

STATE AND LOCAL UPDATE**November 19, 2019****Policy and Politics****I. Trending Topics****Issue in Focus**

GOP DEFEAT IN THE DEEP SOUTH: As the 2020 election year approaches, Republicans [are](#) on a losing streak. The latest defeat came Saturday in Louisiana when Democratic Governor John Bel Edwards held off GOP challenger Eddie Rispone to win re-election despite President Trump's repeated visits on Mr. Rispone's behalf. Incumbents are typically hard to beat in good economic times, though the GOP managed that feat earlier this month in Kentucky. One common feature in both states was enormous voter turnout for an off-year election. Mr. Edwards won with 51% of the vote, or about 40,000 votes, but increased his vote total by 127,609 over 2015. Mr. Rispone gained 228,199 more votes than the GOP candidate in 2015 but still lost. The difference came in Orleans and East Baton Rouge parishes, where Mr. Edwards rolled up margins of nearly 102,000 and 51,000, respectively. That compares to 69,000 and 42,000 in 2015. This repeats a common pattern since President Trump took office. Even when GOP candidates exceed turnout expectations, they often lose because Democratic turnout surges too. Louisiana isn't a national bellwether, but the GOP's troubles in cities and suburbs even in the deep South signal danger for the party in 2020.

A. BUDGETS, TAXES, & REVENUE

STATE LAWS CLOUD THE USE OF INDEPENDENT CONTRACTORS: Forces [leading](#) to changes in state laws governing the classification of workers as either employees or independent contractors appear to be gaining momentum across the country. The changes to the classification regime that are currently in the air or have been enacted significantly restrict companies' ability to rely on independent contractors as workers. That in turn can materially alter the cost structure of those companies, lead to misclassification fines and other penalties, and even potentially threaten the fundamental economic viability of some businesses. The classification of workers as independent contractors has typically been governed by state-law [multi-factor balancing tests](#) rather than [bright line rules](#). From one point of view, this squishiness in the law has allowed companies to push the line aggressively — or get away with going over the line — and either start or grow their businesses using a generous dose of independent contractors rather than employee workers. Why does this matter? From a federal or state tax point of view, at least speaking in a broad sense, worker classification theoretically does not affect tax collections. In an independent contractor arrangement, the contractor is responsible for 100% of the payroll taxes that in an employment scenario are divided between the employer and, through withholdings, the employee.

STATES DITCHING OPIOID TAXES IN PURSUIT OF ONE-TIME PAYOUTS: Taxing opioids [once](#) looked like the next big revenue opportunity for states. But while taxes on sports betting, marijuana, and vaping products have become common, only New York has followed through with an opioid tax, which partially backfired. Two of the big forces behind the trend: First, most states are embracing a big, one-time payout through legal settlements with opioid manufacturers and distributors. Second, state tax and health care professionals have criticized levying what appears to be a "sin tax" on a medicine that fulfills a critical need for those who suffer from chronic pain.

HOW CITIES, STATES CAN STOP THE INCENTIVE MADNESS: Recent years have [seen](#) a startling surge in the use of economic-development incentives by local and state governments. Amazon unleashed a fierce competition for its HQ2, with a number of contenders offering incentives worth billions of dollars (one package was estimated to be in the range

of [\\$8.5 billion](#)). Before that, in 2017, Wisconsin handed [more than \\$4 billion](#) to the electronics manufacturer Foxconn. In 2016, Nevada gave Tesla more than \$1 billion to build a battery factory, and two years earlier, Oregon gave Intel \$2 billion for a new semiconductor chip plant. Today, nearly all U.S. cities and states use financial incentives to attract companies, even though the bulk of research on the subject shows they are an [ineffective waste](#) of taxpayer money. In the first part of a two-part conversation with Timothy Bartik, we discuss the problem of incentives. Later this week, in the second part, we'll talk about how effective place-based policies can combat regional inequality and help revive distressed places. Bartik is an economist at the W.E. Upjohn Institute for Employment Research and the author of a new book, [Making Sense of Incentives: Taming Business Incentives to Promote Prosperity](#). Our conversation has been edited for length and clarity.

CALIFORNIA BUDGET BUMPS LIKELY ON THE WAY: In [assessing](#) the near-term future of the California economy and how it affects the state budget, Gov. Gavin Newsom has recently taken to comparing his role to that of an airline pilot. And it even comes with an impersonation of that voice on the loudspeaker toward the end of a flight. "We're about to begin our descent," Newsom joked with reporters last month after an event in Sacramento. "We're still at 36,000 feet, but we're about to begin our descent." The governor isn't the only one who is preparing for a landing. But none of those watching the horizon know when or how fast it will happen. Nor do they know how it will affect myriad vital state services when the high-flying economy of most of the last decade runs out of gas. Last week's report by state officials of (another) record low measurement of unemployment in California included a reminder that national economic data are nearing uncharted territory. The longest U.S. economic expansion in data dating to 1854 lasted for 120 months — achieved during the decade of technology industry growth in the 1990s. State researchers [noted in employment data released last week](#) that the current streak stands at 116 months, which bears a moment of reflection: Even the strong economies in the years after World War II, as well as those of the 1960s and 1980s, were shorter than the current streak that began in July 2009. California has been a major part of the national story. The state has added almost 3.4 million jobs since February 2010, reported the state Employment Development Department, accounting for more than 15% of all the new jobs created in the country during that time period. As of October, California's jobless rate stood at a historically low 3.9%.

BGR Insights

BY KEEPING THE FOCUS LOCAL, DEMOCRATS NOTCHED WINS ACROSS THE COUNTRY – INSIGHTS FROM BGR DIRECTOR OF STATE AFFAIRS RYAN DALTON: Everyone has their theory on what the recent gubernatorial elections mean for the President and Democrats' hopes for taking back the White House in 2020. But one thing is clear from this year's key statewide races: voters are choosing candidates who stay focused on local and kitchen table issues rather than hyper-partisan national political debates.

In Louisiana, Governor John Bel Edwards became the first Democrat to win reelection since 1975 for two reasons: first, he kept the promises on the economy and healthcare in his first term; second, his opponent ran on national political issues that only reinforced the contrast between them. In his first term, Governor Edwards delivered on his promises to close the multi-billion-dollar deficit. Governor Edwards also fulfilled his pledge to expand Medicaid coverage to improve healthcare. On Saturday, Governor Edwards was given another term for making promises to Louisianans, delivering action to Louisianans, and turning away from the partisan rancor of Washington.

Now, as Governor Edwards moves into his second term, he'll have new political capital to push through his top priorities: new investments in early childhood education, workforce development, education, and infrastructure. While he'll still have to work with a Republican-controlled legislature, Governor Edwards has already proven he can do that effectively – and he ran a campaign that ensured he could continue to do so.

In contrast, Kentucky's incumbent Governor Matt Bevin took a different tack in his reelection campaign. Instead of avoiding national issues, he leaned into them. In doing so, he shored up his critics at least as much – if not more than – his own base and appeared to be distracted from the issues concerning voters at home. For example, instead of negotiating with teachers on reforms like other Republican Governors navigating significant education challenges, he dug in and vilified teachers. Instead of negotiating for tweaks to Medicaid expansion to make the program more appealing to Republicans, he pushed work requirements and administrative overhauls that would have increased cost to the state without improving outcomes to an incredibly popular program. Vice President Mike Pence, in his time as Indiana Governor, Arizona Governor Jan Brewer, Ohio Governor John Kasich, Nevada Governor Brian Sandoval, and Michigan Governor Rick Snyder all found a way to support and expand Medicaid under Obamacare. But instead of finding a similar path forward, Governor Bevin drew political battle lines – and in doing so, squandered the political advantage handed to him by virtue of a strong economy and an active Republican voting base that elected President Trump by 20 points in 2016.

Governor Bevin's opponent, Kentucky Attorney General Andy Beshear, seized the opportunity to run his election as a pure alternative. He promised to be a governor who focuses on issues important to Kentucky rather than a Governor focused on the happenings of Washington, DC. Governor-elect Beshear ran his election on basic platform focused on Kentucky: increase investments in education, improving healthcare and health outcomes while strongly defending the state's popular Medicaid expansion. These are two issues that the Governor can directly influence to improve the lives of Kentuckians and two issues that impact nearly everyone in his state. Most national pundits are focused on what these two elections portend for President Trump in 2020 – and certainly, his losses in two states he won by 20+ points in 2016 are notable. But the equally important lesson for Governors – and any candidate for state or local office – is that voters want to see action they are not getting from Washington. Governor Edwards and Governor-elect Beshear have gotten this far by focusing on issues directly impacting their states and continuing the charge for tangible results voters are demanding. As Democrats look to hold their open seat in Montana and field challengers in the six states held by Republicans (IN, MO, NH, ND, UT, VT, WV) in 2020, they would be wise to embrace similar strategies and priorities.

UTAH TAX REFORM BILL PROPOSES BIGGER INCOME TAX CUT, NEW FUEL TAXES: Draft [legislation](#) for a major overhaul of Utah's tax code was [released by lawmakers this month](#), adding detail and specificity to the long-gestating work of a task force that has been studying the issue for much of the year. But the proposal was met with criticism from the public during a standing-room-only meeting at the Capitol on Thursday evening, and generated frustration among task force members who questioned why they were provided with a copy only hours before they convened.

B. HEALTHCARE & INSURANCE

THE POLITICS OF MEDICAID EXPANSION HAVE CHANGED: Year by year, [resistance](#) to extending Medicaid to more low-income Americans in conservative states has given way. That trend seems likely to continue into 2020. In some states, Democratic governors who favor expansion have replaced Republicans who were stalwart opponents. GOP critics have had a change of heart in some holdout states. And in several Republican-led states, citizen ballot initiatives are driving expansion. Serious efforts are underway in Kansas, Missouri, North Carolina and Oklahoma that could add them to the [36 states](#), plus Washington, D.C., that have opted to expand Medicaid under the Affordable Care Act (ACA), also known as Obamacare. Three of those states adopted the expansion but have yet to implement the program. Organizers in Missouri say they have collected a quarter of the 172,000 signatures they need to get a measure on the ballot next year. In Oklahoma, organizers say they have turned in 135,000 more signatures than required. Proponents also are optimistic about a legislative breakthrough in Kansas, where Democratic Gov. Laura Kelly is finishing up her first year in office and

expansion missed by a single vote this year in a Senate committee. And in North Carolina, a new Democratic governor and a Republican-led legislative effort give expansion the best chance it's had in that state.

ILLINOIS ENDS PROTRACTED DRUG PRICING CASE WITH \$248 MILLION DEAL: Fifteen drug makers will [pay](#) \$248 million to settle allegations they manipulated wholesale prices to increase their Medicaid reimbursements, Illinois Attorney General Kwame Raoul (D) said Oct. 28. The settlement brings to \$678 million the amount Illinois has been able to recover through a 2005 lawsuit against more than four dozen drug companies. This [settlement](#), announced Oct. 28, resolves the litigation, a statement from Raoul's office said. Hardest hit under the settlement were GlaxoSmithKline LLC, which will pay \$54.6 million; Johnson & Johnson Inc., which will pay \$49.5 million; and Pfizer Inc., which will pay \$41 million.

C. ECONOMY, TRADE & INFRASTRUCTURE

BUSINESS LEADERS SAY THEY BACK LAMONT TRANSPORTATION PLAN: Several of the state's most influential business leaders [say](#) they approve of Gov. Ned Lamont's transportation plan, which the governor is hopeful will garner support among legislators who are hesitant to endorse a proposal that includes tolls. Lamont's proposal, dubbed CT2030, calls for a 10-year \$21 billion spending plan that aims to revitalize the state's roads, trains, and airports, but also includes 14 tolling locations on various bridges throughout the state. Leaders from Aetna, Travelers Insurance, The Hartford, Stanley Black & Decker, Beohringer Ingelheim, Pratt & Whitney, and Cigna announced their support for the governor's proposal.

NY COMPLETES 50-MILE DRONE CORRIDOR: The state-supported 50-mile unmanned traffic management drone corridor, which runs from Central New York through the Mohawk Valley is [completed](#), Gov. Andrew Cuomo's office said Tuesday afternoon in a statement. The corridor, believed to be the first, is the most advanced drone testing corridor in the nation, the statement said. Companies will use the corridor to test unmanned aerial system platforms and UTM technologies in real-world settings. Cuomo also recently announced that the corridor had received approval from the Federal Aviation Administration to fly unmanned aircraft beyond visual line of sight (BVLOS) within the first segment. This is the first "true" BVLOS authority granted to the FAA-designated test site, which allows unmanned aircraft testing without the need for ground-based observers, the statement said.

D. EDUCATION & THE ENVIRONMENT

NJ AG ALLEGES TRUMP ADMINISTRATION ISN'T DOING ENOUGH TO PROTECT AIR QUALITY: New Jersey recently [filed](#) two lawsuits against the Trump administration, alleging that the federal government isn't doing enough to protect residents from out-of-state polluters. The lawsuits said the U.S. Environmental Protection Agency has sat idly by while dangerous emissions from around the region continually threaten residents.

What We Are Reading

LABOR SIDES WITH BIG OIL IN FEUD WITH PITTSBURGH'S MAYOR: Mayor Bill Peduto has [faced](#) a fierce backlash since he announced at last week's Climate Action Summit that he opposes any new petrochemical companies coming to Western Pennsylvania. Labor unions, civic leaders and even the mayor's closest political ally have taken him to task. The battle is a microcosm of what is happening nationally: Big-city Democratic mayors are aligning themselves with leftist local officials and environmental activists to renounce disfavored industries. It also exposes the Democrats' deep challenges with blue-collar voters. In both Western Pennsylvania and the Scranton area, the shale industry is opening up prosperity not seen for two generations—and inflaming climate zealots. "A Democrat cannot win Pennsylvania

without voter support from those two regions," said Mike Mikus, a strategist who consulted for Democratic Gov. Tom Wolf's re-election campaign last year. "And you can't win the presidency as a Democrat if you lose Pennsylvania." The oddity of the latest dustup is that there are no petrochemical plants in Pittsburgh. The build-out in the area is in Beaver County, to the northwest, where the massive \$6 billion Shell Pennsylvania Petrochemicals Complex is under construction and where Exxon may build another nearby. Building the Shell plant is expected to create 6,000 jobs in construction, engineering, chemistry, information technology and geology. Once it opens, industry analysts expect it to employ 600 people permanently and to support twice that number of jobs elsewhere in the local economy. The governor calls it a "game changer" for the region.

THE LEFT SMELLS A RAT IN BLOOMBERG, PATRICK BIDS: Democratic donors [say](#) they want Michael Bloomberg and Deval Patrick to run for president because they're petrified that a left-wing candidate can't defeat President Donald Trump. But progressives see a more sinister effort afoot. Aides and allies to Bernie Sanders and Elizabeth Warren, among other liberals, perceive the eleventh-hour campaign launched last week by Patrick — and the prospect of an impending Bloomberg 2020 bid — as an attempt to crush an ascendant left wing that would expand government more than any other Democratic president in decades. In their view, Patrick and Bloomberg are stalking horses for moderate Democrats, high-dollar contributors and bundlers desperate to halt the momentum of the economic populists at the top of the polls — and regain control of the party levers. It's no minor intra-party spat in an election where all wings of the Democratic Party will need to be working in concert to beat Trump. Progressives' concerns have heightened amid recent advances by their standard-bearers. Warren has risen to the top of the field in Iowa and New Hampshire. Sanders has enjoyed a comeback in the past month as well, receiving key endorsements and a small bump in early-state surveys after suffering a heart attack. Sanders and Warren reported having about \$34 million and \$26 million on hand, respectively, in their latest campaign finance filings.

DESANTIS PROPOSES BILLIONS TO EDUCATION: Gov. Ron DeSantis's 2020-2021 [budget](#) proposal rises slightly from last year and allocates billions in funding for education initiatives. The governor unveiled his plan at the state Capitol in Tallahassee on Monday morning. This year's proposed budget is \$91.4 billion, compared with last fiscal year's budget of \$91 billion, and focuses on three key areas: education, the environment, and health care. "Many of you know, we put out some major initiatives over the last few months, telegraphing how the budget would look like. The environment we're going to keep the momentum on that. And we have a lot of major education initiatives," DeSantis said. When it comes to education, DeSantis announced \$22.9 billion in funding: \$900 million would go to initiatives for teacher compensation and bonuses. To help schools boost security, he proposes allocating \$25 million.

STATES CAN DELIVER A MORE EFFECTIVE COLLEGE AFFORDABILITY MESSAGE: While college costs have [risen](#) significantly in the past few decades, some of those cost increases can be partially mitigated by financial aid for low-income families. But many low- and moderate-income families vastly overestimate the cost of college, leading them to assume that enrolling their children in college, particularly a four-year school, is not a realistic option, or that aid is not available even if they do decide to enroll. Even when families are aware that financial aid is available, they frequently assume that they will not be eligible for it. These families typically have inadequate information to assess the cost of college and their aid options. The type of information typically distributed by states is not effective: general information about average tuition levels or descriptions of state-operated financial aid programs lack clear relevance to the specific family or student. Reaching these families with more accurate information about the actual, potentially lower college costs they can expect to encounter can go far to help keep their students on the road to college, and open to a wider variety of school options. More must be done to lower the cost of college. But as the federal government and state

governments pursue those efforts, this report explores how states could simultaneously do more to generate and send to families personalized estimates of college costs—after aid—for their students.¹ First, it reviews the college costs and financial aid information gap that families encounter. Second, it reviews how states have leveraged existing data in other social policy areas to provide information and even make eligibility determinations. Third, it analyzes key considerations in designing an outreach initiative that leverages state tax information. Finally, it looks across three states—California, Michigan, and Texas—to determine how such an initiative would work in practice, basing assessments on research from existing state agency information data sharing practices and interviews with financial aid, higher education, and taxation state workers in each of the selected states.

E. TECHNOLOGY & PROCUREMENT

STATES' MASSIVE GOOGLE ANTITRUST PROBE WILL EXPAND INTO SEARCH, ANDROID BUSINESSES: The 50 attorneys general [investigating](#) Google are preparing to expand their antitrust probe beyond the company's advertising business to dive more deeply into its search and Android businesses, people familiar with the matter tell CNBC. The development comes as politicians on both sides of the aisle, including President Donald Trump, increasingly tee off on Silicon Valley. Meanwhile, Democratic presidential candidate Sen. Elizabeth Warren has called for Big Tech companies to be broken up. The attorneys general – who represent 48 states, Puerto Rico and Washington, D.C. – will write up subpoenas known as civil investigative demands, or CIDs, to support the inquiries, the people said. One of the people cautioned that the subpoenas may not be served imminently. So far, the investigation has explicitly focused on Google's advertising business.

AUTONOMOUS TECH TO GET A TRY-OUT IN THE LINCOLN TUNNEL: The most heavily used highway lane in the United States is [poised](#) to get the autonomous-vehicle treatment. The Port Authority of New York and New Jersey is seeking to experiment with the technology on the Lincoln Tunnel bus lane that connects New Jersey to midtown Manhattan. In a draft resolution posted to its website, the Port Authority said it would seek board approval to spend nearly \$5 million to equip buses with self-driving capabilities in the tunnel, thereby — theoretically — enabling them to drive more closely together and carry more people to Manhattan, more quickly. The Port Authority theorizes that the technology could increase the capacity of the bus lane by 30 percent, or by 200 buses during the peak hour, according to spokesperson Benjamin Branham.

WHICH STATES BEST PROTECT PRIVACY ONLINE? Laws governing online privacy in the US vary widely from state to state. To find out how each US state ranks from least to most private, Comparitech [evaluated](#) each and every one of them based on 20 key criteria. The results reveal a wide range of varying privacy protections, which we've visualized in the map below. Scores are displayed as percentages, with a score of 20 out of 20 being 100 percent. While researching the 2019 update, a few key points stood out that exemplify new privacy law trends in the US: Maine introduced a new data protection act in 2019 that stipulates internet service providers cannot "use, disclose, sell, or permit access to customer personal information" without customer consent, save for certain exemptions such as complying with a court order; Nevada passed an act on October 1, 2019 that allows customers to opt out of online data sharing; South Dakota passed a shield law to protect journalists in March; Utah passed a bill in 2019 that prevents a wide range of providers from handing over user data to law enforcement without a warrant; and, state scores moderately correlate ($r = 0.4$) with how they voted in the 2016 presidential election. Those that voted for Clinton tended to have higher privacy scores.

DATA PRIVACY LAWS, HACKERS PUT NEW EMPHASIS ON CYBER INSURANCE: Once [considered](#) a niche product, cyber insurance policies have become common for companies that handle large amounts of consumer data. With

increased exposure under new data privacy laws like the CCPA, such policies are rapidly turning into a must-have, with global premiums [expected to grow](#) from about \$2.5 billion today to approximately \$7.5 billion by next year.

HOW TRANSPARENT SHOULD GOVERNMENT BE AFTER A CYBERATTACK? A question local government leaders must grapple with [is](#) this: How transparent should government be after a cyberattack? Should they tell citizens everything, or should they downplay incidents altogether, obscuring details under the assumption that any information on their vulnerabilities can and will be used against them? It's a complicated debate, and with this wave of cybercrime showing little sign of slowing, finding answers has become imperative. Being as transparent as possible with citizens has evolved as of late, fueled by technology that enables easier sharing of data as well as more convenient lines of communication between government and the citizens it serves.

DESPITE CONCERNS ABOUT ELECTION SECURITY, 'VULNERABILITIES ABOUND': Ten days [after](#) he lost his re-election bid, Kentucky GOP Gov. Matt Bevin conceded the election. Bevin admitted defeat following a recanvass of the vote, which he had requested and didn't change the outcome. Beginning Nov. 5 — the night of the election — Bevin had complained that his narrow loss to Democrat Andy Beshear was due to irregularities. Bevin's unsubstantiated complaints showed that there is more than one way to undermine confidence in elections. Although election officials worry about hacking into voting machines and registration rolls, they also worry that claims about potential problems make it harder for the public to accept the outcome of elections — especially if their preferred candidate has lost.

NATIONAL GUARD CHIEF EXPECTS EXPANDED ROLE IN 2020 ELECTION SECURITY: The top general in charge of the National Guard [said](#) he expects more states will deploy their guards' cybersecurity personnel to safeguard voting systems during the 2020 presidential election. Air Force Gen. Joseph Lengyel, addressing reporters Tuesday at a Pentagon briefing, said that 27 governors activated their National Guards in the run-up to the 2018 elections, and that several states that held elections this week have done the same, with little evidence of the same active threats from nations like Russia that were prevalent in 2016. But Lengyel said that protecting election infrastructure is likely to be an ongoing part of the National Guard's cybersecurity role, especially working in tandem with civilian authorities like secretaries of state and boards of elections. "Election network security is a very state-centric thing," he said. "We're an additive measure that can augment state response entities." Nationwide, there are 59 National Guard cybersecurity units, comprising nearly 3,900 uniformed personnel. Lengyel said that the leadership of every state's guard has been trained about potential cyberattacks against election systems, adding that in 2018, U.S. Cyber Command brought every adjutant general to Colorado for a threat briefing.

SOME AMERICANS WILL SOON VOTE ON THEIR PHONES: For decades, the cybersecurity community has had a [consistent](#) message: Mixing the Internet and voting is a horrendous idea. "I believe that's about the worst thing you can do in terms of election security in America, short of putting American ballot boxes on a Moscow street," howled Sen. Ron Wyden, D-Ore., on the Senate floor this year. And yet, just a few years removed from Russia's attack on democracy in the 2016 presidential election, and at a time of increased fear about election security, pockets of the U.S. are doing just that: experimenting with Internet voting as a means to increase turnout. Some experts are terrified. Others see the projects as necessary growth in an American voting system they call woefully stuck in a previous century. The number of people expected to vote this way in 2020 is still minuscule. But the company administering the system and advocates pushing for its use are open about wanting to fundamentally change the way Americans cast their ballots over the coming decade.

BGR in the News

BGR FOUNDING PARTNER GOVERNOR HALEY BARBOUR WROTE IN THE CLARION LEDGER: Although they don't live in Mississippi and can't vote for him, Jim Hood [has](#) some very big supporters rooting for him in this year's critical race for governor. No, I'm not talking about the liberals in Washington, D.C., New York and California. Yes, they are pulling for him, but that's not who I'm talking about. The Hood cheerleaders I'm talking about are the state leaders of Alabama, Louisiana, Tennessee, Arkansas and the rest of the Southern states. These states want Jim Hood elected governor of Mississippi next week because they know if he wins their chances of recruiting big, job-creating companies to their states just got a lot better. In the tough, ultra-competitive world of state economic development, having Jim Hood leading the State of Mississippi's corporate recruitment efforts essentially means all of those Southern states have one less state to have to compete against.

II. Politics

A. GOVERNORS & STATEWIDE OFFICES

BACK-TO-BACK LOSSES IN KEY RACES SEND WARNING TO TRUMP, GOP: When Kentucky's Republican governor lost his bid for reelection two weeks ago despite President Trump's active endorsement, the president and his allies [brushed](#) it off by declaring that Trump had nearly dragged an unpopular incumbent across the finish line. On Sunday, a day after another Trump-backed GOP gubernatorial candidate fell in Louisiana, the president and his surrogates barely mounted a defense. In a barrage of 40 tweets and retweets by Sunday evening, Trump didn't mention Eddie Rispone's loss to Gov. John Bel Edwards (D), even though the president had held two campaign rallies in the state in the 10 days before the election aimed at boosting his chances. Republican National Committee Chairwoman Ronna McDaniel — who had publicly praised Trump after the Kentucky elections in which the GOP won five other statewide races — also was mum on Louisiana. On Fox News Sunday, House Minority Whip Steve Scalise (R-La.) couldn't avoid weighing in after host Chris Wallace asked him whether the loss made Trump look bad. "What he said was he'd be made to look bad whether he came in the state or not," Scalise responded, before crediting Trump with helping Rispone, a businessman, force a runoff election with Edwards after holding a rally in the state on the eve of the bipartisan primary last month. For Trump, however, the back-to-back losses of GOP gubernatorial candidates in red Southern states is more than just a bad look. It's a warning sign that the president's strategy of focusing strictly on maintaining the strong support of his conservative base might not be enough to help fellow Republicans or even himself in 2020 amid the House Democrats' [impeachment probe](#), which has imperiled his presidency.

WHY GOVERNORS ARE THE ONLY CANDIDATES VOTERS WILL BREAK PARTY RANKS TO SUPPORT: There are now eight states [where](#) Trump won that have Democratic governors. The four Republicans who govern states that Clinton carried — in Maryland, Massachusetts, New Hampshire and Vermont — are consistently ranked among the [most popular governors](#) in the nation. Given the nature of their job — funding schools, building roads and the like — governors tend to be more pragmatic than legislators. Last year, many of the most progressive Democratic candidates for governor lost in states such as Arizona, Florida, Georgia and Maryland. The same held true for Republicans who made support for Trump central to their message in Kansas, Michigan and Pennsylvania. "Unlike members of Congress, governors are not beholden to their party leaders — Pelosi and Trump — so governor candidates who are better fits for the state are able to win in primaries," says Shiro Kuriwaki, a doctoral student at Harvard University who published a [study](#) showing that

South Carolina voters were more likely last year to split votes for governor than for the U.S. Senate. In 2016, not a single senator was elected to a state that their party didn't carry for president. There are only 34 U.S. House members, out of 435, who represent districts that voted for the opposite party for president (including just three Republicans). Fewer than 10 percent of state legislators represent districts their party didn't carry for president. In fact, Republicans control the legislature in every state that Trump carried in 2016. With their sweep of the Virginia legislature on Tuesday, Democrats now control both chambers in every state Clinton carried, with the exception of Minnesota. (Democrats won the Minnesota House last year, but the state Senate was not up for grabs.) Legislative majorities have grown bigger over the last decade, meaning one party is not only in control, but firmly in control. Supermajorities are common. Voters in several such states have welcomed governors who can act as a brake on legislatures controlled by the otherwise dominant party. And most governors are elected outside the presidential year.

HUNTSMAN ANNOUNCES BID FOR UTAH GOVERNOR: Jon Huntsman on Thursday [announced](#) his bid for a third term as Utah's governor, saying it was "time to give back to our home state again." Huntman, who most recently served as the US ambassador to Russia, was Utah's governor from 2005 to 2009. The Republican resigned from his ambassadorship in August and moved back to Utah last month, after his resignation was effective. In the video announcing his campaign, Huntsman said the state "must stay ahead of the curve, ahead of the dysfunction in Washington." It highlighted his previous two terms as governor, including his signing of tax overhaul legislation.

NORTHAM STARTS MAKING PLANS FOR NEW LEGISLATURE: Virginia Gov. Ralph Northam recently [used](#) a Cabinet meeting to showcase all he expects to get done with a state government under Democratic control for the first time in a generation. Northam, still buoyant after his party wrested control of the General Assembly from Republicans on Tuesday, assembled his team in a ceremonial meeting room in the State Capitol, instead of the workaday Patrick Henry Building, where they typically meet. For nearly an hour, Northam called on various Cabinet secretaries to talk about their agendas for the Democratic legislature that will convene in January. They offered plans that included tightening gun laws and expanding prekindergarten programs, with Finance Secretary Aubrey Layne putting in a plug for maintaining the state's practice of living within its means.

HOGAN NAMES DEMOCRAT KEIFFER MITCHELL AS TOP LOBBYIST: Maryland Gov. Larry Hogan [named](#) a prominent Democrat as his top lobbyist in Annapolis, elevating Keiffer J. Mitchell Jr. as his chief negotiator with the Democratic-majority General Assembly. Mitchell, a former politician and part of a storied family of Baltimore civil rights activists, has worked as a Hogan aide since the governor's 2015 inauguration. He is also a former history teacher at a Baltimore private school. He takes over the lobbyist job as the Democrats, who have supermajorities in both chambers of the legislature, weigh a once-in-a-generation overhaul of public schools. Mitchell will replace former Republican state senator Chris Shank, who is leaving the post after three years to take a job in the private sector. The appointment also further reinforces a regional power shift that has boosted the influence of Democrats from the Baltimore area: new House Speaker Adrienne A. Jones is from Baltimore County, and the presumed next Senate president is Sen. Bill Ferguson, who is from Baltimore City.

ALASKA DIVISION OF ELECTIONS REJECTS RECALL PETITION FOR GOV. DUNLEAVY: The Alaska Division of Elections on [declined](#) to certify a petition to recall Gov. Mike Dunleavy from office, citing a legal opinion by the state attorney general. Proponents say they will challenge the rejection in court. [The opinion](#), issued by Alaska Attorney General Kevin Clarkson, says petitioners gathered enough signatures, paid the appropriate fees and did the "technical" work correctly, but that the four allegations against the governor "fail to meet any of the listed grounds for recall — neglect of duty, incompetence, or lack of fitness."

WHEN A STATE AG TAKES ON A NATIONAL FIGHT, WHAT'S HE GUNNING FOR? When a bipartisan bunch of state attorneys general [announced](#) this summer they had [cut a deal](#) with phone companies to crack down on infuriating robocalls, Democratic Attorney General Josh Stein of North Carolina led the news conference in Washington. When four AGs — two Democrats and two Republicans — pursued a settlement framework with opioid manufacturers last month, Stein was on board. And when prosecutors decided to investigate Facebook and Google earlier this year, Stein was among the core group of state attorneys general of both parties steering the probes. He was [the first to sue Juul](#), the e-cigarette company; he joined a coalition of Democratic attorneys general opposing the end of the Deferred Action for Childhood Arrivals (DACA) program for immigrant children; and he submitted comments on behalf of 22 Democratic AGs opposing the Trump administration's proposed changes to a federal fair housing rule, which they say would make it harder to prove discrimination. He also joined the states suing the Trump administration over its plans to undermine the Obama-era Clean Power Plan. Stein, 53, has inserted himself into nearly every high-profile action that state attorneys general have taken since he started the job in North Carolina in 2017. He is emblematic of a new kind of state attorney general — more aggressive, often bipartisan — rising to prominence nationwide. What used to be a relatively high-profile position within a state's boundaries has become a springboard for publicity across the country. As politics on the national level becomes more polarized, and with Congress stymied by attention on a presidential impeachment investigation, attention has increasingly turned to the states, where legislatures are primed to act, governors have some real power and attorneys general are stepping up, particularly on consumer issues where the federal government has largely stepped away. In the first two years of the Trump presidency, attorneys general as a group filed or joined 61 lawsuits against the administration, including challenges to the Clean Power Plan rollback and separations of migrant children at the Southern border, according to the Center for Public Integrity, a Washington-based news organization. Under Stein, who took office the same month as Trump, North Carolina was part of many of them.

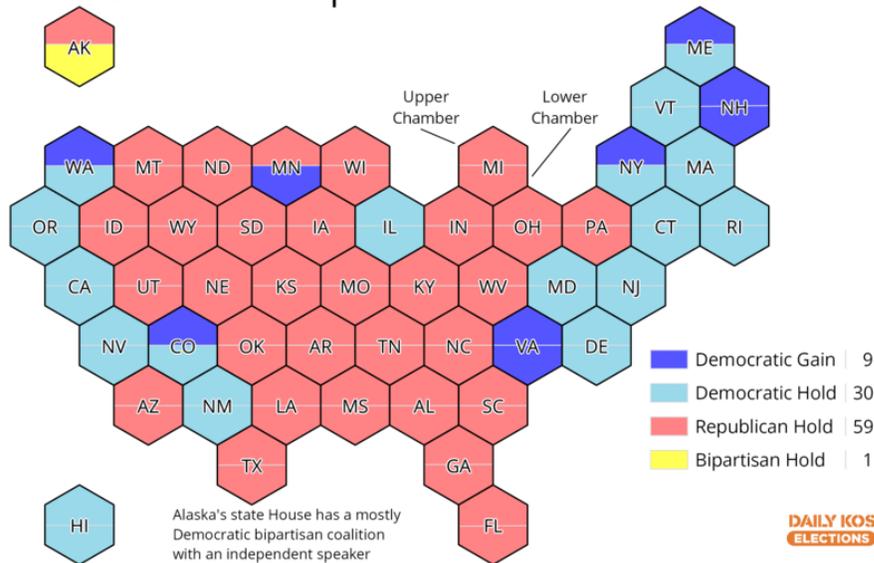
ABORTION IS NEW LITMUS TEST FOR DEM AGs GROUP: An association of Democratic state attorneys general [will](#) become the first national party committee to impose an explicit abortion litmus test on its candidates, announcing that it will refuse to endorse anyone who does not support reproductive rights and expanding access to abortion services. To win financial and strategic backing from the group, candidates will be required to make a public statement declaring their support of abortion rights. The group, the Democratic Attorneys General Association, recruits candidates and helps their campaigns with financial support, data analysis, messaging and policy positions. The decision comes as a series of state legislatures have [approved restrictive laws](#) designed to provoke a renewed legal battle over abortion rights, with the aim to reach the United States Supreme Court and topple *Roe v. Wade*, the landmark 1973 decision that legalized abortion.

PITTSBURGH-AREA ATTORNEY ANNOUNCES BID FOR STATE AG: Pittsburgh-area attorney Heather Heidelbaugh [announced](#) Tuesday that she will run for Pennsylvania Attorney General next year. The Republican and former Allegheny County Councilor seeks to challenge Democratic incumbent Josh Shapiro, who she said is preoccupied with touting "headline-grabbing" cases — possibly in an effort to become governor of Pennsylvania. As an example, Heidelbaugh, of Mt. Lebanon, cited the attorney general's effort to reveal the names of all Roman Catholic clergy who were implicated in a scathing grand jury report on sexual abuse of children. The report, which identified over 300 predator clergy and enablers, garnered international attention following its release in August 2018. The Pennsylvania Supreme Court barred the publication of 11 names, however, saying there was no way to ensure due process within the grand jury investigation. Heidelbaugh noted that prosecutors run that process, with no opportunity for the accused to mount a defense.

B. STATE LEGISLATURES & MAYORS

WITH TRUMP IN OFFICE, GOP HAS LOST NINE LEGISLATIVE CHAMBERS NATIONWIDE: Democrats [won](#) a smashing victory in Virginia on election night this month, picking up both the state House and the state Senate from Republicans and taking control of the state’s government for the first time in a quarter-century. But Democrats didn’t just paint Virginia blue: They also elected its first truly progressive legislature—and a key reason they did so was Donald Trump. In fact, since Trump was first elected, Democrats have now flipped nine state legislative chambers and haven’t lost a single one, as you can see in the map at the top of this post. And while Republicans still hold a sizable edge—thanks in large part to brazen gerrymanders in several large swing states such as Michigan and Pennsylvania—the gap has closed considerably. Just how much? After 2016, 61% of the U.S. lived in states with Republican-run statehouses, while just 28% resided in states where Democrats held majorities, and 11% lived in states with split control. Now, the divide has been cut in half, to 57% Republican to 41% Democratic, with 2% in divided states.

Democratic Legislative Chamber Gains Since Donald Trump Became President



Source: [Daily Kos](#)

DOZENS OF CITIES SUE FCC OVER GET-OUT-OF-FEES CABLE TV ORDER: Cities from Los Angeles to Boston are [fighting](#) a Federal Communications Commission decision they say will cost them millions by letting cable TV providers such as Comcast partly pay them with services like free air time instead of money. At least 46 cities are asking federal appeals courts to undo an FCC order they argue will force them to raise taxes or cut spending on local media services, including channels that schools, governments, and the general public can use for programming. The lawsuits reflect a larger clash of interests among localities, media companies, and the FCC brought on by the agency’s tactic of promoting broadband deployment nationwide—especially in rural areas with spotty or no internet access—by easing rules for business. The order’s backers say cable companies won’t be as willing to invest in internet services, and build infrastructure, if they have to provide public access TV and other telecommunications services on top of the franchise fees they’re required by statute to pay. Cities, though, see a future of diminished returns.

CITIES ARE BANNING NATURAL GAS IN HOMES: Fix global warming or cook dinner on a gas stove? That's the [choice](#) for people in 13 cities and one county in California that have enacted new zoning codes encouraging or requiring all-electric new construction. The codes, most of them passed since June, are meant to keep builders from running natural gas lines to new homes and apartments, with an eye toward creating fewer legacy gas hookups as the nation shifts to carbon-neutral energy sources. For proponents, it's a change that must be made to fight climate change. For natural gas companies, it's a threat to their existence. And for some cooks who love to prepare food with flame, it's an unthinkable loss. Natural gas is a fossil fuel, mostly methane, and produces 33% of U.S. carbon dioxide emissions from electricity generation, according to the U.S. Energy Information Administration. Carbon dioxide is the primary greenhouse gas causing climate change.

BLOOMBERG, BUTTIGIEG AND THE RISE OF MAYORS: The hottest Democratic presidential [candidate](#) right now is Pete Buttigieg, and the newest one, at least potentially, is Michael Bloomberg. They don't have much in common. They are separated in age by four decades, in hometowns by 700 miles, and in personal wealth by billions of dollars. But they do share this important trait: experience as American mayors. Mr. Buttigieg leads the midsize city of South Bend, Ind., and Mr. Bloomberg spent three terms as mayor of the megalopolis of New York City. In fact, the Democratic presidential field has included five current or former mayors, and Mr. Bloomberg, [should he decide in coming days to launch a candidacy](#), would make it six. That isn't a coincidence. With the federal government in something approaching paralysis, leading a city actually may be a better proving ground for showing you can get things done.

BGR Election Update

BGR recently held a roundtable discussion with key GOP state leaders to discuss the impact of the November races. The roundtable discussion featured: Mike Young, Political Director, Republican Attorneys General Association; Donald Rickard, Deputy Political Director, Republican Legislative Campaign Committee; and, JP Twist, Political Director, Republican Governors Association.



Campaign News

MISSISSIPPI

REPUBLICAN REEVES WINS GOVERNOR'S RACE: Republican Lt. Gov. Tate Reeves [won](#) the race for Mississippi governor, defeating Democratic Attorney General Jim Hood. For the first time since Reconstruction, Republicans were on track Tuesday to control all statewide elected offices in Mississippi. They also are expected to maintain super-majority control of the Legislature. In incomplete and unofficial results, Reeves led Hood on Tuesday night 52% to 47%. After a race filled with attack ads, Reeves took a conciliatory tone in his victory speech in downtown Jackson.

REEVES PICKS GOP VETERAN BRAD WHITE TO LEAD TRANSITION TEAM: Gov.-elect Tate Reeves has [named](#) longtime Mississippi Republican leader and politico Brad White to lead his transition team. Reeves in a statement Thursday called former state Republican Party Chairman White a "political giant." White has been serving as chief of staff for U.S. Sen. Cindy Hyde-Smith.

FITCH ELECTED MISSISSIPPI'S FIRST FEMAL AG: Lynn Fitch will [become](#) the first woman to serve as Mississippi's attorney general after the Republican candidate defeated Democrat Jennifer Riley Collins. Fitch, who has been state treasurer since 2011, won with nearly 60% of the vote in the historic election. "I'm so blessed to be part of this history," Fitch said. "This is history for the entire state." Fitch said one of her role models was the late former Lt. Gov. Evelyn Gandy, the first statewide female elected official in recent history.

FITCH JOINS TRUMP ADMIN'S REGULATORY REFORM REVOLUTION: Yesterday, Attorney General-Elect Lynn Fitch [joined](#) Vice President Mike Pence and a bipartisan group of state and local leaders from across the nation on a conference call to kick off the White House's Governor's Initiative on Regulatory Innovation. General-Elect Fitch was invited to be one of about 100 Champions of regulatory reform because of her record as Treasurer and her agenda as Attorney General.

KENTUCKY

WHO IS ON BESHEAR'S TRANSITION TEAM? With the vote recanvass now [behind](#) him and less than four weeks before inauguration day, Gov.-elect Andy Beshear is moving quickly with his transition to the office. Beshear announced more than 150 members members of his new [transition team](#), as he and running mate Jacqueline Coleman prepare to take over the office and 11 executive branch cabinets. The transition team members will now meet with cabinet employees and gather information for the new Beshear administration, as they begin to make staffing and policy decisions next month. Gov. Matt Bevin conceded defeat to Beshear on Thursday near the end of the recanvass of votes in all 120 counties, which showed the Democratic attorney general winning by 5,136 votes over the incumbent governor. Announcing the leaders of the team at the state Capitol, Beshear touted its diversity and inclusiveness as a strength, with members coming from different regions, parties, backgrounds and ideologies.

BESHEAR ANNOUNCES J. MICHAEL BROWN TO LEAD TRANSITION TEAM: Democrat Andy Beshear won the Kentucky governor's race on November 5, 2019. The next day he [named](#) deputy attorney general J. Michael Brown his transition team leader.

CAMERON LINES UP TRANSITION TEAM: Attorney general-elect Daniel Cameron has [named](#) a 21-member transition team as he prepares to become Kentucky's 51st attorney general in January. The team is headed by Oldham County attorney Barry Dunn, who joined the Bevin administration in December 2015 as general counsel of the Public Protection Cabinet and served in state government until January of this year. He is currently in private practice. The Cameron campaign says the men and women from law enforcement, non-profits, federal partners, elected officials and civic groups, will provide advice on matters related to a successful transition and staffing of the Attorney General's office.

HAMPTON HINTS SHE MAY RUN: Lt. Gov. Jenean Hampton, in Bardstown on Tuesday to receive the first Ron Paul Liberty Award from the Republican Party of Nelson County, [said](#) she doesn't know what's next for her when she leaves office at the end of next month, but she wouldn't rule out running for something else. "Everything is on the table," she said in an interview with The Kentucky Standard. Then she repeated those words. Twice. Richard Hardin, whom she called her "Sherpa" in the 2015 governor's race, in which she was Gov. Matt Bevin's running mate, said he thinks Bevin was elected because of her.

BEVIN LOOKS FORWARD TO PRIVATE SECTOR RETURN: Gov. Matt Bevin [says](#) that he looks forward to returning to the private sector once his term as governor ends on December 10. Bevin, a Republican, lost his race for reelection by about 5,000 votes to Democratic rival Andy Beshear. A recanvass of the election results only produced one additional vote for a write-in candidate. When asked what he will do next during an interview on Fox and Friends on Saturday, Bevin said "we'll see." "I find myself now back to exactly where I've been," Bevin said. "The private sector is a wonderful place, it really is. It served me well for years and I look forward to returning." Bevin is the president of Bevin Bells, a bell company based in East Hampton, Connecticut, but he made his fortune as an investment manager. He founded the company Integrity Asset Management, which managed public pension funds, and sold the company in 2011.

TEACHERS STRIKES MAY HAVE HELPED DEMOCRATS IN KENTUCKY: Andy Beshear just [flipped](#) Kentucky's governor's seat from red to blue, and he did it with an army of public school teachers behind him. Hundreds of teachers made phone calls, knocked on doors, and offered voters a ride to the polls. They organized get-out-the-vote programs and "Bevin is a Bully" events (deriding incumbent GOP Gov. Matt Bevin). While the teachers' actions were driven more by their intense hatred of Bevin than by pure enthusiasm for Beshear, it still worked. On Tuesday, by a slim margin of 5,300 votes, Beshear ousted the Republican governor of a deep red state. Even President Donald Trump's rally to support Bevin the day before wasn't enough to save him. In a private Facebook group, Kentucky teachers rejoiced as the results came in Tuesday night. "I'm so proud of us!" a school librarian commented on the page of Kentucky 120 United, a grassroots group of 7,000 teachers and educators who organized the teachers strikes in 2018. "Everyone should wear blue tomorrow because we turned KY blue," wrote another member. Eddie Campbell, president of the Kentucky Education Association, said he's never seen teachers so engaged in the political process. About 1,000 members volunteered on Beshear's campaign, he said.

LOUISIANA

TRUMP'S EFFORTS FALL FLAT IN LOUISIANA: Democrat John Bel Edwards [won](#) another term as Louisiana's governor on Saturday, frustrating President Donald Trump's hope – backed by multiple visits to the state – of avenging the loss of the Kentucky governorship not even two weeks earlier. As was the case in Kentucky's gubernatorial race, Edwards' victory demonstrated that Trump's efforts to nationalize the contest by focusing on impeachment and other hot-button issues have limits, even in solidly red states. After failing to reach 50 percent in the all-party primary, Edwards defeated Republican businessman Eddie Rispone in Saturday's runoff, 51 percent to 49 percent – a margin of just 40,000 votes,

and one that came despite steep challenges for the incumbent. Edwards, a West Point graduate, Army veteran and longtime state legislator, won his office in 2015 by defeating Republican Sen. David Vitter, who was hobbled by his past ties to prostitutes. This year's opponent, Rispone, had no such personal baggage. The GOP invested a lot of political capital into the contest late in the game -- Trump's visits, tweets, robocalls and talk-radio interviews, plus \$2 million and 60 paid staffers from the Republican National Committee just days before Election Day. And in recent election cycles, Louisiana has become a reliable GOP-voting state, electing only Republicans to statewide office other than Edwards. For Edwards, winning required a lot of things to go right.

FRESH FACED LEGISLATURE IS MORE CONSERVATIVE EVER: As Democratic Gov. John Bel Edwards [enters](#) his second term, he's going to have to work with a Legislature that has more Republicans and more conservatives than he had to deal with during his first four years. Republicans won a super-majority in the state Senate during the Oct. 12 primary. The GOP added to their number Saturday night by winning a competitive race in southeast Baton Rouge and conservatives replaced a northwest Louisiana senator not considered Republican enough. Republicans in the 105-member Louisiana House needed to win seven seats to have a two-thirds majority but came up two short of the 70 needed to have their way unfettered after being inaugurated on Jan. 13. "It's unprecedented. The Legislature is more conservative, more pro-business than ever before," said Stephen Waguespack, head of the Louisiana Association of Business and Industry, the powerful lobbyist representing the business community. "The final tally shows that you're going to have Legislature with a lot of fresh faces and a lot of new ideas." Eighteen of the 39 state senators are rookies and 46 House members are new. Republicans have held the majority in both chambers since 2011. The present class of senators had tamped the brakes on the more conservative House-passed legislation. The result was negotiation, often bitter, to pass or kill bills during the past four years. But with more conservative senators and representatives among the incoming class that dynamic becomes more difficult. Republicans, provided they act together, have enough votes in the Senate and nearly enough in the House to overturn gubernatorial vetoes and to otherwise act on certain budget and tax decisions without regard to Democratic input.

VIRGINIA

DEMS TAKE CONTROL OF VA LEGISLATURE FOR FIRST TIME IN DECADES: Virginia Democrats [continued](#) their winning streak under President Trump and took full control of the statehouse for the first time in more than two decades. Democrats won majorities in both the state House and Senate in the marquee warmup for next year's presidential election, the third election in a row in which they have made significant gains since Trump was elected. Of the four states with legislative elections this year, Virginia is the only one where control of the statehouse was up for grabs. Republicans had slim majorities in both the state House and Senate.

VIRGINIA DEMS' SPEAKER PICK WOULD BE FIRST WOMAN IN JOB: Virginia's House of Delegates is [expected](#) to soon have its first female speaker in its 400-year history, as the chamber's incoming Democrats chose a veteran legislator for the post. Democratic delegates for the upcoming session picked Del. Eileen Filler-Corn of Fairfax County as their nominee. Filler-Corn's election as speaker on the session's first day in January is anticipated because Democrats on Tuesday won a majority in the state House for the first time in two decades. Republicans lost their slim seat advantages in both the state House and Senate, giving Democrats led by Gov. Ralph Northam the ability to pass stricter gun laws and a higher minimum wage, as well as change rules barring the removal of Confederate war memorials.