FOLLOWING SCANDAL: First-term Texas House Speaker Dennis Bonnen [announced](#) he will not seek reelection to the lower chamber in 2020 — completing a stunning fall for the Angleton Republican who enjoyed near unanimous support in the House just months earlier. Bonnen's political future was first called into question in late July, when hardline conservative activist Michael Quinn Sullivan, who heads the group Empower Texans, revealed that Sullivan, Bonnen and one of the speaker's top allies had met at the Texas Capitol the month before. At that meeting, Sullivan alleged, Bonnen and state Rep. Dustin Burrows, R-Lubbock, suggested Empower Texans go after a list of 10 House Republicans and told Sullivan his group could have media access to the lower chamber in 2021. Bonnen also disparaged multiple Democrats, calling one "vile" and another "a piece of shit," and said his goal for the next legislative session is to make it the worst "in the history of the legislature for cities and counties."

FIRST BLACK MAYOR MARKS NEW CHAPTER IN MONTGOMERY HISTORY: Slavery, the Confederacy, segregation, and the struggles of African Americans to overcome those legacies has shaped much of Montgomery's 200-year history. The city that calls itself the cradle of the Confederacy and the birthplace of the civil rights movement [elected](#) its first black mayor earlier this month. Montgomery County Probate Judge Steven Reed defeated television station owner David Woods by a two-to-one margin in a runoff, a resounding finish to a dominant campaign. "There are a whole lot of happy people in Montgomery this morning," Derryn Moten, chairman of the history and political science department at Alabama State University, said. About 60 percent of Montgomery's roughly 200,000 residents are black, according to the Census Bureau. So, demographics were a key factor in Reed's win over Woods, who is white, Moten said. But Reed's broad appeal also attracted some white voters and set Reed apart from nine other African American candidates who didn't make the runoff, Moten said.

PROSECUTORS, SHERIFFS, AND MORE ARE UP FOR ELECTION: Approximately 500 prosecutors (or district attorneys) and sheriffs will be elected in 2019. They are responsible for setting a wide range of policies that impact detention conditions, incarceration rates, cooperation with ICE, and more. Yet they receive inadequate attention. On [this](#) page, the Appeal: Political Report has identified the jurisdictions that will be electing their prosecutor and/or their sheriff in 2019.

C. BALLOT INITIATIVES & POLITICS

SUPREME COURT THROWS OUT CHALLENGE TO MICHIGAN ELECTORAL MAP: The Supreme Court, in another defeat for gerrymandering reformers, [overturned](#) a lower court's ruling that Michigan's electoral districts are overly partisan and need to be redrawn. The order follows a June decision from the nation's top court that found that questions related to partisan gerrymandering are not under the jurisdiction of federal courts. The new order returns the case to the U.S.

District Court for the Eastern District of Michigan. A three-judge panel in that court had ruled that 34 state legislative and congressional districts needed to be redrawn because they were designed to favor Republicans.

OKLAHOMA MEDICAID EXPANSION CAMPAIGN BREAKS RECORD: Supporters of expanding Medicaid to cover roughly 200,000 more low-income Oklahomans [turned](#) in 313,677 signatures to put the measure to a statewide vote in 2020. The number of signatures gathered far exceeds the 178,000 signatures the campaign needs to qualify the measure for the ballot and exceeds the number of signatures turned in for any other initiative petition in state history.

TEXANS WILL BE ASKED TO BAN INCOME TAXES: This November election, Texans will be [asked](#) if they want to ban a personal income tax — in a state that doesn't have one. Under the law, voters already have the final say on adopting a personal income tax. If a majority of lawmakers pass a resolution to put a personal income tax on the ballot, the specific rate has to be approved by voters in a statewide election. And if enacted, Texas law requires that a portion of the revenue go toward reducing school property taxes and funding education. If passed, Proposition 4 would repeal those stipulations and prohibit an individual income tax. That means if lawmakers ever decided to establish an income tax, they would have to pass a constitutional amendment, which would require approval by two-thirds of the House and Senate in order to put it before voters. "It makes it harder for the legislature to pass an authorization for a referendum for the voters," said John Kennedy, a senior analyst with the Texas Taxpayers and Research Association, which represents business interests and does not have a position on the proposition. "In the end, one way or the other, voters will still have the final say on whether there is or is not an income tax on individuals." While seemingly simple on its face, the measure barely made it onto the ballot after mostly Democratic state lawmakers raised concerns that the tweak from "natural persons" to "individuals" in the amendment's language may have unintended consequences.

TIGHTENING CALIFORNIA'S DATA PRIVACY LAWS: With impeachment hogging Congress' agenda, no national privacy law is likely to pre-empt California's stringent rules from going into effect next year — and activists in the state are already gearing up to put an even [tougher](#) initiative on the state's 2020 ballot. Why it matters: California's rules often become de facto national standards. Home to Google and Facebook, this is where the tech industry's user-tracking, ad-targeting economy was born, but now it's also where efforts to tame the industry keep sprouting. Driving the news: Real estate developer Alastair Mactaggart and his organization Californians for Consumer Privacy, which led the drive for a state law in 2018, last week introduced a new privacy-focused ballot initiative for 2020 that would bolster the requirements of the state's current law. The California Consumer Privacy Act (CCPA), passed in 2018 and set to go into effect Jan. 1, 2020, gives state residents the right to find out whatever personal information about them companies possess, to have them delete it, and to stop them from selling it. The new ballot initiative goes further establishing a data protection agency for the state to enforce new privacy laws and make new regulations, creating a new class of "sensitive information" — data like social security numbers, precise location, and financial info — that firms could not sell without users opting in, and enacting a new right to correct inaccurate personal information stored by companies.

Campaign News

NOTE: Only three states will hold gubernatorial elections in 2019: Kentucky, Louisiana, and Mississippi. BGR's 2019 *Campaign News* section will primarily include stories from those states. Please let us know if there are specific states or races you are interested in monitoring as well.

KEY ELECTIONS FROM ACROSS THE COUNTRY: The left-leaning *Daily Kos* is out with a [calendar](#) of this year's top races. A version of this calendar with more details about specific election procedures for each race as well as the population for each jurisdiction, can be found [here](#).

KEEPING TRACK:

Days until the Louisiana gubernatorial election: 18

Days until the Kentucky, Mississippi, New Jersey and Virginia general elections: 7

MISSISSIPPI

PENCE TO STUMP FOR REEVES: Vice President Mike Pence is [scheduled](#) to attend a Mississippi campaign rally in support of gubernatorial candidate Tate Reeves before the Nov. 5 election. The Associated Press reports Pence plans to join Lt. Gov. Reeves, the Republican nominee, at a Coast rally on Nov. 4, the day before the election. Additional details were expected to be released Monday by the Reeves campaign. The Pence event will follow a Nov. 1 rally by President Donald Trump in Tupelo, set for 7 p.m. in BancorpSouth Arena.

REEVES ASSUMES POLLING LEAD: Mason Dixon [published](#) their fourth poll of this gubernatorial cycle featuring matchups between Republican Lt. Gov Tate Reeves and Democrat Attorney General Jim Hood. Statewide, voters polled selected Reeves by 3 points over Hood, 46-43. 9% were undecided and 2% polled selected third party candidates. Polling has moved substantially in Reeves direction vis a vis Hood since December 2017.

REEVES REMAINS FAVORED IN COMPETITIVE GOVERNOR'S RACE: Two long-time Mississippi politicians are [competing](#) to replace the state's popular, term-limited Republican governor, Phil Bryant, in an election early next month. Bryant's lieutenant governor, Tate Reeves, is the Republican candidate, and he holds a slight edge over his Democratic opponent, Jim Hood, Mississippi's attorney general. Hood has been state AG since 2003, having won the job four times by a margin of at least ten points; in his latest, and closest, reelection bid, in 2015, he defeated Republican Mike Hurst 55-44 percent. Hood's popularity shows, too. He dominated the Democratic primary this summer, beating out seven other candidates by a nearly 60-point margin. Reeves, meanwhile, was forced to compete in a GOP-primary runoff after William Waller, a former chief justice of the state supreme court, prevented him from earning majority support in the first round of voting. (Reeves ended up defeating Waller in the late-August runoff 54 percent to 45 percent.) Even so, most experts say Reeves has the edge, both because Mississippi has become a reliably Republican state and because he has the advantage of being associated with the hugely popular Governor Bryant, who according to Morning Consult polling has a positive net-approval rating of nearly 30 points among all voters statewide, and of over 70 points among state Republicans. Inside Elections and the Center for Politics at the University of Virginia both say the race "leans Republican." In early October, the Cook Political Report shifted its read of the contest from "likely Republican" to "leans Republican." Clearly the blue underdog in a red state, Hood appears to be aiming to work his way into the governor's seat by assuring voters that he's a moderate Democrat, attempting to avoid being caricatured as a progressive while also drawing a contrast between himself and the highly conservative Reeves.

HOOD, REEVES BICKER OVER TAXES: The two main candidates for Mississippi governor recently [held](#) dueling news conferences to accuse each other of wanting state government to dig deeper into people's wallets. Democratic Attorney General Jim Hood and Republican Lt. Gov. Tate Reeves are competing in the Nov. 5 election, along with two candidates

running low-budget campaigns. Appearing at a concrete business in Canton, Reeves said he stands by his own record of pushing lawmakers to phase out the franchise tax. Hood spoke at his own campaign office in Jackson and said the franchise tax cut helps out-of-state corporations but not working people.

HOOD WOULD NEED TO WIN 55% OF VOTES TO KEEP HOUSE FROM DECIDING RACE: In 2015 Jim Hood [garnered](#) 55.4 percent of the vote and won 66 of the 122 House districts in defeating current Southern District U.S. Attorney Mike Hurst to capture his fourth term as the attorney general of Mississippi. Winning a majority of the popular vote and the most votes in a majority of the House districts ensured that the Democrat Hood's election would not be decided by the Republican-controlled House of Representatives. According to Jonathan Rodden, a political science instructor and the director of the Stanford Spatial Social Science Lab, Hood needs to win the popular vote by a similar margin on Nov. 5 in his race for governor against Republican Lt. Gov. Tate Reeves to again guarantee the election is not thrown into the House. Rodden wrote in an analysis filed in U.S. District Court for the Southern District of Mississippi that the Democratic candidate (or black-preferred candidate) "would need more than 55 percent of the statewide vote in order to secure a majority of electoral (House) votes. Candidates preferred by whites, by contrast, would be able to win the electoral vote without winning a majority of the popular vote."

KENTUCKY

A WORD FROM GOVERNOR BEVIN: In the *Courier Journal*, Governor Bevin [writes](#): "Andy Beshear is, without question, the most liberal nominee for governor in the history of Kentucky. He has zero business experience and regularly attacks CEOs and job creators, purely for political reasons. We're busy growing our economy, reducing red tape, saving our pension system, strengthening our state's fiscal foundation, supporting education, improving health outcomes, taking care of our veterans, reforming the criminal justice system, promoting tourism and fighting for a better Kentucky for all of us. I want Kentucky to be the best state in America for our children and grandchildren to find a job and raise their families in. I would be grateful for your vote on Nov. 5. I will continue to make the tough decisions and move Kentucky forward."

BEVIN, BESHEAR SQUARE OFF IN COMBATIVE TELEVISED DEBATE: Republican Gov. Matt Bevin aggressively [pushed](#) back against Democratic challenger Andy Beshear's plan to legalize casino gambling, while the incumbent declared he regretted nothing he's said about teachers as they met in a high-stakes debate Monday night. The bitter rivals, sitting next to each other, didn't hide their mutual animosity during the hourlong debate shown statewide on Kentucky Education Television. It came barely more than a week before their Nov. 5 election showdown. The two talked over each other repeatedly and the debate turned personal at times. Beshear defended his plan to legalize casino gambling to generate revenue to shore up woefully underfunded public pensions. Bevin denounced the plan as a "pipe dream," saying it would never win approval from the GOP-led legislature. Bevin also questioned Beshear's claims that casino gambling would generate more than \$500 million in yearly state revenue, denigrating the estimate as "made up numbers."

BEVIN DEFENDS TRUMP, SLAMS BESHEAR: In a recent press conference, Republican Gov. Matt Bevin [demanded](#) Kentucky reporters grill Democratic opponent Andy Beshear about whether he supports impeaching President Donald Trump. Bevin fiercely defended the president during the 20-minute Q&A session while lecturing members of the media. He said reporters were letting Beshear, the state's attorney general, off the hook on the subject.

TRUMP IMPEACHMENT MAY BE ON THE BALLOT: The rules are simple: The House levels the charges, the Senate turns into a courtroom, and the chief justice of the Supreme Court presides over the trial. There

is no [role](#), per the Constitution, for state governors in the process of impeaching presidents. All the same, Matt Bevin is trying to enter, stage right. The Republican governor has pressed the pending impeachment of President Trump into his own Kentucky reelection effort. Standing outside the governor's mansion on Friday, Bevin tied his fate to Trump's by condemning impeachment as "an absolute travesty" and calling on his Democratic opponent, state Attorney General Andy Beshear, to answer a "fundamental question": Will Beshear support or oppose forcing the president from office? The Democrat doesn't want to answer, and the ensuing drama in a 2019 race could draw a rough sketch of the electoral implications of impeachment in 2020.

GOP SENATORS PLEDGE TO BLOCK EXPANDED GAMBLING, UNDERCUTTING BESHEAR: The two highest ranking Republicans in the Kentucky Senate recently [said](#) that any legislation expanding casino gambling in Kentucky will not be heard in the Senate in the next legislative session, undercutting a campaign pledge by Democratic gubernatorial candidate Andy Beshear to find new sources of revenue for the state's ailing pension systems. In a written statement, Senate President Robert Stivers and Senate Majority Floor Leader Damon Thayer said casino gambling is "off the table." "Casino gambling is not something that will realistically pass the legislature and the revenue it would potentially bring is being drastically overstated," the statement said. "If such a bill were to be brought forward, it would not move in the Senate. This proposal will not generate the revenue to fix concerns related to our pension systems and increase teacher pay." The statement directly contradicts a promise Beshear has made on the campaign trail — that he would convince lawmakers to pass legislation expanding gambling in Kentucky in order to help fund pensions and free up money for other initiatives, such as raising teacher pay.

THE RACE FOR KENTUCKY AG: Kentucky is [currently](#) one of nine states where the governor and attorney general are not from the same party. The divergence has created conflict between the two offices — current Democratic Attorney General Andy Beshear has repeatedly sued Gov. Matt Bevin and the Republican-led legislature over executive actions and legislation. In this year's race, Democrats have fielded Greg Stumbo, a former speaker of the Kentucky House of Representatives who also served as attorney general from 2004 until 2008, another quarrelsome era when Kentucky had a Republican governor and Democratic attorney general. Stumbo conducted an investigation into Fletcher's hiring practices, resulting in indictments for Fletcher and many of his aides. Fletcher ended up pardoning members of his administration and charges against him were dropped as part of an agreement with prosecutors. Republicans have nominated Daniel Cameron, a corporate lawyer for Kentucky law firm Frost Brown Todd and former general counsel to Senate Majority Leader Mitch McConnell. Cameron touts his relationship with McConnell and President Donald Trump, and says he played a role in getting Justice Neil Gorsuch confirmed to the Supreme Court in 2016. Cameron also worked as a spokesman for the Kentucky Smart on Crime Coalition, a group that advocates for criminal justice reform measures in the state. Stumbo is 67 years old and throughout the campaign has attacked 33 year-old Cameron for his relative youth, saying he isn't experienced enough to run the office.

CAMERON HAS CHOICE WORDS AFTER WINNING LAWSUIT IN AG RACE: Kentucky attorney general candidate Daniel Cameron has [beaten](#) back a lawsuit brought by a retired labor union leader seeking to remove him from the November ballot. The suit claimed Cameron, a Republican, hadn't practiced law for eight years as required under section 92 of the state constitution. Cameron, who obtained his law license in October 2011, testified in court this week that working as a law clerk for a federal judge for his first two years fulfilled the prerequisite. In a 10-page decision issued earlier this month, Jefferson Circuit Judge Barry Willett concurred with Cameron's attorneys, saying state courts as far back as 1937 have had a liberal interpretation of the requirement. He said the courts have long established a "practicing lawyer" is a licensed individual who provides service with legal knowledge or advice. Willett also noted that the plaintiff's

attorneys did not question if Cameron was a practicing lawyer when he worked as general counsel for Senate Majority Leader Mitch McConnell for two years. He said there was "no meaningful distinction" between Cameron's roles as a federal judicial law clerk and as McConnell's lawyer. The suit was brought by Louisville resident Joseph Jackson, who serves as a vice president of Local 576, which has endorsed Democrat Greg Stumbo in the attorney general's race. In a statement Thursday, Cameron said his opponent's fingerprints were all over the lawsuit.

LOUISIANA

BEL EDWARDS, RISPONE TO DEBATE: Democratic Gov. John Bel Edwards and Republican Eddie Rispone have [agreed](#) to square off in a Louisiana Public Broadcasting debate during the heat of the runoff election campaign. The high stakes forum is set for 7 p.m. Oct. 30 and will be broadcast statewide on LPB stations. Voters will go to the polls Nov. 16 to decide whether to keep Edwards for a second term or elect Rispone, a wealthy Baton Rouge businessman.

LANDRY-BACKED SUPER PAC HAMMERS BEL EDWARDS: Louisiana's Republican Attorney General Jeff Landry, who has become one of Gov. John Bel Edwards' most prominent political enemies, has [begun](#) hammering the Democratic governor in the runoff election through a super PAC called Make Louisiana Great Again. Landry, who was sitting on nearly \$2 million in his campaign war chest as of the most recent reporting period, was somewhat active in the primary, stumping for Edwards' Republican opponents at separate rallies with President Donald Trump and his son, Donald Trump Jr. His latest foray into the race indicates he is ramping up his efforts to oust Edwards. The Super PAC, which has not yet disclosed its donors, is taking aim at a bipartisan criminal justice reform championed by Edwards and the GOP-led Legislature, launching a TV ad that features dramatized depictions of violent crimes and accuses Edwards of letting "thousands of criminals out of jail early."

HOW WOULD RISPONE ACTUALLY GOVERN? Republican businessman Eddie Rispone is [asking](#) Louisiana voters to choose him in the November runoff election without telling them much about what he wants to do if he wins the job. Founder of a Baton Rouge industrial contracting company, Rispone is running mainly as a conservative supporter of President Donald Trump. He thinks Democratic incumbent John Bel Edwards has done a poor job. And he suggests his experience as a "job creator" would make him a good leader of Louisiana. Ask what he wants to accomplish, and Rispone gets vague.

SUPER-MAJORITY GAINED IN SENATE, WITHIN REACH IN HOUSE: Republicans [captured](#) a supermajority in the Louisiana Senate in the primary and have a good shot at winning a supermajority in the state House as well in next month's runoff elections. The gains reflect the continuing ascendance of Louisiana's Republican Party and the ongoing decline of the state's Democratic Party, which held a majority in the Legislature for roughly 140 years until 2011. Heavy spending by business interests and the influence of President Donald Trump in rural southwest Louisiana appears to have been decisive for Republicans. Business-financed mailers and radio spots warned voters that Democratic candidates opposed efforts to lower car insurance rates and did the bidding of trial lawyers. Republicans picked up two Democratic-held Senate seats on Saturday and are on track to have a 27-12 margin in the upper chamber if they hold onto a Baton Rouge Senate seat that will be decided in a runoff. Even if they don't, they've already secured 26 seats, the Senate's threshold for the two-thirds supermajority. Following the election, Republicans have picked up eight House seats and lost one, for a net gain of seven. Because they held 61 seats, that puts their total at 68, two short of 70, the two-thirds threshold in the 105-member chamber. The 68 includes the five Republican seats that have gone to a runoff.

VIRGINIA

VIRGINIA DEMS OUTRAISE REPUBLICANS IN OUT-OF-STATE DONATIONS: Virginia Democrats have [raised](#) millions more than Republicans in out-of-state cash donations ahead of the Nov. 5 elections that will determine control of the General Assembly. Democratic legislative candidates last month outraised their Republican opponents by more than \$2.4 million in out-of-state money, according to a Capital News Service analysis of data from the Virginia Department of Elections. During September, the 128 Democratic candidates for the Virginia House and Senate received about 2,500 donations totaling almost \$3.34 million from outside Virginia. The 96 Republican candidates received about 400 out-of-state donations totaling approximately \$900,000. That differential was a big reason the Democrats amassed more than Republicans in itemized monetary donations — contributions of more than \$100. In reports filed last week, Democrats running for the General Assembly reported raising a combined \$8.1 million during September. Republicans raised a combined \$4.6 million.

SOROS GIVES PLANNED PARENTHOOD VIRGINIA LARGEST OUTSIDE CONTRIBUTION EVER: A new political action committee launched by liberal billionaire George Soros has [given](#) \$350,000 to Planned Parenthood Virginia, its largest outside contribution ever, ahead of the state's November elections, records show. The Democracy PAC, Soros's PAC that was created earlier this year for the 2020 election cycle, sent a \$350,000 donation to Planned Parenthood Virginia's committee in September, according to filings on the Virginia Public Access Project's website. The donation appears to be the largest outside contribution ever received by the committee. A majority of its funds previously came from its action fund and the super PAC Planned Parenthood Votes. Soros's money enters Virginia as outside liberal donors and groups are showering the state with cash as they attempt to regain control of both houses of the state legislature this November. Everytown for Gun Safety, one of the nation's largest gun control groups, recently announced the launch of a \$550,000 digital ad campaign targeting 15 Republican-held House and Senate districts in the state, Axios reported.

BALANCE OF POWER MAY REST ON WRITE-IN CAMPAIGN: Two years ago, partisan [control](#) of the Virginia General Assembly came down to a random drawing of names out of a ceramic bowl. This year it could come down to whether a Republican incumbent with a tricky-to-spell last name can win as a write-in candidate. "I hope you all enjoy the most elaborate spelling bee in Virginia," Del. Nick Freitas told a group of constituents at a town hall recently. Freitas, a conservative who often espouses personal responsibility, failed to turn in his paperwork on time, a mistake that left him off the ballot. The consequences could extend much further in Virginia's hard-fought, high-profile contest for control of the state legislature. Democrats in the onetime conservative stronghold are within striking distance of winning a majority of the General Assembly, which would give them control of both houses of the legislature and the governor's office for the first time in two decades. National groups are pouring money in, testing their strategies, and both sides see the races as potential bellwethers for the presidential election next year. And it could all come down to Freitas' forgetfulness. His race should have been an easy win. His mostly rural district in between Washington, D.C., and Charlottesville leans heavily Republican — Trump won it by nearly 30 percentage points. The misstep plays against Freitas' libertarian brand. The former Green Beret often espouses the need for less government and more personal responsibility. An engaging public speaker and outspoken supporter of gun rights, Freitas is viewed as a rising star among the GOP and was backed by U.S. Sens. Rand Paul and Mike Lee in an unsuccessful bid for the U.S. Senate last year. He's been mentioned as a possible challenger to Democratic Rep. Abigail Spanberger next year. Most political observers believe Freitas will win this year's race, but a successful write-in campaign is uncharted territory in Virginia.