**1NC Shell 2**

AT: Solvency Deficit – Funding 6

AT: Solvency Deficit – Funding 8

AT: Solvency Deficit – Federalism 10

AT: California DA 12

AT: Illinois DA 14

AT: Ohio DA 15

Solvency: Generic 16

Solvency: Innovation 20

Solvency: International Cooperation 21

Solvency: Economic Competitiveness 22

Solvency: Warming 23

Solvency: HSR 24

Solvency: Mass Transit 25

Solvency: Hydrogen 26

Solvency: Infrastructure Banks 27

Federal Government Models States 28

Uniform State Action 29

Race to the Top—General 30

States—AT: Obama Blamed for DC 31

States Don’t Link to Politics 32

States have Funding – Revenue 33

States have Funding – Recovery 35

States have Funding – Ohio 36

States have Funding – Texas 37

States have Funding – Texas – Turn 38

**\*AFF 39**

Permutation 39

States Can’t do it – Funding 40

Aff - No Funding - Uniformity 41

Aff - No Funding - Medicare 43

Aff - No Funding - New Jersey 45

Aff - No Funding - Texas 46

Aff - No Funding - Texas 47

Aff - No Funding - Illinois 48

No Solvency - Uniformity 49

Race to the Bottom 50

Perm Shields Politics Link 51

Perm Solves - Environment 52

States Bad—Discrimination 53

**\*\*\*Fuel Taxes Plank 54**

Fuel Taxes - 1NC 54

Fuel Taxes Plank - Solves Funding 55

Fuel Taxes Plank - AT: T/Econ 56

Aff - AT: Fuel Taxes 57

Aff - AT: Fuel Taxes - Politics Link 58

**\*\*\*California Spending DA 59**

Aff - Cal Econ DA - 2AC Shell 59

Aff - Cal Econ DA - 2AC Shell 60

Aff - Cal Econ DA - 2AC Shell 61

Aff - Cal Econ DA - UQ 62

Aff - Cal Econ DA - Internal Links 65

Aff - Cal Econ DA - AT: Link T/ 66

Aff - Cal Econ DA - Econ Impact 67

Neg - Cal Econ DA - N/U 68

Neg - Cal Econ DA - Alt Cause 69

Neg - Cal Econ DA - No Link 70

Neg - Cal Econ DA - Link T/ 71

\*\*\*Random 73

Neg - California Politics DA - GHG Impact 73

Neg/Aff - Elections Internal 74

1NC Shell

Text: The 50 states should (implement the mandates of the plan that don’t include federal government action).  
  
Giving authority to the states would maximize solvency – best way to fund and manage

Edwards 11

(Chris, director of tax policy studies at the Cato Institute, November 16, 2011, “Federal Infrastructure Investment,” http://www.cato.org/publications/congressional-testimony/federal-infrastructure-investment)

The U.S. economy needs infrastructure, but state and local governments and the private sector are generally the best places to fund and manage it. The states should be the "laboratories of democracy" for infrastructure, and they should be able to innovate freely with new ways of financing and managing their roads, bridges, airports, seaports, and other facilities. It is true that — like the federal government — the states can make infrastructure mistakes. But at least state-level mistakes aren't automatically repeated across the country. If we ended federal involvement in high-speed rail, for example, California could continue to move ahead with its own system. Other states could wait and see how California's system was performing before putting their own taxpayers on the hook.

**2NC Overview:**

**The counterplan solves 100% of the case – all 50 states will implement the affirmative plan, tailoring it to the specific needs of their citizens and solving the case even better.**

**First, our Edwards evidence indicates that the federal government is inefficient when it comes to transportation infrastructure, which mitigates their solvency.**

**Second, our Edwards evidence all proves that state and local governments are not only capable of doing the plan, but they also do it much better, which means we solve for the affirmative advantages better than the plan does.**

**Third, only through state action can we bolster federalism and solve for the impacts of the net-benefit.**

**AT: Perm**

**1. The perm fails –**

**Federal funding only undermines state efforts through special interest and politics**

**The Economist 11**

(The Economist, Apr 28, 2011, “America's transport infrastructure: Life in the slow lane,” http://www.economist.com/node/18620944)

Formula-determined block grants to states are, at least, designed to leave important decisions to local authorities. But the formulas used to allocate the money shape infrastructure planning in a remarkably block-headed manner. Cost-benefit studies are almost entirely lacking. Federal guidelines for new construction tend to reflect politics rather than anything else. States tend to use federal money as a substitute for local spending, rather than to supplement or leverage it. The Government Accountability Office estimates that substitution has risen substantially since the 1980s, and increases particularly when states get into budget difficulties.

**Joint action encourages government expansion and lack of efficiency**

**Mitchell 07**

(Daniel, senior fellow with The Heritage Foundation, and an economist for Senator Bob Packwood and the Senate Finance Committee September 25, 2007, “SCHIP’s Perverse Incentives”, http://www.cato-at-liberty.org/schips-perverse-incentives/)

Picking the worst government program would be a huge challenge, but picking the worst funding system is much easier. Programs involving joint federal-state funding contain built-in incentives to expand the size of government because politicians at either level can buy more votes by expanding the program, knowing that they only have to pay (depending on the formula) a share of the cost. In other words, lawmakers can promise $1 worth of goodies for, say, 50 cents. This is one of the reasons why Medicaid is a fiscal disaster. It’s also why welfare reform was a step in the right direction (the old system funneled more money to states when they added more people on the dole, creating a terrible incentive system). Unfortunately, politicians generally make things worse rather than better, and a Wall Street Journal editorial (sub only) shows how the SCHIP program is encouraging more government:

**2. The perm links to the net-benefit –**

**Cooperative federalism is a farce – joint action can’t solve any of federalism’s benefits**

**Cox 00**(Adam, Loyola of Las Angeles Law Review, 2000, “Expressivism in Federalism: A New Defense of the Anti-Commandeering Rule”,

http://digitalcommons.lmu.edu/llr/vol33/iss4/4)

Examining this list, it becomes apparent that different institutional features of the federal structure are more or less important for securing these different values. Some of the values ‑ diversity, competition, and experimentalism ‑ appear to depend significantly on the existence of many states pursuing unique regulatory agendas. If all of the states pursued identical regulatory strategies, or were prevented from instituting meaningful agendas altogether, these values, as a logical matter, could not be promoted. Obviously there would be no regulatory diversity, because all of the states would structure the lives of their citizens in the same way. Moreover, this uniformity would prevent state competition and experimentation: people would have no incentive to "vote with their feet" if each state provided the same package of public goods, and experimentation by definition requires that different states attempt different solutions to the same social problems.

AT: Perm

A national program can enhance State programs

**Lemov, 12** (3/1/2012, Penelope, “A Bank for Infrastructure Funding; Legislation moving through Congress could help states and localities finance public works projects,” http://www.governing.com/columns/public-finance/col-bank-infrastructure-funding.html, JMP)

Like TIFIA, the state bank is for transportation only. The program's been around since the Clinton administration and has never taken off as a national program. That said, an expanded state infrastructure bank program could use national infrastructure bank programs to enhance its own financing.

State and local efforts alone aren’t enough --- they want federal efforts

**Corless, 12** --- Campaign Director, Transportation for America (5/23/2012, James, “Local Voters Need a Partner,” http://transportation.nationaljournal.com/2012/05/not-waiting-for-the-feds.php, JMP)

As the prompt suggests, local governments, businesses and voters are indeed feeling urgency about the state of our infrastructure amid the confusion emanating from Washington. As if to demonstrate just how serious they are about the issue, citizens across the political spectrum are voting to spend their money on transportation – despite an ongoing a fiscal crisis and the anti-government rhetoric that permeates political discourse. Absent strong federal leadership, states, cities and local communities are indeed stepping out on their own, raising funds from innovative sources, and doing what they can to make it happen. But left to shoulder the burden entirely alone, these communities’ noble efforts won’t be enough to meet the challenges we’re facing. These communities are stepping forward, but in the hopes that the federal government will take the next step with them and support them along the way. The role for the federal government in transportation is indeed changing, evolving from being the driving factor that it was during the interstate era to being more of a partner in helping localities meet their changing needs. And their needs are a national concern, because they bear on whether Americans have a safe, reliable way to get to work, and whether goods can get to market. No developed nation in the world leaves these matters of basic infrastructure entirely to chance. But there seems little doubt that, for the foreseeable future, federal resources will be constrained, and that makes it more imperative than ever that we set goals for the investment, and measure progress toward those goals. That’s why provisions to do that in the Senate’s bipartisan transportation bill, MAP-21 bill are so important. It’s time we figure out what matters most, and what will get the best bang for the buck. Local communities raising money for transportation are following a tried-and-true blueprint that rewards accountability and specificity: When they know what transportation dollars are going to buy — this new transit line, that new busway, this new bridge project — and who is accountable for implementation, measures to fund those projects pass close to 70 percent of the time. Such was the case with the transit-funding Measure R in Los Angeles, which earned a two-thirds majority vote. Having passed the tax, Los Angeles is now seeking federal help with low-cost loans that can build 30 years worth of projects in 10. Local bootstraps are great for getting off the ground, but they only get you so far up the ladder if the federal rung is missing. These innovators aren’t pressing for “devolution,” they’re simply looking for a dance partner

AT: Solvency Deficit – Funding

Billions are being generated for state transportation projects

Dierkers and Mattingly 09

(Greg and Justin, NGA Center for Best Practices Environment, Energy & Natural Resources Division, “How States and Territories

Fund Transportation”, http://www.ibtta.org/files/PDFs/How%20States%20fund%20transportation%20strategies.pdf)

States are also using nontraditional and innovative approaches to funding and financing, including sources of revenue, new financing mechanisms, new funds management techniques, and new institutional arrangements. These might be new sources for bond repayment or electronic road tolls that charge based on time of use. Although traditional sources still produce the majority of state transportation revenues, new and innovative approaches have generated billions of dollars to fund state transportation projects over the past decade or so. Since 1990, new federal bonding programs and credit assistance has leveraged over $29 billion in new revenue, spread across almost all states.

States are capable of doing the plan – they already account for 60% of transportation expenditures

CBO 10

(Congressional Budget Office, November 17, 2010, “Public Spending on Transportation and Water Infrastructure”, http://www.cbo.gov/publication/21902)

In recent years, not quite half of total public funding for transportation and water infrastructure in the United States has been devoted to capital spending for activities such as construction and equipment purchases. State and local governments have accounted for about 60 percent of those expenditures, and the federal government has accounted for about 40 percent. A little more than half of total public spending for such infrastructure has been used for operation and maintenance, of which state and local governments have provided about 90 percent. Although the federal government hasplayed a limited role in the funding of operation and maintenance for transportation and water infrastructure as a whole, it has provided much of the funding for operating and maintaining the nation’s air traffic control system.

Funding arguments are non-unique – state governments control most of the money and undertake a majority of projects themselves

VTP 10

(Victoria Transportation Policy Institute, November 28, 2010, “State and Provincial Government Actions for Efficient Transportation”, http://www.vtpi.org/tdm/tdm206.htm)

State and provincialgovernments significantly influence transportation and land use decisions in many ways. They finance, plan, build and operate major transportation facilities and services, including highways and transit services, and establish regulations and funding sources for ports, airports and various transportation services. They often control the largest total transportation budgets, employ the largest number of transportation engineers and planners, in a jurisdiction. They influence transport conditions indirectly by determining the location and design of public facilities (such as schools and medical facilities), by controlling land use regulations and development practices, and by providing fund and financing options to other levels of government and by other government agencies. State and provincial governments are responsible for interregional transportation, and so must deal with traffic problems on major corridors, plus non-transportation planning objectives such as public health, economic development and environmental quality. When viewed from this broad perspective, TDM programs often turn out to be more cost effective and beneficial than other solutions, such as expanding roadway facilities. However, current planning and evaluation practices by state transportation agencies often overlook many TDM benefits.

**AT: Commerce Clause**

**The commerce clause is grossly over exaggerated for political purposes**

**Maharrey 1/18**

(Mike, January 18, 2012, “Not Everything is Interstate Commerce”, http://tenthamendmentcenter.com/2012/01/18/not-everything-is-interstate-commerce/)

The United States federal government finds a seemingly endless array of ways to exercise authority it does not rightly possess. But perhaps the widest path to the destruction of state sovereignty winds its way through the Constitution’s commerce clause. Since the infamous Wickard v. Fliburn case, the feds use the commerce clause to justify virtually unlimited intrusion into nearly every corner of American life. From regulating the nation’s entire health care system to waging a “war on drugs,” federal agents wield power over the states and the people via the commerce clause. Rep. John Yarmuth reluctantly admitted the truth during a radio interview in August 2010. The show host asked the Kentucky Democrat: what can’t the federal government do if it can mandate Americans must purchase health insurance.“It really doesn’t prohibit the government from doing virtually anything – the federal government. So I don’t know the answer to your question, because I am not sure there is anything under current interpretation of the commerce clause that the government couldn’t do,” Yarmuth replied. Of course, the commerce clause was never intended to grant such sweeping power.

AT: Solvency Deficit – Funding

Even if there are budget shortfalls, states still maximize infrastructure effectiveness – Missouri proves

Chung 11

(Christopher, CEO of the Missouri Partnership, March 2011, “Efficient Use of State Resources Keeps Transportation Flowing,” http://www.inboundlogistics.com/cms/article/efficient-use-of-state-resources-keeps-transportation-flowing/)

Missouri, on track to reduce transport costs by more than $200 million in the next five years, shows that wise investment of limited resources can result in efficient transportation that does not compromise safety or customer satisfaction. Despite a leaner budget, the Missouri Department of Transportation (MoDOT) has ramped up its commitment to transportation. Missouri holds the fourth-best ranking in the nation for rail and highway accessibility, and MoDOT recently received several awards for its efforts.

**States can fund - revenues are set to increase**

**Selway 6/12** (William, Bloomberg Business, "State Revenue Tops Forecasts as U.S. Governors Reduce Spending," http://www.businessweek.com/news/2012-06-12/state-revenue-tops-forecasts-as-u-dot-s-dot-governors-reduce-spending)

Most U.S. states are collecting more revenue than they forecast this year as the economy recovers, reducing budget deficits that have persisted in the nation’s capitals since the recession. Thirty-one states collected more than they expected when drafting budgets for the current fiscal year, which ends this month in most states, according to a report released today by the National Governors Association. Still, state leaders moved to slow the growth of spending in the coming year, reflecting uncertainty about the economy, the report found. “State fiscal conditions are continuing to improve in fiscal 2013, although many state budgets are not fully back to pre-recession levels,” according to the report. U.S. states are slowly recovering from the 18-month recession that ended three years ago, which forced them to cut back on spending on education, welfare and transportation projects as tax collections tumbled. The need to balance budgets, often mandated by state constitutions, exerted a drag on the economy. With tax collections improving, only eight states were forced to close a collective $1.7 billion of deficits that emerged in the budgets in the middle of the year, the fewest since the recession. Budget Shortfalls For 2013, the difference between what states will collect and what they were poised to spend narrowed to $30.6 billion from $68.1 billion in the previous 12 months, according to the report. Nineteen faced such shortfalls, down from 27 a year earlier. Governors proposed increasing spending by a total of 2.2 percent to $682.7 billion, a reduction from the previous two years and about half the 4.1 percent projected jump in their revenue.

**Tax revenues are up   
AP 6/12** (Associated Press, "US states forecast highest tax revenue in 5 years," http://www.foxnews.com/politics/2012/06/12/us-states-forecast-highest-tax-revenue-in-5-years/)

U.S. states expect to collect higher tax revenue in the coming budget year that combined would top pre-recession levels, according to a survey released Tuesday. The increase could reduce pressure on states to cut budgets and lay off workers. A slowly healing job market and modest growth have boosted sales and income taxes, which provide nearly three-quarters of state revenue. Overall corporate income taxes are also growing. Still, many states continue to struggle with budget shortfalls. And some states, such as California, are seeing greater revenue only after raising taxes to stem deficits. Total tax revenue is forecast to rise 4.1 percent to $690.3 billion in the 2013 budget year, according to a twice-yearly survey by the National Governors Association and the National Association of State Budget Officers. It's the third straight year of revenue growth and $10 billion more than the budget year that ended June 2008. The recession began in December 2007. Total state spending would increase only 2.2 percent and remain below pre-recession levels, the report said. "The thing we're definitely seeing is stability," said Scott Pattison, executive director of the budget officers' group. Only eight states were forced to close unexpected mid-year budget gaps this year, he said, compared to 39 states two years ago. Arizona, Ohio and Michigan are anticipating some of the biggest increases in tax revenue next year. Michigan has already benefited from higher revenue. Last year the state had its first surplus in a decade. That enabled state officials in February to cancel plans to require 37,000 state workers to take four days of unpaid leave. In Ohio, tax revenue is projected to rise to $17.6 billion next year. That's an 8.6 percent increase from the current budget year. Democrats in the state legislature have responded by pushing for more school funding.

AT: Solvency Deficit – Funding

**Spending feasible - recovery is helping state economies**

**Cauchon 6/6** (Daniel, USA Today, "Most state economies still recovering after recession," http://www.usatoday.com/news/nation/story/2012-06-05/state-GDP/55408890/1)

The residents of only nine states have returned their economic output to the level that existed before the downturn struck at the end of 2007 — and most of those states are energy producers, according to data released Tuesday. North Dakota, an oil boom state, topped the nation in GDP growth per person last year. Even states now on the rebound — such as Michigan, Connecticut and California — find themselves far behind where they were economically when the recession started 4½ years ago, the data show. Gross domestic product — the value of goods and services produced — grew in 34 states in 2011 after adjusting for changes in population and inflation, according to the Bureau of Economic Analysis. Typically, nearly every state boosts its GDP in a recovery. STORY: Oregon, N.D. able to spread their wealth across USA But 41 states haven't made up the ground lost during the deep recession that ran from December 2007 to June 2009. Georgia, once a booming state, shows how hard recovering is. Its economy grew 0.7% per resident last year, the same as the national economy. But it is still 8% lower than it was in 2007. "The state's economy is still shellshocked from the real estate collapse and the loss of manufacturing," says economist Cynthia Tori of Valdosta State University. "It's probably going to take three or more years to dig ourselves out."

**States are massively cutting back on budgets**

**Inquisitr 6-23** (The Inquisitr, 6-23-2012, "State Budget Control: Local Spending Drops To Lowest Point In 30 Years," http://www.inquisitr.com/261351/state-budget-control-local-spending-drops-to-lowest-point-in-30-years/)

According to analysts, state and local governments have cut back their spending to the lowest level in 30 years. States have been struggling to control their spending in the past few years, but these days, (and at least in this situation), Democrats and Republicans across the country are on the same page. They’ve got control of their budgets and are rejecting monetary requests from police, businesses, teachers, doctors and others as their government aid dries up. Now the numbers: “State and local spending is down 0.8% this year — a 2.7% drop when adjusted for inflation — to an annual rate of $2.4 trillion, a USA TODAY analysis of Bureau of Economic Analysis data found. New budgets, which take effect July 1 most places, show elected officials continuing to restrict both spending and tax hikes.” “We’re seeing some incredibly significant examples of groups not getting what they want,” said the head of the National Association of State Budget Officers, according to Newser. “Maybe there’s an acceptance that cuts have to occur.” A few examples: Democratic Governor Dannel Malloy in Connecticut eliminated a required force size of 1,248 troopers. The force is down to about 1,060 troopers. In Ohio, Republican Governor John Kasich took out $30 million from nursing home payments. In Hawaii, Democratic Governor Neil Abercrombie made a highly controversial move, cutting teacher pay and benefits and adding a performance evaluation system, much to the chagrin of the union who have challenged him. So while the fed might still be spinning out of control, the states have actually learned to work with a balanced budget. Sacrifices have been made, and plenty of people are upset over the cuts, and “Real hard decisions are being pushed off to the future,” said one analyst.

AT: Solvency Deficit – Federalism

Devolving power to the states bolsters federalism by allowing all fifty to have a say on policy matters

Foy 09

(Joseph, University of Notre Dame, May 26, 2009, “Applying the New Federalism of1996: Governors and Welfare Reform”, http://citation.allacademic.com/meta/p\_mla\_apa\_research\_citation/0/8/3/5/0/p83501\_index.html)

An obvious effect of this move to shift power away from the federal government to the state level was the pushing of states to the forefront of the debates surrounding social policies. Rather than continuing to sing backup to the federal government’s lead, the states now had a greater role in determining the course of some of the most long-standing controversies in modern-American political history. The devolution of authority from the federal government to the states not only opened a door for state governments to have a greater say in policy choices, it also offered a situation for analyzing all fifty states as they respond to the same policy mandate during the same period of time. This rare occurrence in which the American states were opened up as a laboratory for policy analysis on the same set of policy choices within the same time period offers a chance to see not only the impact federal policy has across the states, but it enables a look into the specific political activities of state governments in the quest to shape policy outcomes.

States must play a role in transportation policymaking to bolster federalism

**Dilger 2012**

(Dilger, Robert J. "Publius." *ISTEA: A New Direction for Transportation Policy*. N.p., 2012. Web. 27 June 2012. <http://publius.oxfordjournals.org/content/22/3/67.short>.)

The Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 is likely to be remembered as one of President Bush's most significant contributions to government decentralization and the ideals of New Federalism. It is a landmark piece of legislation that makes wholesale revisions in the federal government's role in transportation policy, providing state and, especially, local policymakers with an unprecedented opportunity to determine the future direction of the nation's surface transportation programs. However, at the same time it decentralized authority over project selection, it continued to expand the number of crossover sanctions attached to federal transportation funding and preempted state authority over truck weights and lengths. This underscores recent research findings that suggest that federalism principles are important to federal policymakers but not necessarily more important than other competing values that emanate from different political, social, and economic views.

Federalists agree that we need to equalize power in the states

Dan Weil 10

Tuesday, 28 Sep 2010

http://www.newsmax.com/InsideCover/teapartyMarianneMoran/2010/09/28/id/371852

A constitutional amendment should be passed to give states the power to repeal acts of Congress, says Marianne Moran, executive director of The Tea Party in Action. “It’s important to restore the balance of power between the states and federal government,” Moran tells Newsmax.TV. “The states can make Congress submit to the states for ratification a constitutional amendment giving two-thirds of states the power to repeal anything Congress does.” Story continues below video. That would restore the Constitution, says Moran, whose tea party organization is based in Florida. “Our Constitution has been ignored. The 10th Amendment [protecting states’ rights] is useless.” The Supreme Court’s bad decisions over the past 50-plus years have rendered it impotent, she says. States would be able to use the power to repeal the healthcare reform law, which she says amounts to an unfunded mandate. “We’re shackled now,” says Moran, who adds that no amount of fiscal discipline can save states from the flood of federal debt coming their way from unconstitutional mandates such as Obama care. “We need the authority back that the founders originally wanted,” she says. “We can do that by forcing Congress to give us the repeal amendment.” Moran also wants to repeal the 17th Amendment, which ushered in direct election of senators. Instead, the country should go back to the election method used before the amendment was adopted in 1913, with state legislatures electing senators, she contends. “We need to restore the balance of power that the founders originally intended for us to have,” she says. The tea party’s strength is obvious, Moran says: “We believe in fiscal responsibility, limited government and free governments. Unfortunately the Republican establishment still wants to play their chess game, and they don’t get it. “We the people want to have our feet on the neck of our legislators. We will only vote for people who are standing with our core principles and values. The silent majority/sleeping giant has awoken. It is time for both the Republican and Democratic establishments to realize that.”

**AT: Uniformity**

**1. States have successfully implemented cross-border projects**

**Halfon et. al 09**

(Neil, Shirley Russ, Frank Oberklaid, Jane Bertrand, and Naomi Eisenstadt, “AN INTERNATIONAL COMPARISON OF EARLY CHILDHOOD INITIATIVES: FROM SERVICES TO SYSTEMS,” http://74.125.47.132/search?q=cache:MBdS9CSfVf0J:www.commonwealthfund.org/~/media/Files/Publications/Fund%2520Report/2009/May/International%2520Comparison/1241\_Halfon\_intl\_comparison\_early\_child\_init\_svcs\_to\_sys\_FINAL.pdf)

Early childhood policy consortia and state level coordinating councils are also attempting to create cross cutting, cross sector policies that can begin to align different programs, practices and funding streams. The Birth to Five Policy Alliance was established in 2005 to promote innovative and successful policy ideas that ensure positive early childhood development and learning opportunities for at-risk infants, toddlers, preschoolers and their families.76The Alliance supports state-level policy development through knowledge development including research and policy analysis; outreach and support for state policymakers; and building champions among key stakeholders. The Alliance supports the work of many other state level and national organizations including the National Governors Association, the Build Initiative and the policy work oforganizations like Zero to Three. At least 24 states have established governor’s cabinets or councils on early childhood,77but these cabinets largely serve an advisory role and have no direct impact on policy or practice.

**2. States are capable of being uniform in policy**

**Pryor 01**

(C. Scott, Associate Prof – Regent U. School of Law, American Bankruptcy Institute Law Review, Spring)

NCCUSL is a national organization of practicing lawyers, judges, law professors, and others appointed by the governors of each of the states. NCCUSL drafts uniform laws in various fields and then proposes them to the various state legislatures for adoption. See Edward J. Janger, Predicting When the Uniform Law Process Will Fail: Article 9, Capture, and the Race to the Bottom, [83 IOWA L. REV. 569, 586 (1998)](http://www.lexis.com/research/buttonTFLink?_m=ac2dac45d495ec7cbf7fbf59a67dee2c&_xfercite=%3ccite%20cc%3d%22USA%22%3e%3c%21%5bCDATA%5b9%20Am.%20Bankr.%20Inst.%20L.%20Rev.%20229%5d%5d%3e%3c%2fcite%3e&_butType=3&_butStat=2&_butNum=347&_butInline=1&_butinfo=%3ccite%20cc%3d%22USA%22%3e%3c%21%5bCDATA%5b83%20Iowa%20L.%20Rev.%20569%2cat%20586%5d%5d%3e%3c%2fcite%3e&_fmtstr=FULL&docnum=33&_startdoc=1&wchp=dGLbVtb-zSkAW&_md5=ffae86c2bab38023e1ae756e5f1f7188" \t "_parent) (describing problem of "capture" in drafting process); Alan Schwartz & Robert E. Scott, The Political Economy of Private Legislatures, [143 U. PA. L. REV. 595, 651 (1995)](http://www.lexis.com/research/buttonTFLink?_m=ac2dac45d495ec7cbf7fbf59a67dee2c&_xfercite=%3ccite%20cc%3d%22USA%22%3e%3c%21%5bCDATA%5b9%20Am.%20Bankr.%20Inst.%20L.%20Rev.%20229%5d%5d%3e%3c%2fcite%3e&_butType=3&_butStat=2&_butNum=348&_butInline=1&_butinfo=%3ccite%20cc%3d%22USA%22%3e%3c%21%5bCDATA%5b143%20U.%20Pa.%20L.%20Rev.%20595%2cat%20651%5d%5d%3e%3c%2fcite%3e&_fmtstr=FULL&docnum=33&_startdoc=1&wchp=dGLbVtb-zSkAW&_md5=5c9e91cdef8e27e492ff10431016c269" \t "_parent) (stating that problems stemming from reliance on "ill-informed generalists" and influence of interest groups may be unavoidable for any official organization whose goal is to foster uniformity of state laws).

3. **The National Conference of Commissioners on Uniform State laws guarantees uniformity**

**Carter & Miller 1**

(Attorney and \*\*Professor at the University of Oklahoma College of Law and Chair of the Executive Committee of the National Conference of Commissioners on Uniform State Laws (NCCUSL) Truman Carter and Fred H. Miller, American Indian Law Review, “Uniform Laws and tribal legislation; one tribe’s perspective,” 2001/2002, Lexis-Nexis Academic)

One hundred and ten years ago, what was to become the National Conference of Commissioners on Uniform State Laws (NCCUSL) or Conference) held its first meeting in Saratoga Springs, New York. Today, NCCUSL has representatives from every state, the District of Columbia, the U.S. Virgin Islands, and Puerto Rico. It is responsible for hundreds of statutes that have been enacted by the jurisdictions that comprise it, including the Uniform Commercial Code and other equally important statues in the areas of business law, family law, trust and estates law, civil procedure, and other legal areas. NCCUSL is an organization peculiar to the federal system of government and is unique in American law. “American law” of course actually consists of fifty separate and potentially differing, bodies of state law, co-existing with, and overlaid by, federal law. The federal Constitution reserves to the states “powers not delegated to the United States by the Constitution, nor prohibited by the states.” Because of this limitation, nearly all private law—contracts, negotiable instruments, business organizations, marriage and divorce, for example—and most areas of criminal law, are left for definition and regulation by the legislatures and courts of the several states. As the United States developed a modern economy national in scope, the need for a common, predictable, nationwide legal system became crucial. There were at least two methods for unifying the legal systems of the states. First, state law could be preempted by the Federal Government through repeal of the Tenth Amendment, or by an expansive interpretation of the commerce clause and other express powers delegated to Congress (which, of course was what ultimately happened to a degree). Alternatively, the states could create a forum and a vehicle by which they could voluntarily agree to develop, and then separately adopt, uniform legislation on important subjects of common concern. That was the path chosen in 1891 when NCCUSL was conceived; it remains a viable approach even today notwithstanding the expansion of federal authority became uniform acts, like Congressional acts, must fit into the overall body of American law, and that body of law for the most part is state law. Thus uniform state law is more easily adapted than uniform federal law.

AT: California DA

California still has a long way to go - more cuts are needed for growth

**Reuters 12**   
(Joan Gralla, Reuters, 6-11-2012, "California likely will need to cut spending more: S&P," http://www.reuters.com/article/2012/06/11/us-california-sp-idUSBRE85A11120120611)

California's $15.7 billion deficit is about 30 percent of the total gap all states face in the coming fiscal year, Standard & Poor's said in a report on Monday, saying the state likely will have to cut spending further to balance the 2013 fiscal budget. State spending as a share of California's total economy is the lowest in 39 years. But the state's tax revenue system is "dysfunctional" and California relies heavily on volatile personal income tax collections, which are expected to total 63 percent of general fund revenue in 2013, S&P said. California's economy "remains depressed and its revenue recovery is sluggish" three years after the Great Recession ended, the credit agency added.

Further tax increases are key to California's budget - S&P proves

**LA Times 12** (Los Angeles Times, 6-11-2012, "Budget culprit is California tax code, ratings agency says," http://latimesblogs.latimes.com/california-politics/2012/06/california-budget-taxes.html)

While Gov. Jerry Brown and top Democratic lawmakers haggle over spending cuts this week, Standard & Poor's said Monday that they're missing the core problem leading to California's budget crisis. The root of the budget morass, the ratings agency said, is the state's tax code. Tax revenue has grown more slowly and become increasingly unreliable, thanks in part to the state's heavy reliance on taxing the wealthy. Standard & Poor's estimated that income taxes on the richest 1% gave the state 11% of its general fund revenues in 2010, up from 2.7% in 1979. Brown's tax proposal, which he hopes voters approve in November, could make revenue even more unreliable because it would raise the tax rate on wealthy residents, the report said. Still, the ratings agency described it as an "emergency measure of sorts" that may be needed to balance the budget. Standard & Poor's concerns about the state's tax code echoes those voiced by the legislative analyst's office, which provides nonpartisan budget advice to lawmakers. In its report, the ratings agency painted a bleak picture of a state struggling to reboot its economy after the recession and wrestling with budget problems unique in their size and complexity.

AT: California DA

California GHG limitations key to overall US GHG limitations

Raybould 11 (Paul Raybould, Sustainable Business Forum, Nov. 2011, "California Cap-and-Trade Could Change the U.S. Stance on Climate Change,")

Many are doubting why California is going it alone. The Wall Street Journal, for example, predicts that by going it alone the “economic fallout won’t be pretty”. How then can it be that California, as battered by the economic downturn as it is, is opting to decarbonize its economy? Perhaps it is because Californians realize that while market-based environmental regulations like cap-and-trade can increase costs and job losses in certain polluting industries, projected losses are often significantly overstated and are generally offset by job creation in other cleaner industries and by wider societal benefits like improved health. For example, despite almost apocalyptic predictions from industry-sponsored studies about the consequences of curbing sulfur-dioxide emissions from power plants in the early 1990s, there has been no evidence of an economic slowdown tied to this highly successful program. On the contrary, the program reduced human exposure to pollutants that are known to cause chronic bronchitis, asthma, hospitalizations for cardiac and respiratory diseases and premature death – providing billions of dollars in human health benefits. Furthermore, Californians probably understand that job creation is tangential, not mutually exclusive, to environmental regulation. The purpose of a cap-and-trade program is not to increase job growth, nor is its abolishment meant to solve unemployment. Rather, its purpose is to provide an incentive to reduce harmful GHG emissions cost effectively. It just so happens that by putting a price on carbon, cap-and-trade drives innovation and channels capital to clean technologies, the benefits of which Californians are uniquely familiar with. Despite the backlash against government support for clean energy that has come in the wake of the Solyndra bankruptcy, venture capital investment in clean technologies is still on the rise and, in the case of California, is still largely driven by state climate policies. If over the next few years California can demonstrate that its cap-and-trade system reduces GHG emissions at a reasonable price the debate in Washington over climate policy might actually shift. This would be timely as an international climate agreement is not likely until 2015. Perhaps then the discourse around whether or not the United States signs up to an international climate agreement will be less about China and political posturing and more about California and how it has proven, yet again, that the trade-off between environmental protection and economic prosperity exists more in the minds of politicians then in reality.

AT: Illinois DA

Illinois is planning a huge deficit -

**Huffington Post 6-22** (The Huffington Post, 6-22-2012, "Illinois Budget Deficit Worst In The Nation: State Is Reportedly $43.8 Billion In The Red," http://www.huffingtonpost.com/2012/06/22/illinois-budget-deficit-w\_n\_1618469.html)

A report released Thursday by the state's Auditor General claimed that Illinois' ever-bulging budget deficit is "easily" the nation's worst. Illinois Auditor General William Holland reports that the state's budget deficit has more than doubled over the last five years and currently stands at $43.8 billion, WBEZ reports. Because Holland's report was based on the Illinois State Comptroller's comprehensive report for fiscal year 2011, the Associated Press notes that it is a year out of date. Some improvement was actually shown, as the state's deficit in its general revenue fund dropped $700 million to $8.1 billion. A spokesperson for State Comptroller Judy Baar Topinka told WBEZ that the state's budget deficit remains a "colossal mess" even as state lawmakers have taken positive steps to address it in recent months. Topinka said this week that her office is looking at $4.4 billion worth of unpaid bills at the moment, plus $4.1 billion in additional bills from state agencies, the News-Gazette reports. Topinka has remained critical of how Illinois lawmakers -- particularly Democrats -- have handled the state's budget in Springfield. In April, when she unveiled her office's new "The Ledger" website, she said, "Being the chief fiscal officer in Illinois right now is like being one of your obituary writers at the newspaper, because I’ve only got bad news to report all the time."

AT: Ohio DA

Ohio's economy is doing fine

**Marshall 6/25** (Aaron, Cleveland Daily News, "Ohio agency heads told to plan for no growth or a cut in next state budget," http://www.cleveland.com/open/index.ssf/2012/06/state\_agency\_heads\_told\_to\_pla.html)

Monday's guidance from Keen is the same that previous Gov. Ted Strickland asked state agencies to plan for in July 2010, and it's actually slightly rosier than in July 2008, when Strickland had state bureaucrats preparing for a budget at 95 or 90 percent of current spending levels. Keen may be asking for state agencies to hold the line, but state monthly financial reports show top budget officials expect to see modest growth in the near future. On June 11, the state's most recent monthly financial report predicted "uninterrupted growth at a modest pace both nationally and in Ohio." Other signs of Ohio's fiscal health include state tax receipts for this fiscal year being nearly $400 million above projections, and a healthy $1.26 billion more than what was collected last year. Keen characterized Ohio's fiscal rebound as "sluggish" and said modest gains don't equal a bright financial picture for the next state budget. "We are experiencing the slowest economic recovery in the post-war era, and we think we are going to continue to have that kind of recovery," Keen said. "That does set the tone, and we have to be careful and cautious and take a good hard look at our resources."

Solvency: Generic

Current federal goals and funds aren’t effective – the flexibility of the states allows them to solve best

GAO 08

(Government Accountability Office, Mar 6, 2008, “Restructured Federal Approach Needed for More Focused, Performance-Based, and Sustainable Programs,” http://www.gao.gov/products/GAO-08-400)

Since federal financing for the interstate system was established in 1956, the federal role in surface transportation has expanded to include broader goals, more programs, and a variety of program structures. To incorporate additional transportation, environmental and societal goals, federal surface transportation programs have grown in number and complexity. While some of these goals have been incorporated as new grant programs in areas such as transit, highway safety, and motor carrier safety, others have been incorporated as additional procedural requirements for receiving federal aid. Broad program goals, eligibility requirements, and transfer provisions give states and local governments substantial discretion for allocating most highway infrastructure funds. For transit and safety programs, broad basic grant programs are augmented by programs that either require a competitive selection process or use financial incentives to directly target federal funds toward specific goals or safety activities. Many current programs are not effective at addressing key transportation challenges such as increasing congestion and freight demand. They generally do not meet these challenges because federal goals and roles are unclear, many programs lack links to needs or performance, and the programs often do not employ the best tools and approaches. The goals of current programs are numerous and sometimes conflicting. Furthermore, states' ability to transfer highway infrastructure funds among different programs is so flexible that some program distinctions have little meaning. Moreover, programs often do not employ the best tools and approaches; rigorous economic analysis is not a driving factor in most project selection decisions and tools to make better use of existing infrastructure have not been deployed to their full potential. Modally-stovepiped funding can impede efficient planning and project selection and, according to state officials, congressionally directed spending may limit the states' ability to implement projects and efficiently use transportation funds. A number of principles can help guide the assessment of options for transforming federal surface transportation programs. These principles include: (1) ensuring goals are well defined and focused on the federal interest, (2) ensuring the federal role in achieving each goal is clearly defined, (3) ensuring accountability for results by entities receiving federal funds, (4) employing the best tools and approaches to emphasize return on targeted federal investment, and (5) ensuring fiscal sustainability. With the sustainability and performance issues of current programs, it is an opportune time for Congress to more clearly define the federal role in transportation and improve progress toward specific, nationally-defined outcomes. Given the scope of needed transformation, it may be necessary to shift policies and programs incrementally or on a pilot basis to gain practical lessons for a coherent, sustainable, and effective national program and financing structure to best serve the nation for the 21st century.

Solvency: Generic

States solve better – personalized responsibility for citizens

Glaeser 2/13

(Edward, February 13, 2012, economics professor at Harvard University, “Spending Won’t Fix What Ails U.S. Infrastructure”, http://www.bloomberg.com/news/2012-02-14/spending-won-t-fix-what-ails-u-s-transport-commentary-by-edward-glaeser.html)

DE-FEDERALIZE TRANSPORT SPENDING: Most forms of transport infrastructure overwhelmingly serve the residents of a single state. Yet the federal government has played an outsized role in funding transportation for 50 years. Whenever the person paying isn’t the person who benefits, there will always be a push for more largesse and little check on spending efficiency. Would Detroit’s People Mover have ever been built if the people of Detroit had to pay for it? We should move toward a system in which states and localities take more responsibility for the infrastructure that serves their citizens.

Solvency: Generic

States solve better – intricacies of localities unknown to bureaucrats

Dilger 11

(Robert, Senior Specialist in American National Government, January 5, 2011, “Federalism Issues in Surface Transportation”

Policy: Past and Present”, http://www.fas.org/sgp/crs/misc/R40431.pdf)

AASHO advocated the continuation of the reliance on states to design and oversee program operations and the use of the grant device to supplement state road development. AASHO argued that state officials were better positioned than federal bureaucrats to make project selection decisions, having superior knowledge of “its populations and its valuations, and a lot of intricate and small things that a commission here in Washington cannot know.”29 Importantly, AASHO also advocated an expansion of grants-in-aid eligibility to roads “divided into two classes, primary or interstate roads and secondary or intercounty roads.”30 AASHO argued that its plan had elements similar to a federal highway system while, at the same time, “takes care of the immediate needs of the largest number of rural communities, recognizing the fact that fully half of the wealth of this country is rural and the modern means of transportation, the automobile and truck, are half in the possession of the farmer.” In an historic decision that continues to influence congressional debate today, Congress adopted AASHO’s state-centered approach in the Federal Highway Act of 1921. The act left project selection in the hands of state officials and rejected the idea of creating a direct spending program for surface transportation projects. Congress rejected AAA’s federal-centered approach primarily because the use of the grant device was believed to be the best means to avoid constitutional objections that could be raised in the direct provision of domestic services. Because grants are voluntary, it was generally believed that state and local government officials were much less likely to challenge the legality of a federal grant program than a federal direct spending program.32 Congress also increased federal funding to $75 million annually, maintained the 50-50 cost matching basis, and expanded grants-in-aid eligibility to non-post roads. In recognition of constitutional concerns, eligibility was limited to a Primary System of federal-aid highways, not to exceed 7% of all roads in the state. At least three-sevenths of this system had to consist of roads that were interstate in character. Up to 60% of federal-aid funds could be used on interstate routes. By retaining the federal-aid concept, the act appeased advocates of rural, farm-to-market roads. State highway agencies could be counted on to consider local concerns when deciding the mix of projects.33

Infrastructure funding would be handled much more efficiently by the states

Edwards 11

(Chris, director of tax policy studies at the Cato Institute, November 16, 2011, “Federal Infrastructure Investment,” http://www.cato.org/publications/congressional-testimony/federal-infrastructure-investment)

Despite its smaller magnitude, public-sector infrastructure spending is also very important to the U.S. economy. But the usual recommendation to simply spend more federal taxpayer money on infrastructure is misguided. For one thing, the government simply can't afford more spending given its massive ongoing deficits. More importantly, much of the infrastructure spending carried out by Washington would be more efficiently handled by devolving it to state and local governments and the private sector.

Solvency: Generic

States solve better – mistakes are duplicated across the nation

Edwards 11

(Chris, director of tax policy studies at the Cato Institute, November 16, 2011, “Federal Infrastructure Investment,” http://www.cato.org/publications/congressional-testimony/federal-infrastructure-investment)

Perhaps the biggest problem with federal involvement in infrastructure is that when Washington makes mistakes it replicates those mistakes across the nation. Federal efforts to build massive public housing projects in dozens of cities during the 20th century had very negative economic and social effects. Or consider the distortions caused by current federal subsidies for urban light-rail systems. These subsidies bias cities across the country to opt for light rail, yet rail systems are generally less efficient and flexible than bus systems, and they saddle cities with higher operating and maintenance costs down the road. Even if federal officials were expert at choosing the best types of infrastructure to fund, politics usually intrudes on the efficient allocation of dollars. Passenger rail investment through Amtrak, for example, gets spread around to low-population areas where passenger rail makes no economic sense. Indeed, most of Amtrak's financial loses come from long-distance routes through rural areas that account for only a small fraction of all riders.13 Every lawmaker wants an Amtrak route through their state, and the result is that investment gets misallocated away from where it is really needed, such as the Northeast corridor.

**Solvency: Innovation**

States provide best methods for testing policies.

(**The Regents of the University of California**, environmental law and policy journal, Fall, 20**08**, "A Period of Consequences: Global Warming Legislation, Cooperative Federalism, and the Fight Between the EPA and the State of California”. Lexis)

In response to the claim that global problems require global - or at least national - attention, proponents of local initiatives believe states have the ability to significantly contribute to greenhouse gas reductions. Moreover, the United States government has not been particularly aggressive with global warming legislation. n17 Thus, states should be able to contribute to the worldwide effort to reduce greenhouse gases when the federal government declines to do so. As one proponent noted, "The global nature of climate change does not denigrate the importance of state efforts," but "as a practical matter ... states should not be held hostage to the United States' unwillingness to engage globally." n18

[\*188] In addition, the federal government has embraced state action in the field of environmental legislation and policy. When Congress enacts environmental legislation, it often adopts state plans, demonstrating how states effectively serve as laboratories for national legislation. n19 Other states and the federal government can learn from the successes and failures of varying approaches, incorporating the most successful components into new legislation. When the government limits states to only one federal approach, the United States loses the opportunity to learn from different methods and, arguably, will enact less effective legislation.

Solvency: International Cooperation

State governments can act internationally

**Washburn Law Journal, 2009**

(“The Rule of Law and The Global War on Terrorism: Detainees, Interrogation, and Military Commissions Symposium: Note: Federal Framework for Regulating the Growing International Presence of the Several States”. Lexis)

Under the Medellin framework, questions remain as to the federal government's authority to preempt state action that reaches out into foreign affairs, including the federal government's ability to "mandate a state's compliance with an international obligation of the federal government." n24 The question becomes increasingly timely as the several states continue to reach out globally, forming compacts with other nations as well as adopting and implementing international treaties domestically, regardless of federal ratification. n25

The current federal foreign affairs doctrine that governs state international activity is unequipped to address situations in which states fail to comply with the international obligations of the federal government. n26 However, the foreign affairs doctrine remains applicable to [\*428] situations in which the states reach out impermissibly and interfere with existing federal obligations so long as there is a strong and precise federal interest at stake. n27

States key to solving genocide abroad.

**Cornell Law Review, March, 2009**

( “GENOCIDE FUNDING: THE CONSTITUTIONALITY OF STATE DIVESTMENT STATUTES”. Lexis)

Investment in Sudan "is a chain of cause and effect in which American money may finally objectively fund genocide - in which Americans may come to pay, through no fault or intention of their own, for crimes they abhor." n1 On December 31, 2007, in an effort to condemn the Sudanese government's funding of the genocide in Darfur, Congress enacted the Sudan Accountability and Divestment Act (SADA), which authorizes states to divest any state assets from companies doing business in Sudan. n2 As of January 2009, twenty-seven states had adopted statutes that mandate that their state money and state pension funds divest holdings in companies that perpetuate the genocide. n3 Of those states, nineteen have adopted model legislation created by the Genocide Intervention Network's Sudan Divestment Task Force (SDTF Model), and eight have adopted their own legislation. n4

Solvency: Economic Competitiveness

States solve competitiveness best – key drivers are able to have more of a say

Porter and Rivkin 12

(Michael and Jan, Michael E. Porter is the Bishop William Lawrence University Professor and Jan W. Rivkin is the Bruce V. Rauner Professor of Business Administration at Harvard Business School, “The Looming Challenge to U.S. Competitiveness”, http://hbr.org/2012/03/the-looming-challenge-to-us-competitiveness/ar/1)

During the past year, we have examined U.S. competitiveness with the help of a diverse group of scholars, business leaders from around the world, and the first-ever comprehensive survey of Harvard Business School alumni. Our research suggests that the U.S. faces serious challenges. Too often, America’s leaders, in government and business, have acted in ways that neutralize the country’s many strengths. However, the decline of U.S. competitiveness is far from inevitable. The United States remains the world’s most productive large economy and its largest market for sophisticated goods and services, which stimulates innovation and acts as a magnet for investment. To restore its competitiveness, America needs a long-term strategy. This will require numerous policy changes by government, which may seem unlikely with Washington gridlocked. However, many of the crucial steps can and must be carried out by states and regions, where many of the key drivers of competitiveness reside. More important, business leaders can and must play a far more proactive role in transforming competition and investing in local communities rather than being passive victims of public policy or hostages of misguided shareholders.

Solvency: Warming

State governments are taking the lead on warming – devolving authority to them would solve faster

Koehn 08

(Peter, Professor of Political Science, The University of Montana's Distinguished Scholar for 2005, and a Fulbright New Century Scholar, February 4, 2008, “Underneath Kyoto: Emerging Subnational Government Initiatives and Incipient Issue-Bundling Opportunities in China and the United States,” http://www.mitpressjournals.org/doi/abs/10.1162/glep.2008.8.1.53)

Scholars and the media have emphasized the US national government's failure to adopt international agreements and stringent forward-looking national policy and legislation in the face of climatic destabilization. While domestic and international critics have focused on national government inaction, direct and indirect state and local governments efforts to mitigate GHG emissions have intensified and expanded. By 2007, more than 20 states had adopted legislation or issued executive orders "expressly intended to reduce greenhouse gases."55 California (a state that produced roughly two percent of the world's annual GHG emissions) and New Jersey have been in the forefront of these initiatives. In June 2005, California Governor Arnold Schwarzenegger issued an executive order calling for the state to reduce its GHG emissions to 1990 levels by 2020.56 Denver stands out as a city government that has explicitly integrated emissions-mitigation considerations into its core policies and organizational structure.57 In 2006, voters in Boulder, Colorado, approved a carbon tax based on kilowatt hours that will generate revenue for a climate-action plan aimed at reducing the city's carbon emissions by 24 percent from current levels.58 Such subnational policy prescriptions serve to promote public awareness that climatic change is a serious problem and that unsustainable organizational and personal consumption exacerbates the problem. However, durable state/local policy and population behavioral changes that limit or reduce GHG emissions remain the exception rather than the rule in the United States (and China) because the benefits of global climatic stabilization are not immediately discerned or appreciated by most consumers and policy makers.59 In some policy-making situations, visible emphasis on GHG-emission reductions alone would be counterproductive. For instance, one of the strongest supporters of the Texas effort to require utilities to provide renewable-power sources as part of their total [End Page 61] electricity package reported that "if we had characterized this as something to do with greenhouse gases, it would have hurt the bill's chances. So we didn't."60

Solvency: HSR

Successful implementation in California proves the states can solve HSR

LaHood 11

(Ray, Secretary of Transportation, November 16, 2011, “High Speed Rail: creating jobs, spurring growth, providing needed capacity”, http://fastlane.dot.gov/2011/11/high-speed-rail-improving-the-present-preparing-for-the-future.html)

Today's release of the revised California high speed rail business plan is a victory for future passengers; it's a victory for the State of California; and it's a victory for the nation. But it's also a victory for the kind of inclusive planning and development process that Americans expect, and I hope it will serve as a powerful example for other corridors. When the California High Speed Rail Authority released its initial plan last fall, stakeholders and citizens voiced their concerns--loud and clear. Thankfully, Governor Brown put in place leadership at the California High Speed Rail Authority that listened to Californians. After 296 community meetings and forums, today's plan reflects those concerns, and California --and American-- high-speed rail will be stronger as a result. After listening carefully to everyone involved, the California High Speed Rail Authority today offered a new plan that lays out a faster, better, and more cost-effective path to building the high-speed rail system that is so critical to California’s economic future. Thanks to the leadership of Governor Jerry Brown and High Speed Rail Authority Chairman Dan Richard, the new plan will create hundreds of thousands of jobs and deliver the economic benefits of high-speed rail faster and more affordably. And by combining existing assets in the Bay Area and LA Basin with new construction along other parts of the line, the new plan ensures that construction and operating costs for the first segment of the project are fully paid for while lowering the cost of the entire system by $30 billion dollars. This plan projects a high-speed rail spine running north-south from Merced to the San Fernando Valley. Connections from this spine into core cities like Los Angeles and San Francisco will now rely on existing rights-of-way and infrastructure, and that fundamental change makes these segments significantly less expensive than originally proposed by the rail authority. The Central Valley line will operate over relatively flat terrain, making possible average speeds that rival any other rail systems in the world. The revitalized rail manufacturing this Administration's investments have supported will have workers busy building track and trains that demonstrate the American rail industry’s technological and operational capabilities--and get passengers where they're going even faster. That's critical in a state where population will grow by 20 million in less than 40 years, where congestion already robs the state’s economy of $18.7 billion every year, and where the short-haul air travel market is the nation’s most crowded and the airports are the nation's most delayed. Plus, putting men and women to work upgrading the infrastructure on existing commuter rail lines in the Los Angeles and San Francisco areas will add good jobs in these densely populated regions. Metrolink and Caltrain commuters will also benefit from safety, speed, and reliability improvements. Three years ago, the President declared a bold vision for America. The goal is clear: to connect 80 percent of Americans to a high speed rail network over the next twenty-five years. And today we are making progress on that vision. As Deputy Federal Railroad Administrator Karen Hedlund said, "This plan is a roadmap for the future of California, and it is right in line with the vision of President Obama." California is well on its way to fulfilling its part of this goal, and today's revised plan moves the Golden State one step closer. We look forward to working with the California High Speed Rail Authority to make this plan a reality.

Solvency: Mass Transit

Effectiveness of mass transit is undermined by federal subsidies – state governments avoid special interest and waste

O’Toole 06

(Randal, director of the Thoreau Institute and an adjunct scholar at the Cato Institute, January 5, 2006, “A Desire Named Streetcar: How Federal Subsidies Encourage Wasteful Local Transit Systems,” http://www.cato.org/pubs/pas/pa559.pdf)

The effectiveness of local transit systems is undermined by federal subsidies, which encourage the construction of highly visible and expensive services such as light-rail trains to suburban areas despite the chronically low number of riders on

those routes. Federal subsidies to transit advocacy groups and misguided environmental and labor regulations also encourage a large investment of taxpayer money in wasteful transit systems. The ideal solution would be to devolve transit

and other transportation funding entirely to state and local governments. Short of that, Congress should reform the federal transportation funding system to minimize the adverse incentives it creates.

Solvency: Hydrogen

State programs solve alternate energy such as hydrogen– they can drive the market towards widespread acceptance

Brown et al. 02

(Elizabeth Brown, Patrick Quinlan, Harvey M. Sachs, and Daniel Williams, Am. Council for an Energy-Efficient Economy, March 2002, “Tax Credits for Energy Efficiency,” http://aceee.org/pubs/e021full.pdf?CFID=1059758&CFTOKEN=72603414)

States play a fundamental role in addressing energy use and the adoption of energy efficiency measures at the regional and local level States can provide tax incentives that foster technology options matched to the needs of their residents. This report describes the current status of energy efficiency and “green buildings” tax incentives that states offer. Our goal is to assist state policymakers in designing and evaluating their own programs by providing insights about current programs in other states. A properly designed state tax incentive has both short-term and long-range benefits. In the short run, the incentive can effectively increase market share of an advanced technology or practice that otherwise would be harder for the state’s residents, businesses, and other organizations to find. By itself, the state’s action increases the visibility of the technology or practice and validates it with the state’s credibility. Greater market share bunches a “virtuous circle.” As market share increases, more market actors (salespeople. specifiers. installers, etc.) become vested in the technology or practice because it can be more profitable than the status quo and can increase customer satisfaction. This vestment induces more firms to enter the market and the resulting competition can drive down prices and further increase market share. At some point, market share is large enough that the technology or practice is clearly cost-effective and has broad support from those who profit from it. By then, a state tax credit is no longer needed and building codes and other regulatory mechanisms can be revised to make use of the technology or practice mandatory. State-funded energy efficiency incentive programs increase consumer choices by inducing innovation in the private sector. The programs thus benefit state energy, economic, and environmental objectives. The private sector needs encouragement to provide products and services that address broader energy security, system reliability. environmental, and economic goals. In particular. marker failures limit private investment in cost-effective efficiency measures: for example. projected returns may be lower than for other, non-energy investments or technology deployment timeframes may be too long. Tax credits can accelerate customer acceptance and increase market share for high-efficiency products and services. Benefits accrue to the state and its residents. the United States and its citizens, and the global climate.

Solvency: Infrastructure Banks

States are already building infrastructure banks in the status quo – 33 already have one

Mica 11

(John, Chairman of the Transportation and Infrastructure Committee, October 12, 2011, “National Infrastructure Bank Would Create More Red Tape & Federal Bureaucracy”, http://transportation.house.gov/news/PRArticle.aspx?NewsID=1421)

We must use every responsible mechanism possible to move projects and expand our capacity to finance infrastructure maintenance and improvements, but a National Infrastructure Bank is dead on arrival in Congress,” said U.S. Rep. John L. Mica (R-FL), Chairman of the Transportation and Infrastructure Committee. “There are several reasons for this. One is that we do not need to create more federal bureaucracy. In fact, with over 100 separate federal surface transportation programs, we need less bureaucracy. “The federal government also has existing financing programs that serve the same purpose as a National Infrastructure Bank, such as TIFIA, RRIF and others, that we can improve and strengthen. “Another reason a national bank is DOA is because there is already such a bank structure in place at the state level. Thirty-three state infrastructure banks already exist, and we can ensure financing and build upon this foundation without creating a new level of federal bureaucracy.

Federal Government Models States

State policies are a model for the Federal government.

**Policy Today, 2007**

( “Reasserting the States' Role in the Federal Model“ http://www.policytoday.com/index.php?option=com\_content&task=view&id=240&Itemid=148)

Largely unnoticed by the media and the electorate, though, political momentum has shifted to the states. Congressional gridlock and a self-absorbed Oval Office have thrown the national government into reverse, while the states have found their political gear.

Despite unending budget battles in several larger states, state legislatures have generally been major innovators in health care, the environment, and economic development. They have passed immigration laws where Congress has stalled, and funded K-12 education despite the structural deficiencies of No Child Left Behind.

States send a model of national policy.

**Scheppach**, Ph.D., National Governors Association, 7-9-200**8**.

[Raymond C. , Stateline.org, Will the 2008 election improve state-federal relations?, p. lexis]

Here's a crucial question for the presumed presidential nominees - Republican John McCain and Democrat Barack Obama-and all the candidates for the next Congress. Are you happy with the status quo in federal-state relations?

States have long served as laboratories for creating and testing policies and programs that drive positive change nationally. Yet for more than a decade, the federal-state relationship has been under stress. Looking forward, the nation faces many challenges, and states can play a key role in providing leadership. However, whether governors and states provide separate, independent leadership or leadership within a stronger federal-state partnership will depend on which brand of federalism the next administration and Congress adopt.

Uniform State Action

States CP is real world.

**Pryor, 01**

(C. Scott, Associate Prof – Regent U. School of Law, American Bankruptcy Institute Law Review, Spring)

NCCUSL is a national organization of practicing lawyers, judges, law professors, and others appointed by the governors of each of the states. NCCUSL drafts uniform laws in various fields and then proposes them to the various state legislatures for adoption. See Edward J. Janger, Predicting When the Uniform Law Process Will Fail: Article 9, Capture, and the Race to the Bottom, [83 IOWA L. REV. 569, 586 (1998)](http://www.lexis.com/research/buttonTFLink?_m=ac2dac45d495ec7cbf7fbf59a67dee2c&_xfercite=%3ccite%20cc%3d%22USA%22%3e%3c%21%5bCDATA%5b9%20Am.%20Bankr.%20Inst.%20L.%20Rev.%20229%5d%5d%3e%3c%2fcite%3e&_butType=3&_butStat=2&_butNum=347&_butInline=1&_butinfo=%3ccite%20cc%3d%22USA%22%3e%3c%21%5bCDATA%5b83%20Iowa%20L.%20Rev.%20569%2cat%20586%5d%5d%3e%3c%2fcite%3e&_fmtstr=FULL&docnum=33&_startdoc=1&wchp=dGLbVtb-zSkAW&_md5=ffae86c2bab38023e1ae756e5f1f7188" \t "_parent) (describing problem of "capture" in drafting process); Alan Schwartz & Robert E. Scott, The Political Economy of Private Legislatures, [143 U. PA. L. REV. 595, 651 (1995)](http://www.lexis.com/research/buttonTFLink?_m=ac2dac45d495ec7cbf7fbf59a67dee2c&_xfercite=%3ccite%20cc%3d%22USA%22%3e%3c%21%5bCDATA%5b9%20Am.%20Bankr.%20Inst.%20L.%20Rev.%20229%5d%5d%3e%3c%2fcite%3e&_butType=3&_butStat=2&_butNum=348&_butInline=1&_butinfo=%3ccite%20cc%3d%22USA%22%3e%3c%21%5bCDATA%5b143%20U.%20Pa.%20L.%20Rev.%20595%2cat%20651%5d%5d%3e%3c%2fcite%3e&_fmtstr=FULL&docnum=33&_startdoc=1&wchp=dGLbVtb-zSkAW&_md5=5c9e91cdef8e27e492ff10431016c269" \t "_parent) (stating that problems stemming from reliance on "ill-informed generalists" and influence of interest groups may be unavoidable for any official organization whose goal is to foster uniformity of state laws).

Race to the Top—General

States offer competition now

**The American Review of Public Administration**, 4/14/**08**

**(** arp.sagepub.com, American Society for Public Administration)

Van Slyke (2003) interviews New York state and county public managers in social ser-

vice programs and finds inconsistent use of competitive bidding among the agencies.

Barriers to competition exist both inside and outside of the government and include such

concerns as the public agencies’lack of staff and resources to develop competition, antici-

pated market unavailability and the resultant unwillingness to utilize competitive bidding,

and political pressure from lawmakers elected and officials who are lobbied by nonprofit

executives and advocacy groups (Van Slyke, 2003). Meanwhile, Smith and Lipsky (1993,

p. 173) point out the common presence of “-mutual back-scratching”between nonprofits

and government service agencies for advocating and developing programs. Social service

agencies frequently perceive their nonprofit counterparts as goal sharing partners who

influence legislators and elected officials to make favorable decisions for their programs

(Kettl, 1993). Moreover, nonprofit executives are often invited into public agencies’rule- or

policy-making processes to provide input (Smith & Lipsky, 1993).

States’ race to the top makes policies that rival the federal government.

**Rothstein**, research associate of the Economic Policy Institute, 19**98**

(Richard “When States Spend More” lexis)

Liberals and progressives have generally believed that shifting federal authority for social programs to the states will typically lead to a "race to the bottom" as states try to attract business and keep taxes down by cutting expenditures and regulations [see Mary Graham, "Why States Can Do More," page 63]. But a common trend of the last quarter century has also been a race to the top in which state policies can become more generous over time and even rival those of the federal government.

States—AT: Obama Blamed for DC

Blago proves Obama can distance himself from local politics.

**Washington Post** 12-10-0**8**

http://www.washingtonpost.com/wp-dyn/content/article/2008/12/10/AR2008121001472.html?hpid=topnews

President-elect Barack Obama did his best to distance himself from the spectacular public drama playing out in his home town yesterday, refusing to talk about the arrest of Illinois Gov. Rod Blagojevich on corruption charges during his only public appearance outside his Chicago transition offices. Federal prosecutors said flatly that there is no evidence of involvement by the president-elect in allegations that Blagojevich (D) attempted to sell Obama's vacant Senate seat to the highest bidder. But the conspiracy allegedly dreamed up by Blagojevich was an unwelcome development in Obama's transition to power, threatening something **Obama has avoided throughout his career** -- the taint of Chicago politics. Obama was nurtured politically in the city, rising while scandal swirled around him but remaining largely untouched as governors, lawmakers and lobbyists went to jail. For years, rivals -- including Sen. John McCain and the GOP this year -- sought to tie him to Antoin "Tony" Rezko, a onetime friend and fundraiser who was convicted in June of fraud and bribery. "This man has managed to dodge many a near-corruption bullet," said Richard Epstein, a University of Chicago law professor who has clashed with Obama in the past. "My hope is that he will be vindicated, as I think he will be."

President is historically insulated from DC policy.

Carol E. **Lee**, staff writer, 11-5-200**8**.

[Politico.com, How will Obama relate to the District? P. lexis]

The president's relationship with Washington, D.C., has always been a little arms-length.

The District of Columbia has one of the highest poverty rates in the nation and ranks fifth for crime. Its population is more than 56 percent black. Its public schools came in dead last this year when compared with the 50 states, and about 17 percent of adults have no health insurance.

Yet in the city's core lives the most powerful leader in the world - until now a white man - in the most famous home in the country.

It's not often that the story lines of the city entwine. Democratic presidents tend to interact more with the overwhelmingly Democratic D.C. community than Republican presidents do, but no president in the 208 years since the federal government moved to Washington can claim to have made a significant impact on the city where he lived and served.

States Don’t Link to Politics

State action is insulated from politics

**Celli 1**

Chief of the Civil Rights Bureau, New York State Attorney General's Office (Andrew, 64 Alb. L. Rev. 1091)

I also saw that state enforcement officers, like me and like Peter Lehner, with our small and agile offices operating below the national political radar, that we can use these federal laws in creative and aggressive ways and perhaps in a way that is insulated from the kinds of political pressure that, say, the Civil Rights Division of the Justice Department faces.

States doesn’t link to politics.

**Michaels**,, 200**4**.

[Jon, Associate, Wilmer, Cutler & Pickering; Law Clerk designate, the Honorable Guido Calabresi, United States Court of Appeals for the Second Circuit (J.D., Yale Law School) 34 Seton Hall L. Rev. 573, Deforming Welfare: How the Dominant Narratives of Devolution and Privatization Subverted Federal Welfare Reform, lexis]

Simply put, in abdicating this responsibility, Congress has actually allowed one narrative to dominate the other. It has privileged the aims of devolution and privatization - at the expense of ensuring fidelity to the policy aims and objectives of welfare reform and, importantly, at the expense of ensuring fidelity to the concept of federalism itself. This capitulation to the forces of devolution, I need not add, may be politically expedient, n5 but otherwise incongruous from the perspective of prudent policymaking. n6 State and local governments, as well as private and faith-based providers, could be quite effective partners in designing and implementing welfare reform. But left to their own devices, they lack the institutional capacity and, oftentimes, the proper incentives to bear primary [\*577] responsibility for ensuring the successful transition of America's dependent, welfare population to the world of work and personal responsibility. The shrinking of the federal government's responsibilities over social welfare, moreover, creates civic harms as well. n7 To abandon our national commitment to assist some of the most vulnerable among us, is to rend the very fabric of our collective identity.

States have Funding – Revenue

**States can fund - revenues are set to increase**

**Selway 6/12** (William, Bloomberg Business, "State Revenue Tops Forecasts as U.S. Governors Reduce Spending," http://www.businessweek.com/news/2012-06-12/state-revenue-tops-forecasts-as-u-dot-s-dot-governors-reduce-spending)

Most U.S. states are collecting more revenue than they forecast this year as the economy recovers, reducing budget deficits that have persisted in the nation’s capitals since the recession. Thirty-one states collected more than they expected when drafting budgets for the current fiscal year, which ends this month in most states, according to a report released today by the National Governors Association. Still, state leaders moved to slow the growth of spending in the coming year, reflecting uncertainty about the economy, the report found. “State fiscal conditions are continuing to improve in fiscal 2013, although many state budgets are not fully back to pre-recession levels,” according to the report. U.S. states are slowly recovering from the 18-month recession that ended three years ago, which forced them to cut back on spending on education, welfare and transportation projects as tax collections tumbled. The need to balance budgets, often mandated by state constitutions, exerted a drag on the economy. With tax collections improving, only eight states were forced to close a collective $1.7 billion of deficits that emerged in the budgets in the middle of the year, the fewest since the recession. Budget Shortfalls For 2013, the difference between what states will collect and what they were poised to spend narrowed to $30.6 billion from $68.1 billion in the previous 12 months, according to the report. Nineteen faced such shortfalls, down from 27 a year earlier. Governors proposed increasing spending by a total of 2.2 percent to $682.7 billion, a reduction from the previous two years and about half the 4.1 percent projected jump in their revenue.

**Tax revenues are up**

**AP 6/12** (Associated Press, "US states forecast highest tax revenue in 5 years," http://www.foxnews.com/politics/2012/06/12/us-states-forecast-highest-tax-revenue-in-5-years/)

U.S. states expect to collect higher tax revenue in the coming budget year that combined would top pre-recession levels, according to a survey released Tuesday. The increase could reduce pressure on states to cut budgets and lay off workers. A slowly healing job market and modest growth have boosted sales and income taxes, which provide nearly three-quarters of state revenue. Overall corporate income taxes are also growing. Still, many states continue to struggle with budget shortfalls. And some states, such as California, are seeing greater revenue only after raising taxes to stem deficits. Total tax revenue is forecast to rise 4.1 percent to $690.3 billion in the 2013 budget year, according to a twice-yearly survey by the National Governors Association and the National Association of State Budget Officers. It's the third straight year of revenue growth and $10 billion more than the budget year that ended June 2008. The recession began in December 2007. Total state spending would increase only 2.2 percent and remain below pre-recession levels, the report said. "The thing we're definitely seeing is stability," said Scott Pattison, executive director of the budget officers' group. Only eight states were forced to close unexpected mid-year budget gaps this year, he said, compared to 39 states two years ago. Arizona, Ohio and Michigan are anticipating some of the biggest increases in tax revenue next year. Michigan has already benefited from higher revenue. Last year the state had its first surplus in a decade. That enabled state officials in February to cancel plans to require 37,000 state workers to take four days of unpaid leave. In Ohio, tax revenue is projected to rise to $17.6 billion next year. That's an 8.6 percent increase from the current budget year. Democrats in the state legislature have responded by pushing for more school funding. GOP Gov. John Kasich has downplayed the improved forecast, saying year-to-date tax receipts are only modestly above estimates.

States have Funding – Revenue

**States are practicing austerity now**

**Reuters 6/11** (Lisa Lambert, Chicago Tribune, "Revenues recover but states still tight-fisted," http://articles.chicagotribune.com/2012-06-11/news/sns-rt-us-tuesday-usa-states-budgetsbre85b05h-20120611\_1\_state-revenues-scott-pattison-state-budget-officers)

(Reuters) - States are remaining tight-fisted over spending even as their revenues are expected to top the levels seen before the height of the recession, unnerved by the clouds over the U.S. and global economies. For the upcoming 2013 fiscal year, total U.S. state revenues will increase by $27.4 billion, or 4.1 percent, to reach $690.3 billion. General fund spending, however, will rise by only $14.6 billion, or 2.2 percent, according to a survey of governors' budgets released on Tuesday. Tax collections, the largest source of revenue, will likely rise 4.8 percent to $556.6 billion, according to the survey, conducted by the National Governors Association and National Association of State Budget Officers. "It's a reflection of the uncertainty that's going on," said Scott Pattison, executive director of the state budget officers' organization. "It shows very cautious budgeting on the part of governors." For fiscal 2013, which for most states begins on July 1, state revenues will likely be $10 billion greater than in fiscal 2008, the last year before state revenues collapsed under the combined pressures of the housing downturn, financial crisis and recession, according to the report. States had to slash spending, hike taxes and turn to the federal government for help. All states except Vermont are required to end their fiscal years with balanced budgets, which means that, unlike the federal government they cannot operate at a deficit. The U.S. economic recovery that officially began in 2009 has filtered down to states' coffers only recently. Altogether, 39 states are pushing up spending in fiscal 2013, although 25 will likely spend less than before the recession. Total state spending will be 0.7 percent below the $687.3 billion of expenditures in fiscal 2008.

States have Funding – Recovery

**Spending feasible - recovery is helping state economies**

**Cauchon 6/6** (Daniel, USA Today, "Most state economies still recovering after recession," http://www.usatoday.com/news/nation/story/2012-06-05/state-GDP/55408890/1)

The residents of only nine states have returned their economic output to the level that existed before the downturn struck at the end of 2007 — and most of those states are energy producers, according to data released Tuesday. North Dakota, an oil boom state, topped the nation in GDP growth per person last year. Even states now on the rebound — such as Michigan, Connecticut and California — find themselves far behind where they were economically when the recession started 4½ years ago, the data show. Gross domestic product — the value of goods and services produced — grew in 34 states in 2011 after adjusting for changes in population and inflation, according to the Bureau of Economic Analysis. Typically, nearly every state boosts its GDP in a recovery. STORY: Oregon, N.D. able to spread their wealth across USA But 41 states haven't made up the ground lost during the deep recession that ran from December 2007 to June 2009. Georgia, once a booming state, shows how hard recovering is. Its economy grew 0.7% per resident last year, the same as the national economy. But it is still 8% lower than it was in 2007. "The state's economy is still shellshocked from the real estate collapse and the loss of manufacturing," says economist Cynthia Tori of Valdosta State University. "It's probably going to take three or more years to dig ourselves out."

**States are massively cutting back on budgets**

**Inquisitr 6-23** (The Inquisitr, 6-23-2012, "State Budget Control: Local Spending Drops To Lowest Point In 30 Years," http://www.inquisitr.com/261351/state-budget-control-local-spending-drops-to-lowest-point-in-30-years/)

According to analysts, state and local governments have cut back their spending to the lowest level in 30 years. States have been struggling to control their spending in the past few years, but these days, (and at least in this situation), Democrats and Republicans across the country are on the same page. They’ve got control of their budgets and are rejecting monetary requests from police, businesses, teachers, doctors and others as their government aid dries up. Now the numbers: “State and local spending is down 0.8% this year — a 2.7% drop when adjusted for inflation — to an annual rate of $2.4 trillion, a USA TODAY analysis of Bureau of Economic Analysis data found. New budgets, which take effect July 1 most places, show elected officials continuing to restrict both spending and tax hikes.” “We’re seeing some incredibly significant examples of groups not getting what they want,” said the head of the National Association of State Budget Officers, according to Newser. “Maybe there’s an acceptance that cuts have to occur.” A few examples: Democratic Governor Dannel Malloy in Connecticut eliminated a required force size of 1,248 troopers. The force is down to about 1,060 troopers. In Ohio, Republican Governor John Kasich took out $30 million from nursing home payments. In Hawaii, Democratic Governor Neil Abercrombie made a highly controversial move, cutting teacher pay and benefits and adding a performance evaluation system, much to the chagrin of the union who have challenged him. So while the fed might still be spinning out of control, the states have actually learned to work with a balanced budget. Sacrifices have been made, and plenty of people are upset over the cuts, and “Real hard decisions are being pushed off to the future,” said one analyst.

States have Funding – Ohio

**Ohio's economy is doing fine**

**Marshall 6/25** (Aaron, Cleveland Daily News, "Ohio agency heads told to plan for no growth or a cut in next state budget," http://www.cleveland.com/open/index.ssf/2012/06/state\_agency\_heads\_told\_to\_pla.html)

Monday's guidance from Keen is the same that previous Gov. Ted Strickland asked state agencies to plan for in July 2010, and it's actually slightly rosier than in July 2008, when Strickland had state bureaucrats preparing for a budget at 95 or 90 percent of current spending levels. Keen may be asking for state agencies to hold the line, but state monthly financial reports show top budget officials expect to see modest growth in the near future. On June 11, the state's most recent monthly financial report predicted "uninterrupted growth at a modest pace both nationally and in Ohio." Other signs of Ohio's fiscal health include state tax receipts for this fiscal year being nearly $400 million above projections, and a healthy $1.26 billion more than what was collected last year. Keen characterized Ohio's fiscal rebound as "sluggish" and said modest gains don't equal a bright financial picture for the next state budget. "We are experiencing the slowest economic recovery in the post-war era, and we think we are going to continue to have that kind of recovery," Keen said. "That does set the tone, and we have to be careful and cautious and take a good hard look at our resources."

States have Funding – Texas

**Texas cutting budgets now**

**AP 6-5** (Associated Press, Paul J Weber, 6-5-2012, "Texas budget Perry asks agencies to cut again,")

SAN ANTONIO — State agencies were told Tuesday to find ways to shave costs by another 10 percent for the next budget cycle, despite growing tax revenues that have raised hopes of restoring freshly slashed public services and jobs across Texas. The governor's office and the nonpartisan Legislative Budget Board asked agencies in a letter to hit the same reduction target as the one prior to last year's legislative session, when Republicans pushed through about $11 billion in budget cuts they said were necessary belt-tightening in tough times. Each agency is now being asked to submit a cost-cutting proposal to the board, which keeps track of how much money lawmakers have to spend. The board will assess the plans and make recommendations, but lawmakers will ultimately decide what cuts, if any, will be made when they reconvene in January. Revenue projections for the state are rosier than when lawmakers drafted the current two-year budget. In February, Legislative Budget Board director Jim O'Brien told lawmakers the state raised $1.6 billion more in revenues because of the improving economy. However, Gov. Rick Perry and other state Republican leaders on Tuesday stressed the need for fiscal discipline. "I know that there are programs that aren't funded to levels that people would like to see funded. I don't argue that," Perry said at a luncheon at San Antonio. "But I've been given a responsibility to be a leader ... to not put this state in a position of this precarious standpoint of our economic condition."

**Texas cutting budgets and increasing revenue in the status quo**

**The Statesman 6-5** (Kate Alexander, The Statesman, 6-5-2012, "Texas agencies asked to cut more in spite of brighter financial outlook,")

Amid clear signals that Texas' budget is stronger than expected, state leaders have told agencies to hold the line on spending. The latest bit of positive fiscal news came Tuesday when the state comptroller released numbers showing that business tax collections in Texas had exceeded projections. Comptroller Susan Combs had estimated that the franchise tax paid by businesses would bring in about $4 billion in the first year of the 2012-13 budget. The $4.3 billion collected in May has already beaten that mark, and more payments will trickle in come August. Sales tax collections, the most important source of state revenue, have also been coming in well above projections for the budget year, which began in September, and could produce billions in unanticipated revenue.

States have Funding – Texas – Turn

**Turn - state infrastructure is k2 growth**

**McCown et. al 10** — (F. Scott, Dick Lavine, Eva DeLuna Castro, Chandra Villanueva, "Texas can't rely on budget cuts alone," Texas Statesman, December)

Instead, to balance the budget, the Legislature must do what Texas families do. When Texas families face tough times, they use their savings and try to raise more money before they stop buying things their kids really need. The Legislature should take a similar balanced approach. The state's savings account, our rainy day fund, will have about $9 billion we can use to balance the budget. We need to use it all. The constitutional purpose of the fund is to maintain vital state services during economic downturns. As our economy recovers, state revenue will recover; in the meantime, the fund can help cover state costs. The fund is automatically replenished by oil and gas severance taxes. But the rainy day fund is designed only to bridge us from recession to recovery. Even in the best of times, our tax system doesn't produce sufficient revenue to meet the state's needs. Whether you measure taxes per resident or taxes as a percentage of the economy, Texans pay less in taxes than those in almost any other state. That means we put less into education and infrastructure than we need to maintain our competitive edge. It is no accident that one in every three jobs in Texas is a low-wage job. We simply don't prepare our children for high-wage work. The Legislature made a chronic problem worse in 2006 when it reduced school property taxes by a third, guaranteed to make up the loss to schools with state dollars and then did not increase state taxes enough to cover the cost. That left a permanent $10 billion budget hole — what Lt. Gov. David Dewhurst and others have called a structural deficit — reducing the money that state government has to invest in education and infrastructure. In other words, a good part of our problem is structural rather than cyclical. Strong economic growth won't lift us out of this structural hole. For one thing, we won't have strong economic growth if state government doesn't have enough money to do its job of educating our work force and maintaining roads and other infrastructure crucial to the economy. For another, even when the economy does grow, our tax base doesn't grow with it. We raise taxes primarily on the sale of goods, even though we increasingly make our money selling services. We simply don't have a tax system built for our modern economy.

\*AFF

Permutation

Do both – joint action solves the impacts

Young 4

[Ernest, Law Professor, University of Texas, TEXAS LAW REVIEW, November 2004, p. 59-60]

The intertwining of federal and state bureaucracies through various forms of "cooperative federalism" likewise gives state and local officials the ability to resist federal initiatives in more subtle ways. Recently, for instance, dozens of localities and several states have criticized - and sometimes even refused to cooperate with - aspects of the War on Terrorism that they felt intruded too far into personal liberties.

Joint implementation maximizes solvency

Danzig and Szanton 86

[Richard Danzig Peter Szanton, law professor, Stanford, former OMB Director, NATIONAL SERVICE: WHAT WOULD IT MEAN?, 1986, p. 190]

State and local programs would diminish prospects for welding the nation’s youth together in a common experience, but because they would be localized, they could enhance their participants’ sense of common service to their own community. Further, by included selected state and local programs in national service and by having the NSO create a common recognition for all service activity, some synergy and sense of unity could be created among state programs and between state and federal programs. We could have the NSO endorse and subsidize half the costs of two kinds of local programs, conservation corps and community service programs.

States Can’t do it – Funding

States won’t spend on infrastructure

Washing Post 12

Washington Post, March 21, 2012, “Why Can’t We just Leave Infrastructure Spending to the States?,” http://www.washingtonpost.com/blogs/ezra-klein/post/why-cant-we-just-leave-infrastructure-spending-to-the-states/2012/03/21/gIQAjpYBSS\_blog.html

As a recent [report](http://www.cbo.gov/ftpdocs/119xx/doc11940/11-17-Infrastructure.pdf) (pdf) from the Congressional Budget Office detailed, the federal government’s share of infrastructure spending has *already* been shrinking since the 1960s and 1970s. And the states, which still provide the vast majority of spending on roads and highways, haven’t made up the difference. The end result? There’s less infrastructure spending overall as a percent of GDP.

Federal funding more stable because states can’t deficit spend

The Transportation Politic, 12

The Transportation Politic, February 16, 2012, “Clearing it Up on Federal Transportation Expenditures,” http://www.thetransportpolitic.com/2012/02/16/clearing-it-up-on-federal-transportation-expenditures/

\*\* [Commenter John notes](http://www.thetransportpolitic.com/2012/02/16/clearing-it-up-on-federal-transportation-expenditures/#comment-546614) that many transit projects are paid for through bonds, which are in essence deficits, and that states have the technical power to have deficits — and these points are both valid. However, all states except Vermont have some form of balanced budget rule. And the selling of bonds by transit agencies are reliant on them having future guaranteed funding sources to pay back the debt — federal funding like capital grants are an important part of making that equation happen. Transit agencies do not have the ability to expand their debt capacity greatly (unlike the federal government) because of investor fears about future funding security.

Aff - No Funding - Uniformity

**They say "states are doing fine" - this is only true for a few states - growth is lopsided and incongruous**

**Reuters 6/27** (Lisa Lambert, "US recovery varies greatly by state, county, city," http://in.reuters.com/article/2012/06/27/usa-states-economy-idINL2E8HRFZQ20120627)

(Reuters) - In a twist on the old aphorism about real estate, the three most important factors for the current U.S. economic recovery seem to be location, location, location. Growth right now is "extremely concentrated" in a few states, said Chris Mauro head of U.S. Municipal Research Strategy at RBC Capital Markets, adding that there has been "a general stagnation, with the exception of some of the resource-rich states." Three reports released on Wednesday show wide variations in the rebound from the 2007-09 economic recession, both at the state and local levels. Unlike past downturns, the recession spared only a few states, largely because it hit nearly every economic sector and the states' economies are interconnected, said Arturo Perez at the National Conference of State Legislatures. "When things started going south, no state was able to ward off the bad stuff that was happening," he said. But the states did not enter recession at the same time and some suffered less than others. "They're not in lockstep going into a recession. They're not going to be in lockstep coming out," he said, pointing to Kansas, which did not have the same run-up in housing prices - and therefore not as steep a drop - as Nevada. Now, energy-rich states are sprinting toward prosperity, helped by a surge in natural gas, while others are closer to shuffling back to stability. That is creating disparities on the personal level and the political one - some states are considering cutting taxes while others are having to close budget gaps.

**More evidence - recovery isn't uniform - many states are in the red**

**Reuters 6/27** (Lisa Lambert, "US recovery varies greatly by state, county, city," http://in.reuters.com/article/2012/06/27/usa-states-economy-idINL2E8HRFZQ20120627)

PATCHINESS AT LOCAL LEVEL Cities and counties also did not enter recession in a uniform way. Some were immediately affected by the housing crisis, while others did not see the downturn until there were massive problems on the national level, said Jackie Byers, a researcher at the National Association of Counties. In its quarterly review of metropolitan economies released on Wednesday, the Brookings Institution described the wide variations in recovery as "significant patchiness." Brookings found that from January to March, employment growth accelerated across most of the nation's 100 largest metro areas, while output growth weakened. Unemployment rates fell in more than half of all metropolitan areas, but remained above 6 percent in almost all of them. Housing prices hit new lows in 73 of the 100 largest metropolitan areas, which typically include a major city and its surrounding suburbs, after showing signs of growth in previous quarters, Brookings found. "Until there's a recovery across all sectors you won't see a smoothing out in the economy," said Alec Friedhoff, a research analyst for the group's Metropolitan Policy Program. Brookings found that, yet again, cities in Texas are having the fastest recoveries, largely because they experienced mild recessions and are now benefiting from a boom in natural gas. Cities in California's Central Valley, such as financially tottering Stockton and other western metropolitan areas such as Colorado Springs, Las Vegas and Tucson continue to lag.

Aff - No Funding - Uniformity

**States can't fund the plan - recovery is too slow**

**Oliff et. al 6/27** (Phil Oliff, Chris Mai, and Vincent Palacios, Center for Budget and Policy Priorities, " States Continue to Feel Recession’s Impact, " http://www.cbpp.org/cms/index.cfm?fa=view&id=711)

As a new fiscal year begins, the latest state budget estimates continue to show that states’ ability to fund services remains hobbled by slow economic growth. The budget gaps that states have had to close for fiscal year 2013, the fiscal year that begins July 1, 2012, total $55 billion in 31 states. That amount is smaller than in past years, but still very large by historical standards. States’ actions to close those gaps, in turn, are further delaying the nation’s economic recovery. The budget gaps result principally from weak tax collections. The Great Recession that started in 2007 caused the largest collapse in state revenues on record. Since bottoming out in 2010, revenues have begun to grow again but are still far from fully recovered. As of the first quarter of 2012, state revenues remained 5.5 percent below pre-recession levels, and are not growing fast enough to recover fully soon. Meanwhile, states’ education and health care obligations continue to grow. States expect to educate 540,000 more K-12 students and 2.5 million more public college and university students in the upcoming school year than in 2007-08.[1] And some 4.8 million more people are projected to be eligible for subsidized health insurance through Medicaid in 2012 than were enrolled in 2008, as employers have cancelled their coverage and people have lost jobs and wages.[2]

Aff - No Funding - Medicare

**Medicade ruling delegates responsibilities to the states - exacerbates budget concerns**

**Selway & Wayne 6/27** (William and Alex, Bloomberg Businessweek, "States Confront Tough Choice on Medicaid Funds After Ruling," http://www.businessweek.com/news/2012-06-28/health-care-for-poor-challenges-republican-states-after-ruling#p2)

Republicans won control of the majority of governorships in the 2010 elections, when concern about the expanded role of government under Obama boosted turnout among the party’s voters. Republican state leaders have opposed Obama’s 2010 Patient Protection and Affordable Care Act, and today criticized the Supreme Court’s decision to uphold the core of the law, which requires individuals to obtain health insurance. ‘Unaffordable’ Expansion Republican leaders of states that challenged the health- care law in court -- including Texas, Florida, Virginia, Ohio and Indiana -- say they’re not sure their states will opt in. Florida Attorney General Pam Bondi, a Republican, called a Medicaid expansion “massive” and “unaffordable.” “We will have a choice on Medicaid, which is good,” Bondi told reporters outside the state Capitol in Tallahassee. “We do have to decide what to do and we have to do it very quickly.” Texas Health and Human Services Executive Commissioner Tom Suehs said the state is analyzing the ruling to decide how to proceed. “I’m pleased that it gives states more ability to push back against a forced expansion of Medicaid,” he said in a statement. Cost Issue Virginia Governor Robert McDonnell, the chairman of the Republican Governors Association, told reporters in Richmond that he is considering the ruling and hasn’t made any decisions. He said the expansion of Medicaid, which now consumes about one- fifth of the state budget, will cost the state an added $2.2 billion over the next decade. “That’s going to be a vast expansion in the amount of money going from the general fund,” he said. The Medicaid expansion would cost states $21 billion through 2019, according to the Kasiser Commission on Medicaid and the Uninsured, a non-profit group that researches health care. The federal government would contribute $444 billion, the group said in the report. The Medicaid program has put added financial pressure on states after the longest recession since the Great Depression as more residents were thrown out of work. As tax revenue tumbled, states were forced to close more than $500 billion of budget gaps.

**And - governors will choose to expand Medicaid**

**Selway & Wayne 6/27** (William and Alex, Bloomberg Businessweek, "States Confront Tough Choice on Medicaid Funds After Ruling," http://www.businessweek.com/news/2012-06-28/health-care-for-poor-challenges-republican-states-after-ruling#p2)

Political Reasons “It’s possible that some governors will, mostly for political reasons, do it, but I still suspect most governors will decide to expand Medicaid in keeping with what the federal government wants to do,” he said. “The deal Congress has offered them going forward is really, really good.” The law marks the biggest change to the U.S. health system since Medicare and Medicaid were established in 1965. It was designed to expand coverage to at least 30 million people -- primarily by expanding Medicaid and setting up markets where consumers could buy insurance -- while controlling the soaring costs of health care. The law was challenged by 26 Republican-controlled states and a small-business trade group. They contended the measure exceeded Congress’s constitutional powers to regulate interstate commerce and impose taxes.

Aff - No Funding - Medicare

**State-level Medicaid kills the economy**

**Pear 6/28** (Robert, New York Times, "Uncertainty Over States and Medicaid Expansion," http://www.nytimes.com/2012/06/29/us/uncertainty-over-whether-states-will-choose-to-expand-medicaid.html)

The Medicaid expansion is a central part of the law, accounting for roughly half of all the uninsured people expected to gain coverage, according to the Congressional Budget Office. It estimates that 17 million uninsured people will gain coverage through Medicaid, at a cost to the federal government of $930 billion from 2014 to 2022. While upholding the expansion of Medicaid, the Supreme Court limited the power of the federal government to secure compliance by penalizing states that refuse to go along. Chief Justice John G. Roberts Jr. said the federal government could not compel states to comply by cutting off all the federal money they receive for existing Medicaid programs. The threatened loss of so much federal money — more than 10 percent of state budgets — “is economic dragooning that leaves the states with no real option but to acquiesce in the Medicaid expansion,” the chief justice said. “A state could hardly anticipate that Congress’s reservation of the right to ‘alter’ or ‘amend’ the Medicaid program included the power to transform it so dramatically.” The chief justice said Congress had put “a gun to the head” of states by requiring them to expand Medicaid or risk the loss of all federal Medicaid money. “States,” he said, “must have a genuine choice.”

Aff - No Funding - New Jersey

**New Jersey can't fund the plan - budget fights**

**Rousseau 6/28** (David, New Jersey News Room, "Lack of bipartisan support crippling N.J.'s budget," http://www.newjerseynewsroom.com/commentary/lack-of-bipartisan-support-crippling-njs-budget)

For the 12th consecutive year, the New Jersey Legislature divided into unbroken partisan camps on its most important job: adopting the state budget. Since 1990 and Gov. Florio’s first budget, only three budgets received significant bipartisan support (at least three-quarters of the members of one or both of the houses). And those budgets were in Gov. Whitman’s final term when Democrats sat back, enjoying prosperity and growing revenues—everyone got something. This automatic partisanship on crucial financial issues is not healthy. One would hope that party leaders could come together to halt the state’s deteriorating financial condition rather than basing their votes on party membership alone. The lack of bipartisan support is especially surprising given bipartisan enactment of pension and benefit changes, a two-percent property tax cap and the higher education reorganization. Gov. Christie has built his national standing with Republicans by touting his ability to work with the Democrats. But that bipartisanship has not extended to the crucial task of adopting a state spending plan. In his first year, Democrats gave the governor enough votes to enact his budget but were hands off in the development of the budget. In a year of plummeting revenues and brutal cuts, they were happy to leave it to the governor. Last year, Democrats turned 180 degrees by presenting the governor with a budget that departed radically from his budget message. That budget received no Republican votes and was subjected to the most extensive line-item vetoes in recent history. This year, Democrats enacted a budget that was virtually identical to the governor’s proposal with one exception: tax cuts would be delayed until the governor’s aggressive revenue forecast was matched by actual tax collections. Not one Republican voted for this near carbon copy of the governor’s budget. Maybe we have misjudged the Republican legislators’ opposition to the Christie budget. Maybe they realize how unrealistic the governor’s revenue projections now appear with months of lower collections. Maybe they don’t want to be tagged for supporting a budget with the highest increase in spending in the nation. Maybe they opposed the nearly $600 million in diversions from the Clean Energy, affordable housing and foreclosure assistance funds and the total of over $1.5 billion in non-recurring revenues that will have to be made up in next year’s budget. Maybe they oppose borrowing $260 million to support transportation projects that were supposed to be pay-as-you-go. If these were the reasons they voted against the budget it would have at least made them consistent with Democratic budgets that they opposed in the past.

**Christie is ruining Jersey's chances for recovery**

**Zernike 6/27** (Kate, New York Times, "As His Optimistic Budget Falters, Christie Comes Out Swinging," http://www.nytimes.com/2012/06/28/nyregion/chris-christie-comes-out-swinging-as-his-budget-falters.html?\_r=1&pagewanted=all)

Gov. Chris Christie of New Jersey promised a have-your-cake-and-eat-it-too budget for next year, one that would make the state’s pension payments, increase money for schools, provide drug treatment for nonviolent criminals, restore tax credits for the working poor and give every taxpayer a 10 percent income tax cut. Follow us on Twitter and like us on Facebook for news and conversation. At $32 billion, the proposal for the next fiscal year — unveiled in February — included the biggest spending increase of any governor in the country. But it was based on one of the most optimistic revenue projections in the country, too, assuming that taxes and fees paid to the state would rise 7.2 percent. Now those projections are coming up short. With unemployment in New Jersey still higher than the national average, tax revenues have failed to meet targets for several months in a row. Depending on whether you believe the governor, the nonpartisan legislative office that analyzes the budget, or the rating agency Moody’s, the state will take in anywhere from $704 million to $2.2 billion less than it had anticipated.

Aff - No Funding - Texas

**Texas can't fund - Medicare costs**

**Smith 12** (Mike, The Caller, "Texas Economy Building but Health Costs, Regulation Threaten Growth, State Comptroller Says," http://m.caller.com/news/2012/may/09/texas-economy-building-but-health-costs-threaten/)

State Comptroller Susan Combs said all signs point toward a growing Texas economy. The state's 7 percent unemployment rate is a full point better than the country's; Texas has had 25 consecutive months of growth in sales taxes, which are 63 percent of the state's revenues; and the "rainy day" reserve fund is a weighty $6.2 billion. The only gloomy thing Combs said she sees on the horizon is the crushing weight of looming Medicaid costs. "This is something that's been bothering me," Combs said, pointing at the growing red slice on a colorful pie chart showing predicted growth of the health program as a share of state spending. "Medicaid and it's pressure on everything else." The thesis led off about an hourlong town hall-style meeting the state's top financial executive held Tuesday in the Nueces County commissioners courtroom. Combs said Medicaid represented 20.2 percent of state spending in 2011. By 2023, that is projected to increase to 37.2 percent, on par with public education, represented by a blue slice of the pie chart. Together, "Big Red" and "Big Blue" as she dubbed them, will be three-fourths of state spending as a result of the combination of economics, an aging population and expanded eligibility for the government program under the federal Affordable Care Act. Added to growing local debt loads, the national multi-trillion dollar debt and the effects of increased federal regulation, Texas' economic prosperity is threatened, Combs said. "'Big Red' is going to force and demand innovation and creativity because it's coming," Combs said. Offsetting negative effects on state and local budgets is a more cooperative, collaborative and innovative approach to governance and fiscal policy, or to "break down walls" between entities, Combs said. Examples include some local governments that are looking at ways to combine their resources by sharing space. One Dallas-area school district recently joined with the city and Police Department to house the entities in the same public building, and there are other examples of collaborations between secondary and higher education to teach and train students, she said.

Aff - No Funding - Texas

**Err neg - their evidence only cites unsustainable growth - funds are consistently lacking**

**McNichol & Johnson 12** (Elizabeth, Senior Fellow at the CBBP AND Nicholas, CP for State Fiscal Policy at CBBP, "The Texas Economic Model: Hard for Other States to Follow and Not All It Seems," Center for Budget and Policy Priorities, April)

Whatever its boosters may say, Texas is not a helpful model for economic growth for the rest of the country. True, the number of people and jobs in Texas has been expanding, causing other states to wonder whether Texas holds important lessons for state policies that can generate similar growth elsewhere. The answer is no. Texas has unique geographic and demographic characteristics that have helped lift its economy in recent years. Its border location encourages trade and immigration and helps fuel population and job growth. A combination of available land and lending regulations have kept housing prices comparatively low and helped Texas avoid the real estate depression that dragged down many other state economies. Though Texas' economy has diversified in recent decades, the state's abundant oil and gas resources remain a valuable asset - especially when prices for those commodities are high - that most other states lack. Even if it were possible for other states to replicate these features, the fact that so many Texans have failed to benefit from them - with poverty, low-wage jobs and lack of health insurance all above the national average - makes Texas a less-than-desirable model to follow. The Texas growth narrative is well-known by now. Texas' population grew by 11 million people (79 percent) between 1980 and 2011, more than double the rate of growth of the nation as a whole. (See figure 1.) With that population growth came job growth. Since the 1990s, the rate of Texas job growth has been a full percentage point or more above the national average most years. The American Legislative Exchange Council, among others, has suggested that other states should adopt policies that will make them more like Texas in order to grow their economies. One example from the introduction to ALEC's recent Rich States, Poor States report: "[M]any governors are looking at Texas, which has led the nation in job growth over the past three years, as the state with the best policy to emulate." [1] In particular, ALEC notes the state's tax policy as a plus. But if those governors look closely, they won't find much they can emulate. The reality is that much of Texas' growth results not from its policies but rather from factors that state officials cannot control. For example, Texas has been benefiting from cheap and plentiful land, a location that enables international immigration and trade, abundant natural resources such as oil and gas, and other advantages that cannot be exported. Even with all those natural advantages, Texas' economic picture is not entirely rosy, and it may not be able to retain the advantage it currently holds over other states for much longer. Beyond population and job growth, Texas continues to lag behind the rest of the country in other important measures of economic success. About one in ten hourly wage jobs in Texas pays at or below the minimum wage ($7.25 per hour), more than in any other state, and Texas has the nation's 11th-highest poverty rate. Such high levels of poverty and low-wage employment make the Texas economy a dubious model for the nation.

Aff - No Funding - Illinois

**Illinois is planning a huge deficit -**

**Huffington Post 6-22** (The Huffington Post, 6-22-2012, "Illinois Budget Deficit Worst In The Nation: State Is Reportedly $43.8 Billion In The Red," http://www.huffingtonpost.com/2012/06/22/illinois-budget-deficit-w\_n\_1618469.html)

A report released Thursday by the state's Auditor General claimed that Illinois' ever-bulging budget deficit is "easily" the nation's worst. Illinois Auditor General William Holland reports that the state's budget deficit has more than doubled over the last five years and currently stands at $43.8 billion, WBEZ reports. Because Holland's report was based on the Illinois State Comptroller's comprehensive report for fiscal year 2011, the Associated Press notes that it is a year out of date. Some improvement was actually shown, as the state's deficit in its general revenue fund dropped $700 million to $8.1 billion. A spokesperson for State Comptroller Judy Baar Topinka told WBEZ that the state's budget deficit remains a "colossal mess" even as state lawmakers have taken positive steps to address it in recent months. Topinka said this week that her office is looking at $4.4 billion worth of unpaid bills at the moment, plus $4.1 billion in additional bills from state agencies, the News-Gazette reports. Topinka has remained critical of how Illinois lawmakers -- particularly Democrats -- have handled the state's budget in Springfield. In April, when she unveiled her office's new "The Ledger" website, she said, "Being the chief fiscal officer in Illinois right now is like being one of your obituary writers at the newspaper, because I’ve only got bad news to report all the time."

No Solvency - Uniformity

State action lacks uniformity

Goldsmith ‘97

(Jack, Associate Prof – U Chicago, Virginia Law Review, November, Lexis)

Nonetheless, these concerns need not affect the legitimacy of the federal common law of foreign relations. Although federal courts might be generally unsuited to make federal foreign relations law on both legitimacy and competence grounds, the adverse consequences of state-by-state regulation in the face of federal political branch silence might be worse. States suffer from many of the same disabilities as federal courts in this context. Moreover, federal courts, in contrast to the states, have independence from local political processes and, as a branch of the national government, are likely to be more sensitive to national foreign relations interests. Even in the absence of strategic behavior by the states, one might think that, all things being equal, suboptimal but uniform federal judge-made regulation of foreign relations is preferable to the nonuniformity **inherent in state-by-state regulation** of a foreign relations issue. [213](http://www.lexis.com/research/retrieve?_m=30e57da0c4e98dad4748fc94bcd482ae&csvc=bl&cform=bool&_fmtstr=FULL&docnum=1&_startdoc=1&wchp=dGLbVtb-zSkAW&_md5=4c3bbc49db3765e390d1f2e67acc99c4" \l "n213" \t "_self) Finally, the federal common law of foreign relations is designed to protect political branch prerogatives in foreign relations that the political branches themselves are structurally unsuited to protect. Any remaining concerns about the legitimacy or competence of the federal common law of foreign relations are thus mitigated by the political branches' ability to override judicial errors in the development of such law.

That tanks solvency

Donahue ‘97

(John D., JFK School of Government, Disunited States, p. 42)

Even when states vary, of course, there are arguments for uniformity. Institutions and individuals who live or do business in several states face the expense, bother, and confusion of coping with different (and sometimes conflicting) rules. Inconsistencies among state laws and regulations can lead to disputes of great complexity and to resolutions of limited appeal. After taking its case all the way to the Supreme Court, for example, a cruise ship operator won the right to be sued only in Florida by aggrieved passengers who had been on a trip between Washington State and Mexico.

Race to the Bottom

States working together leads to a race to the bottom

**CQ Transcriptions, 4-12-09**

( “HEARING ON THE EDUCATION DEPARTMENT FISCAL YEAR 2010 BUDGET” lexis)

What we need to do is provide clear guidance and clear goalposts. Under No Child Left Behind, 50 different states set their own benchmarks, set their own goalposts, and what that led to -- I think maybe unintentionally, but what it led to is what I call a race to the bottom, states dumbing down their standards to hit some political goal. And so, while No Child Left Behind was very loose about the goals, it was very tight, very prescriptive, I would argue overly prescriptive, about how you get there. I want to try and flip that. I want to be much tighter on what the goal is. I want our states thinking about college ready, career ready, internationally benchmarked standards.

Perm Shields Politics Link

Perm shields the link—Congress persons will escape political blame by blaming the states.

**Bach**, 200**9**.

[Wendy A. J.D., Faculty, CUNY School of Law, Winter, 74 Brooklyn L. Rev. 275, Article: Welfare Reform, Privatization, and Power: Reconfiguring Administrative Law Structures from the Ground Up, lexis]

n14 Although there is no question that the PRA called for devolution of power on a much larger scale than earlier welfare programs, Joel Handler argued persuasively that throughout the twentieth century the United States has consistently delegated administration of social welfare programs to lower levels of government when the subjects of the program are socially categorized as "undeserving." HANDLER, supra note 5, at 49.

When there is agreement on the deservingness of the category, the program is federally administered and fairly routine. On the other hand, when welfare is controversial, and when controversies boil up and demand **upper-level attention** . . . the preferred response, from the perspective of the legislature, is to try to escape political costs by granting symbolic victories and delegating the controversy back down to the local level.

Perm Solves - Environment

The perm solves best, and avoids federalism net benefit.

**The Regents of the University of California**, environmental law and policy journal, Fall, 20**08**

("A Period of Consequences: Global Warming Legislation, Cooperative Federalism, and the Fight Between the EPA and the State of California”. Lexis)

The environmental legislative regime need not rely solely on either federal or state regulations. To the contrary, cooperative federalism addresses concerns raised by both sides of the federalism debate. Cooperative federalism takes into account the positives and negatives of each regime, integrating federal and state legislation to best serve the environment. Thus, "policy-makers do not have to choose between federal and state approaches; the two can complement one another." n20

One may broadly describe cooperative federalism as a hybrid system of "federal legislation positing cooperation through interacting state and federal consent." n21 The Supreme Court recognized cooperative federalism as a system "that rejects a nationally uniform approach to problem solving in which Congress preempts state authority, and that instead allows state and local authorities to make at least some decisions, subject to minimum federal standards." n22 Cooperative federalism thus allows states to create regulations to meet their own particular needs subject only to federally mandated minimum standards. n23

States Bad—Discrimination

States practice discrimination against minorities

Stanford Journal of Civil Rights & Civil Liberties 6

[Aug 2006, "Arizona's Proposition 200 and the Supremacy of Federal Law: Elements of Law, Politics, and Faith"]

Though not a major problem given the political legitimacy and responsiveness of state government vis-a-vis the federal government, I do pause here to flag one civic concern: **the legacy of oppression and discrimination that particular minority communities associate with their state governments has not yet**, unfortunately, **been relegated** to the annals of ancient history. Not only do segregationist **policies, denial of the franchise, and ruthless state-sponsored violence come to mind for many poor black southerners** when they think about their relationship to the state government; they may also have salient memories of King v. Smith types of intrusive, humiliating home visits related directly to welfare administration. n167 In light of PRWORA's abandonment of federal welfare entitlements, **the oppressive and discriminatory policies and attitudes of the 1950s and 1960s, which had been reined in by the federal protections afforded by way of Goldberg and King, may potentially be revived.**

Indeed**, institutional racism at the state and local level is alarmingly enduring**. Professor Cashin, for one, devotes considerable attention to how states profoundly discriminate against their African-American welfare populations. n168 And another, **Professor** Susan **Gooden**, presents a particularly salient case study of Virginia welfare services. In her study, she **documents and contrasts state administrators' disparaging and ungenerous treatment of black welfare recipients with their treatment of similarly situated white clients who were always given first notice of new jobs, offered the "newest" work clothes, and given access to automobiles. n169**

Understanding discrimination is not just an academic exercise, but also a visceral part of the welfare experience. **The civic harms associated with returning power to the states cannot be disregarded as historically contingent. Such harms persist today.**

\*\*\*Fuel Taxes Plank

Fuel Taxes - 1NC

\*\*\*note - CP text must include a plank that increases state gas tax rates as well as something that pinsstate gas tax rates to inflation. You can make the argument that preventing regression to low income families is a normal means result of the plan

**Gas taxes offset funding**

**ITEP 12** (Institute on Transportation and Economic Policy, "State Gasoline Taxes: Built to Fail, But Fixable," May, http://itepnet.org/pdf/pb44stategastax.pdf)

Despite the dismal condition of so many state gas taxes, there are a few straightforward reforms that states can use to i x these broken, but vital, revenue sources: • Rising fuel-ei ciency and construction costs have signii cantly reduced the purchasing power of state gas taxes. The first and most obvious step that states should take to of set these declines is to increase their gas tax rates. • An increase in state gas taxes, however necessary, will be of lit le help in the long-term unless steps are taken to ensure that the tax can withstand future increases in fuel-ei ciency and construction costs. Restructuring state gas tax rates so that they grow over time can help alleviate this problem. Restructuring can come in a variety of forms, including linking state gas tax rates to construction cost inflation, the general inflation rate, or gas prices. • Like most taxes on consumption, state gas taxes are inevitably regressive—impacting low-income families far more heavily than any other group. h e impact of gas taxes on families struggling to make ends meet is ot en cited in opposition to state gas taxes, but lawmakers can provide meaningful relief to these families via targeted low-income tax credits, without having to starve states’ transportation revenue streams.

Fuel Taxes Plank - Solves Funding

**Raising gas taxes is key to revenue**

**Kliewer 12** (Laura, "For states, no clear path on transportation," Council of State Governments Policy Research, http://www.csgmidwest.org/policyresearch/0312transportationfunding.aspx)

The two states are not alone. Across the Midwest, and the country, states have studies detailing shortfalls in transportation funding and the need for greater infrastructure investment. Nationally, the latest report from the American Society of Civil Engineers estimates that a $2.2 trillion, five-year investment is needed to bring the condition of the nation’s infrastructure up to a good standard. Only half of that amount is currently being spent. But where will the additional money come from? At this point, states likely aren’t holding out hope for an influx of additional revenue from the federal government, which, according to the National Association of State Budget Officers, accounts for close to one-third of states’ total transportation spending. The federal gas tax has remained unchanged since 1993, and federal surface transportation reauthorization has repeatedly stalled. “On the federal side, things have been essentially stagnant at best and extremely uncertain at worst,” says Joung Lee, deputy director of the American Association for State Highway and Transportation Officials’ Center for Excellence in Project Finance. States, meanwhile, face continuing fiscal constraints and political pressures of their own. Motor-fuel excise taxes have long been the primary means for state-funded transportation investment, along with other dedicated revenue sources such as tolls, motor vehicle taxes and vehicle registration fees. (No state in the Midwest relies much on general fund revenue to fund its roads; Indiana, Iowa, Michigan, Nebraska and Wisconsin report using no such revenue at all.) For a variety of reasons — more fuel-efficient vehicles on the road and stagnant gas-tax rates not keeping up with inflation, for example — these state-level revenue sources are not raising enough money to meet infrastructure needs. The result in recent years has been a host of legislative actions and proposals: for example, raising the gas tax in Minnesota; dedicating more sales tax revenue to roads in Kansas and Nebraska; and encouraging public-private financing of transportation projects in Illinois, Indiana and Ohio. ‘Unfixing’ the gas tax to keep up with road costs In December, the nonpartisan Institute on Taxation and Economic Policy published a report detailing why the gas tax is one of state government’s “least sustainable revenue sources.” The root problem with the tax, authors of the study say, is that it is fixed. In the Midwest, for example, only Nebraska incorporates a variable rate based on the price of motor fuel. (That state’s motor fuel tax is a mix of a fixed tax, 10.3 cents per gallon; a wholesale tax, 12.3 cents; and a variable tax, 4.1 cents.) For every other state in the region, the gas tax rate remains constant minus legislative action. As a result, authors of the institute report say, “State gas taxes have fallen dramatically relative to the rising cost of asphalt, concrete, labor and everything else that goes into maintaining a transportation network.” They propose a three-fold solution to the sustainability problem: increase gas tax rates, make future increases automatic (based on inflation or gas prices), and target tax credits for low-income families to offset the impact of these changes.

**Fuel taxes directly fund transportation infrastructure**

**ITEP 12** (Institute on Transportation and Economic Policy, "State Gasoline Taxes: Built to Fail, But Fixable," May, http://itepnet.org/pdf/pb44stategastax.pdf)

A Vital Transportation Revenue Source State gas taxes are the single most important source of transportation revenue under the control of state lawmakers. About 30 percent of state own-source highway funding comes from state gas taxes, and many states use gas tax revenues for mass transit projects as well, under the sensible assumption that highway users benei t from the congestion-reducing ef ects of transit. But while gas taxes remain a vital transportation revenue source today, their relative contribution to state transportation budgets is actually on the decline. Taxes and fees paid by drivers (the most signii cant of which is the gas tax) now make up a smaller share of total highway funding than at any point since the Interstate Highway System was created in 1957.

Fuel Taxes Plank - AT: T/Econ

**Taxes don’t kill competitiveness and don't hurt the economy**

**Tsay & Gordon 11** (Shin-pei AND Deborah, 11/18, "Five myths about your gasoline taxes," CNN, http://www.cnn.com/2011/11/18/opinion/tsay-gordon-gas-tax-myths/index.html)

\*\*\*Statements 4 and 5 are myths that the author intends to disprove

4. Transportation taxes are detrimental to American competitiveness. Wrong. The reverse is true when it comes to gas taxes. Investing in transportation facilitates reinvestment in America that is vital to economic growth. The U.S., once No. 1 in the world for its infrastructure, has fallen to 15th. China and India are cruising ahead with transportation infrastructure investments each at 9% of GDP compared to 2% in the U.S. This lackluster level of investment prevails despite well-documented needs—aging infrastructure, growing population, and shifting demographics. An upgraded, well-maintained, operationally-efficient transportation system, on the other hand, offers a significant competitive edge. Plus, the gas tax spreads the burden over hundreds of millions of system beneficiaries. Beyond system efficiency gains, vehicles themselves are becoming more fuel-efficient and less wasteful. A proposal to double car- and SUV-fuel economy standards by 2025, while highly beneficial in terms of energy will translate into lower gas tax expenditures by higher-mpg cars. The rational way to deal with this is to increase gas taxes slightly over time to account for the fiscal impacts that cleaner, more efficient cars have on transportation infrastructure investments. 5. Gas taxes make an already volatile gasoline market even worse. Partial thinking. Domestic gas prices are largely influenced by world oil markets. With transportation accounting for about 70% of U.S. oil consumption and record oil-company profits reached when world oil prices go up, it's only fair that oil companies share the cost of providing transportation infrastructure. Structuring an oil fee assessed on producers and a variable gas tax paid by consumers can further stabilize the price at the pump. When oil prices go up, the retail gas tax can be abated. The oil security fee will make up for the revenue gap. When oil prices go down, the gas tax can be slowly reinstated. There isn't much that can be done about external events that affect global oil price volatility, but gas taxes can be designed to better manage abrupt price swings domestically. In short, the transportation system is a critical component of America's economy. The United States cannot be a superpower if it starves public investment in infrastructure. Taxes tend to be more politically acceptable when people understand how funds provide benefits. And nobody understands better than travelers that the nation's infrastructure needs serious improvements. It's time to face the fact: The gas tax is a good way to invest in America.

Aff - AT: Fuel Taxes

**Gas taxes fail to offset spending - fuel efficiency and rising costs**

**ITEP 12** (Institute on Transportation and Economic Policy, "State Gasoline Taxes: Built to Fail, But Fixable," May, http://itepnet.org/pdf/pb44stategastax.pdf)

State gas taxes, as currently designed, are an unsustainable revenue source. h is means that over time, the revenue generated by state gas taxes tends to fall increasingly short of meeting state infrastructure needs. h e most unsustainable type of gas tax is the i xed-rate tax, where the tax rate remains unchanged year at er year. But even variablerate gas taxes are sometimes unable to generate an adequate amount of revenue over time. h e reason behind the unsustainability in state gas taxes is twofold. First, vehicle fuel-ei ciency has been on the rise since 2004. While improving fuel-ei ciency is no doubt a positive development overall, it also creates an undeniable problem for the gas tax. Many drivers are now able to travel further distances, generate more roadway wearand-tear, and create more trai c congestion while actually buying less gasoline and paying less in gas taxes. h e second challenge confronting state gas taxes is the rising cost of building and maintaining our transportation infrastructure. While fuel-ei ciency improvements directly reduce the amount of revenue raised by gas taxes, the rising cost of construction puts additional strain on whatever revenue is being raised. Since 1980, transportation construction costs have risen by some 150 percent, meaning that the amount of construction and maintenance that previously could be paid.

Aff - AT: Fuel Taxes - Politics Link

\*\*\*You can probably combine this with a permutation

**Fuel tax links to politics**

**Johnson 10** (Fawn, "Fuel Tax, Anyone?," National Journal, http://transportation.nationaljournal.com/2010/11/fuel-tax-anyone.php)

Last week, the chairmen of President Obama's bipartisan debt commission proposed a 15-cent per-gallon gas tax hike to fully fund highway infrastructure. A few days before the draft debt commission outline was released, Sens. Tom Carper, D-Del., and George Voinovich, R-Ohio, proposed a 25-cent-per-gallon gas tax increase. Yet the idea of a fuel tax hike can't even get off the ground in Congress. Republican leaders have outright rejected it, even though they generally agree that infrastructure investment is among the more efficient ways to spur job growth.

\*\*\*California Spending DA

Aff - Cal Econ DA - 2AC Shell

**California's budget is on the brink - maintaining a balance in revenue and spending is key**

**Macdonald 6/11** (Elizabeth Macdonald, Fox Business News, 6-11-2012, "S&P: California Can't Afford to Bungle Budget," http://www.foxbusiness.com/investing/2012/06/11/sp-california-cant-afford-to-bungle-budget/)

Standard & Poor’s tells FOX Business that California faces a downgrade to its outlook if the state doesn’t pass a credible budget in time, as Democrat governor Jerry Brown continues to struggle to close a $15.7 billion budget deficit. California must submit a budget June 15. S&P says that although California’s economy is about an eighth of U.S. gross domestic product -- and is about the size of Italy -- its budget deficit is a huge 30% of all 50 states’ budget deficit. Gabriel Petek, an S&P analyst and co-author with analyst David Hitchcock of a new report on California’s fiscal crisis, tells FOX Business in an interview that the state “faces a downgrade to its outlook” to negative “if it bungles its budget.” Petek says that S&P is “keeping a close eye on budget gimmicks” that the state has tried to use to paper over problems. Petek says that the most populous state in the country, with an economy the ninth largest in the world, already is “overly reliant on personal income taxes” and that the state’s “tax structure is behind the deficit, because it over relies on the personal income tax” as its source of revenue. He adds that “for California to rely on capital gains tax revenue from things like the Facebook initial public offering is like looking for change in the seat cushions.” FOX Business has already reported that California governor Jerry Brown was too optimistic in forecasting more than $2 billion in expected state capital gains revenue over five years from the social networking site’s IPO. Even the state’s own legislative analysts told the governor’s office its forecast was too rosy -- as investors could sit on the Facebook (FB: 32.23, -0.87, -2.63%) stock and not cash out, or simply move out of the state, among other things. Already, California has seen a migration of upper bracket taxpayers out of the state. It has the worst credit rating out of all 50 states at single A minus. Brown has backed steep cuts to social, health and welfare programs, and is asking state voters to approve a ballot measure this November that would hike the state's sales tax as well as personal income taxes on the wealthy. But S&P tells FOX Business that California’s problem is not just due to over-spending, or large pension and retirement liabilities for state workers, or an excessive tax burden. Spending as a share of its economy is lower than at any time in the past 39 years, and state retirement costs are not a current, but a long-term problem, the S&P analysts note. Instead, California’s main problem is its budget operation itself Petek and Hitchcock call it a “dysfunctional” and “deficient” revenue operation, which is in dire need of restructuring along the lines of how New Jersey reformed itself. Watch this rigmarole -- California’s state constitution requires it to enact a balanced budget. But “it does not also require that the state end the fiscal year in budgetary balance,” S&P notes. So an overflow of deficit hits the next fiscal year’s books, continuously -- a chronic problem. The state is also often strait-jacketed by constitutional requirements on budget moves like tax and spending, including a two-thirds majority of legislators to approve changes.

Aff - Cal Econ DA - 2AC Shell

**Budget mismanagement kills California's economy - multiple internal links**

**Kaminsky 5/17** (Ross, Senior Fellow at the Heartland Institute, "Our Very Own Greece," The American Spectator, http://spectator.org/archives/2012/05/17/our-very-own-greece/1)

More important, however, and where few Americans seem to be looking, is our very own Greece: California. Since California doesn't have the option of seceding from the union, one wonders when the state will ask the IMF for a Greek-style bailout. California's economy, with a Gross State Product of about $1.9 trillion, is more than six times the size of Greece's. At $90 billion, the state's budget (excluding the few hundred billion dollars of federal money distributed there) is only sixty percent of the size of Greece's national budget. But, California's budget deficit, estimated at $16 billion for the current fiscal year unless substantial changes are made, represents a stunning 17.5 percent shortfall and a huge miss from January predictions of a $9.2 billion deficit. Greece is now anticipating a deficit under 7 percent of GDP, but even allowing for typical politician optimism, the Greek deficit problem is arguably small compared to California's. While both places are full of union members and socialists (pardon my redundancy) focused on preventing cuts in government spending, California does have one advantage: it is not full of people who make a full-time job of tax evasion as is the case in Greece. According to a fascinating article on the subject, "the gap between what Greek taxpayers owed last year and what they paid was about a third of total tax revenue, roughly the size of the country's budget deficit." California Governor Jerry Brown is proposing certain spending cuts (including cuts to higher education and to programs for the poor) and tax increases (a massive income tax rate hike -- from 10.3 percent to 13.3 percent on those earning over $250,000 -- and a 0.25 cent increase in the state's sales tax.) Even so, his budget calls for a more than 5 percent increase in state spending, including a 16 percent increase to public school spending, over the prior fiscal year, giving a new meaning to "austerity" and emphasizing the power of teachers unions over Democrats. California, like Greece, and most western nations' governments, has a spending problem, not a revenue problem. One example: The state has one eighth of the nation's population but one third of its welfare recipients -- in part because, according to Business Week, "it is one of the few states that continue to provide welfare checks for children once their parents are no longer eligible." Brown is taking the tax hike part of his plan directly to voters, using the typical Democrat threat of cuts to public education if the hikes are not passed. It's time to call his bluff, at least if California wants to stop hemorrhaging people, jobs, and talent. In a Wall Street Journal op-ed last month, demographer Joel Kotkin discussed "The Great California Exodus": "Nearly four million more people have left the Golden State in the last two decades than have come from other states. This is a sharp reversal from the 1980s, when 100,000 more Americans were settling in California each year than were leaving…. [M]ost of those leaving are between the ages of 5 and 14 or 34 to 45." (California's population has grown in the past twenty years, but the growth is due entirely to the arrival of immigrants and the birth of children.) One reason for the mass departure of the Golden State's American-born adults who are entering the prime of their working (and tax-paying) ages is the state's cap-and-trade law and other regulations that raise energy prices: Electricity prices in California are about 50 percent higher than the national average, although nine states have even higher prices.

Aff - Cal Econ DA - 2AC Shell

**California budget crisis leads to double-dip recession - sheer magnitude of GDP proves**

**Navarro 8** (Peter, 7-15, "California nightmare for the global economy?," http://www.sfgate.com/opinion/article/California-nightmare-for-the-global-economy-3273234.php)

Will the California budget crisis tip the United States into recession? The California economy is certainly large enough to inflict such damage. It's the seventh-largest economy in the world and home to close to 38 million Americans. California's budget deficit is by any reasonable measure enormous. This budget deficit is estimated at $17.2 billion and represents more than 17 percent of the state's general fund expenditures (about $101 billion). In contrast, New York, which faces the second-worst budget gap in the nation for fiscal year 2009, has a gap of about $5 billion, which represents less than 10 percent of its budget. In closing its past budgetary gaps, California has acted more like the federal government rather than merely one of 50 states. Indeed, unlike the federal government (or sovereign nations), each state is required to balance its budget each year; and no state, at least in principle, has the authority to engage in the kind of discretionary deficit spending both the federal government and nations around the world routinely use to stimulate their economies. In the past, a profligate California has gotten around this balanced-budget requirement by using a technique that effectively allows the Golden State to administer its own fiscal stimulus. In particular, California - under both Democratic and Republican governors - has simply issued new bonds every time that it has spent far beyond its means. California's problem this time, however, is that its deficit is so big, its balance sheet is so bad, and world credit markets are so tight that issuing new bonds alone is no longer a viable option. Instead, California's politicians are inexorably being forced toward a solution that will prominently feature both a large tax increase and significant spending cuts. Indeed, this is not a partisan matter of choosing one's poison. The budget deficit is so large that it cannot be eliminated without raising taxes, anathema to the state's Republicans, and spending cuts, equally unpalatable to California Democrats. Of course, the faster the state Legislature accepts this harsh reality, the faster the deadlock can be broken. Viewed from a macroeconomic perspective, there is an even harsher reality. Increased taxes and reduced spending will send a very nasty contractionary shock through a California economy that is already reeling from a housing market meltdown and punishing gas prices. Should Gov. Arnold Schwarzenegger's budgetary medicine - including firing many state employees - trigger a recession, this may well serve as a tipping point for a national recession and, in the worst case scenario, even a global recession. In considering these dangers, it is worth noting that California provides close to 13 percent of America's real GDP growth. In contrast, the second-largest contributor to U.S. gross domestic product is Texas, and it provides only half that stimulus. It also worth noting that California is an important destination for both U.S. manufactured goods and world imports, particularly from Asia. Already, California's unemployment rate is more than 6.8 percent and well above the national average of 5.7 percent. At least some economists believe California may already be experiencing negative growth. The economy is likely to get a lot worse before its gets better.

Aff - Cal Econ DA - UQ

**California's economy is bottoming out set to increase**

**LA Times 6-27** (Richard Lopez, Los Angeles Times, 6-27-2012, "Chapman forecast: U.S. GDP growth will be sluggish through 2013,")

In California, the economy will pick up steam next year as home prices appear to have bottomed out and construction spending is growing again, said Esmael Adibi, director of the A. Gary Anderson Center for Economic Research at Chapman. The forecast projects payroll growth in the state will swell by 1.4% by the end of the year, and grow 1.6% in 2013, with much of the expansion in the professional and business services sector and healthcare. Because employers have been slow to add jobs, the number of self-employed people has grown, the report found. Many laid-off workers have become consultants, contractors or freelancers. That will cause civilian employment – which includes the self-employed – to grow by almost 29,000 this year and 33,600 in 2013. The modest job gains have bolstered consumer confidence, leading to increased spending, Adibi said. In a survey conducted by Chapman, a California consumer confidence index now stands at 92.3, up from a recession level of 57.6. Increased consumer spending is likely to boost state coffers, he added, with economists projecting taxable sales to rise 5.9% this year compared with 2011. One bright spot in California, the report said, is that despite anxiety over Europe’s continued debt problems, the crisis abroad is unlikely to affect California as much as other parts of the U.S. None of California’s top five trading partners is a member of the European Union, and merchandise exports grew 11.3% in 2011, from $143.2 billion the year before. Merchandise exports will continue to grow by 9% this year, a few notches lower than 2011, the forecast said.

**California is working for budget stability now -**

**USA Today 12** (USA Today, 6-27-2012, "Lawmakers finish California budget on $15.7B gap," http://www.usatoday.com/news/nation/story/2012-06-27/california-budget/55874464/1?csp=34news)

Democrats passed 21 budget implementing bills on a majority vote intended to satisfy the governor's demand for deeper cuts to close a $15.7 billion deficit. Brown has until the end of Wednesday to sign or veto the main budget bill. "In my view, we are poised to enter a new and better era in California. An era of budget stability with the opportunity to begin building and rebuilding," Senate President Pro Tem Darrell Steinberg, D-Sacramento, said about completing the package. The spending plan for the fiscal year starting July 1 includes welfare and social service cuts. It also assumes voters will approve Brown's tax hike on the November ballot. If voters reject the tax initiative, a series of automatic cuts will be triggered, including three weeks less of public school for the next two years. Brown believes the tax initiative will raise $8.5 billion in the new fiscal year starting July 1 by increasing the sales tax by a quarter cent to 7.5 percent for four years, and boosting the income tax on people who make more than $250,000 a year for seven years. "This is a game of chicken where you want to swap our educational system for tax increases, tuition for tax increases," said Assemblyman Tim Donnelly, R-Twin Peaks. "This is an abject disaster." A recent Field Poll found California voters divided on the initiative, with 52 percent in favor and 35 percent opposed. One of the bills could give the tax initiative top billing on the November ballot ahead of a competing tax hike proposal by wealthy civil rights attorney Molly Munger. The bill would require bond measures and constitutional amendments to appear on the ballot ahead of other initiatives and referendums. Brown's proposed tax hikes would be temporary but include constitutional changes to local government funding.

Aff - Cal Econ DA - UQ

**California is making state-level cuts now**

**AP 12** (Associated Press, 6-21-2012, "California's budget deal cuts welfare, health care," http://www.foxnews.com/us/2012/06/21/california-budget-deal-cuts-welfare-health-care/)

California will close its projected $15.7 billion budget deficit by restructuring the state's welfare program, streamlining health insurance for low-income children, and reducing child care coverage and college aid, as part of a deal Gov. Jerry Brown and Democratic leaders announced Thursday. The governor and lawmakers provided only broad outlines of the cuts and few hard dollar figures, but Brown said the deal met his demand for permanent welfare reform and is enough that he now is willing to sign the main budget bill Democratic legislators sent him last week. Even with the changes, the state's new spending plan still relies heavily on voters in November approving Brown's initiative to raise the state sales tax and increase the income tax on people who earn the most. If that ballot measure fails, automatic cuts would be triggered; among other things, public school years would be cut by as much as three weeks. Senate President Pro Tem Darrell Steinberg said with a budget outline in place, it's now up to voters. "If we pass those taxes in November we will be in a new chapter," the Sacramento Democrat said. The Legislature passed a $92 billion budget Friday but the Democratic governor pressed members of his own party for deeper cuts to welfare and other social services. Several companion bills must also pass before the state's spending plan can take effect July 1. Votes will occur next week.

Aff - Cal Econ DA - UQ

**Californian balanced budget proposals ensure stability**

**McGuire 6-27** (Michael Mcguire, policy issues expert, The Examiner, 6-27-2012, "Ballot measure would impose two-year budget in California," http://www.examiner.com/article/ballot-measure-would-impose-two-year-budget-california)

A proposed constitutional amendment to require legislators to adopt a two-year budget was approved Tuesday for the California ballot. Voters will decide in November whether the one-year budget cycle will be replaced. In addition to providing for a two-year ballot, the amendment would: Prohibit the Legislature from creating expenditures of more than $25 million unless offsetting revenues or spending cuts are identified Permit the governor to cut budget unilaterally during declared fiscal emergencies if the Legislature fails to act Require performance reviews of all state programs Require performance goals in state and local budgets Require publication of all bills at least three days prior to a legislative vote Give counties power to alter state statutes or regulations related to spending unless the Legislature or state agency vetoes changes within 60 days.

**Automatic cuts in place now**

**Lin 6/29** (Judy, not Jeremy, "New California budget crafted to influence voters," Associated Press, http://www.ajc.com/news/nation-world/new-california-budget-crafted-1466676.html)

SACRAMENTO, Calif. — Gov. Jerry Brown and Democratic lawmakers have long warned of dire consequences if California voters reject a proposed tax hike on the November ballot. In adopting a $91.3 state billion budget, they made it clear it wasn't a hollow threat. Lawmakers approved and the governor signed $6 billion in automatic cuts late Wednesday that will go into effect if the initiative fails. Distasteful provisions added in the final days of negotiations authorized shorter school years, less money for local police, and possible fee increases at the University of California and California State University systems. "These trigger cuts are real," said Democratic Sen. Ted Lieu. "They will be catastrophic if the governor's initiative does not pass in November."

Aff - Cal Econ DA - Internal Links

**Kills business and innovation**

**Greenhut 4/27** (Steven, "How Big Government Is Killing California," http://reason.com/archives/2012/04/27/how-big-government-is-killing-california)

That’s an absurdly optimistic spin. California’s elected officials have been doing as little planning as possible, unless one counts planning to spend tens of billions of dollars the state doesn’t have on a high-speed rail line that will partially replicate what the airlines already do now. Our leaders are battling new water-storage facilities and punishing farmers with absurd water restrictions. They impose roadblocks toward building new highway systems and land-use regulations make it nearly impossible to build the homes and businesses necessary to meet the needs of a growing population. One can hardly call that planning. The state is still growing, but this decline in the rate of growth is symbolic news: The California Dream is over. People don’t want to come here even though this is, with little question, the most beautiful state in the union. Americans -- even those who like to mock our state -- ought to think about what this means. California has always been a magnet -- a land that has called people from across the country and the world. It’s a place that was known for its entrepreneurial spirit and open culture. But it has been turned into a regulatory and tax nightmare, a place where those who already have their money can live in their coastal palaces and enjoy the splendor of the landscapes, but where it’s unnecessarily difficult to move one’s way up the economic ladder. The USC study doesn’t reveal anything new as much as it confirms trends already apparent. Four million more people have left California for other states than have come here from other states in the past two decades, according to demographer Joel Kotkin. The population growth has been coming mainly from immigrants and births from people already living here, but now the USC study shows that immigrants are going elsewhere. A cynic might say that California’s liberal elites have ended the state’s contentious battles over illegal immigration by destroying opportunities here. Kotkin, an old-time liberal, sees troubling trends. “Basically, if you don’t own a piece of Facebook or Google and you haven’t robbed a bank and don't have rich parents, then your chances of being able to buy a house or raise a family in the Bay Area or in most of coastal California is pretty weak,” he said in a recent Wall Street Journal interview. “The new regime wants to destroy the essential reason why people move to California in order to protect their own lifestyles.” He says the state is run for the benefit of the very rich, the very poor, and public employees. This is not a healthy society. And the demographic changes point to an aging population. Far from reducing the burdens on the state government, this will increase them. State officials are not building to meet future needs, but they have been squandering future dollars on excessive pay and pension packages for public employees. Look for a coming battle between services for lower-income Californians and retirement benefits for the most powerful special interest group in the state, public employees.

Aff - Cal Econ DA - AT: Link T/

**No HSR link turn - benefits are highly speculative**

**Reuters 4/17** ("Halt California funds for high-speed rail: budget watchdog,")

California lawmakers should not approve Governor Jerry Brown's budget proposals to provide additional funds for the state's pricey planned high-speed rail system, the state's budget watchdog agency said in a report on Tuesday. The report by the nonpartisan Legislative Analyst's Office said the California High-Speed Rail Authority has "not made a strong enough case for going forward with the project at this time." The report comes after the authority earlier this month slashed its construction cost estimates by some $30 billion to $68.4 billion, tackling some of the cost concerns hanging over the project in the legislature, whose members must approve the release of the first chunk of the nearly $10 billion in rail bond funds voters approved in 2008. Funding beyond proceeds from state debt and $3.5 billion from the federal government to build the statewide high-speed system is "highly uncertain," the report said. "Specifically, funding for the project remains highly speculative and important details have not been sorted out. We recommend the Legislature not approve the Governor's various budget proposals to provide additional funding for the project," according to the Legislative Analyst's Office. The office noted that plans for using revenue raised through California's new carbon trading system for reducing greenhouse emissions to help build the system are speculative and that "important details regarding the very recent, significant changes in the scope and delivery of the project have not been sorted out."

**No link turn - spending mechanisms are hugely inefficient**

**Hanak 9** (Ellen, Director of Research, Senior Fellow, Thomas C. Sutton Chair in Policy Research @ PPIC, "Paying for infrastructure: California's Choices," Public Policy Institute of California)

Since the governor’s plan was announced, California voters have approved nearly $54 billion in state general obligation bonds for infrastructure projects. However, expanding financing options beyond such bonds has been more difficult. For example, California’s infrastructure finance system is hamstrung by strict supermajority voter approval requirements (two-thirds) on local revenue measures, a decline in user fees, and insufficient ability to engage in public-private partnerships. Indeed, in these key areas of local funding, user fees, and partnerships with the private sector, California appears to be backsliding.

Aff - Cal Econ DA - Econ Impact

**California's economy is key to facilitate trade and growth - globalization and exports**

**Shatz 3** — (Howard, "How Globalized Is California’s Economy?," Research Brief, Issue 72, http://www.ppic.org/content/pubs/rb/RB\_603HSRB.pdf)

Over the last two decades, international economic activity has increased markedly. Eager to capitalize on increased global integration, California policymakers have sought to boost the exports of California firms and to attract foreign companies to operate businesses here. Although other states also seek to increase exports and foreign investment, and economic globalization is usually measured at the national level, the sheer size and complexity of California’s economy make an analysis of its international trade and other forms of economic exchange especially useful. In Business Without Borders? The Globalization of the California Economy, Howard J. Shatz describes California’s global exposure with special emphasis on goods and services trade, foreign direct investment, and port activity. He finds that California differs from the rest of the United States in many standard measures of economic globalization. Compared to the rest of the United States, for example, California’s goods exports are proportionately high, but its foreign direct investment is relatively low. Shatz also finds that California is at the leading edge of several emergent trends in international economic activity. Compared to the rest of the United States, California exports more services, and its ports ship more exports by air than by land or sea. Also, California manufacturers are more likely to use production-sharing than other U.S. firms. California’s Global Economic Profile Compared to firms in the rest of the United States, California businesses engage in proportionately less outward foreign direct investment. Their foreign investment is particularly strong, however, in two dynamic areas: nonmanufacturing industries and manufacturing industries that use production-sharing—that is, the process by which multinational enterprise networks produce and assemble components in different locations. This form of production is prominent in technology industries, such as industrial machinery and electric and electronic equipment. California outward foreign direct investment is especially strong in Asia, the site of much production-sharing. The state’s inward foreign direct investment—the level at which foreign firms invest in California—is also low relative to the size of the state’s economy, and the industrial mix of that investment differs from that of the rest of the United States. For example, California has a much lower share of foreign-affiliate manufacturing employment than does the rest of the United States but a higher share of employment in wholesale trade, information industries, and professional, scientific, and technical services. Although California’s manufacturing sector is relatively small, its manufacturers export a higher proportion of their output (28 percent) than do producers in the rest of the United States (20 percent). In addition, California merchandise exports are heavily tilted towards high-technology industries (Figure 1). Computer and electronics products, for example, accounted for 51 percent of the state’s manufacturing exports. California agriculture exports a high proportion of its output, between 16 and 19 percent, but this proportion is about the same for the rest of the United States. The rapid growth of services trade is a new phenomenon in the world economy. No direct measures of services trade by California exist, but estimates indicate that California’s economy generates a slightly higher proportion of private services exports than does that of the rest of the United States. Specifically, private services exports as a percentage of the private California economy measured 3.5 percent in 1998 and 3.3 percent in 1999, compared to 3.1 percent in both years for the rest of the United States. By this estimate, California services exports were higher than the total exports from California’s second- through seventh-leading goodsexporting industries. The report’s final measure of economic globalization is port activity. Although California’s two busiest ports are the seaports of Los Angeles and Long Beach, its two biggest export gateways in terms of value are the San Francisco and Los Angeles International Airports. A very high proportion of trade flows by air through California gateways (Figure 2). In addition, a much higher proportion of Asia trade flows through California ports than through ports in the rest of the United States. Shatz concludes that, in many respects, California’s economy is not dramatically more global than the rest of the nation’s. He notes, however, that California firms tend to be more active in those aspects of economic globalization that are growing fastest.

Neg - Cal Econ DA - N/U

**California still has a long way to go - more cuts are needed for growth**

**Reuters 12** (Joan Gralla, Reuters, 6-11-2012, "California likely will need to cut spending more: S&P," http://www.reuters.com/article/2012/06/11/us-california-sp-idUSBRE85A11120120611)

California's $15.7 billion deficit is about 30 percent of the total gap all states face in the coming fiscal year, Standard & Poor's said in a report on Monday, saying the state likely will have to cut spending further to balance the 2013 fiscal budget. State spending as a share of California's total economy is the lowest in 39 years. But the state's tax revenue system is "dysfunctional" and California relies heavily on volatile personal income tax collections, which are expected to total 63 percent of general fund revenue in 2013, S&P said. California's economy "remains depressed and its revenue recovery is sluggish" three years after the Great Recession ended, the credit agency added.

**Deficits inevitable - mismanagement and complexity**

**Mathews 5/15** (Joe, Irvine senior fellow at the New America Foundation, "Why Jerry Brown’s Bid to Fix California’s Budget Isn’t Working," The Daily Beast)

There are many states where a governor can respond to a budget deficit—say $5 billion—with $5 billion in cuts and new revenues to fill the hole. But that straightforward approach isn’t possible in California. The budget system here is a moving target—a big mess of formulas that come from the constitution, ballot initiatives, legislation, and court decisions. Together, the formulas have congealed into an algorithm so complex that the engineers at Google would have trouble understanding it. The spending and revenues produced by this algorithm are very hard to predict. But the general tendencies of this budget monster resemble those of a ratchet. The algorithm is forever ratcheting up spending and ratcheting down revenues. It’s likely that, even as you read this, the California budget deficit is getting worse. This budget ratchet is the No. 1 reason why California is thought to be ungovernable. Among insiders, the debate over what to do about it divides between leading technocrats who believe they are smart enough to devise ways around the sea of formulas, and critics who say that the algorithm itself must be deprogrammed up, and replaced with something simpler. Brown has sided with the technocrats, with a vengeance. In a fit of hubris striking for a man who prides himself on modesty, he has argued that he could tame the algorithm through determination and smarts. And he has used budget numbers to argue that he is making progress in reducing the size of the gap between revenues and expenses. That was working until this spring tax season, when the algorithm struck back with all its unpredictability. Brown’s $9 billion projected budget shortfall—which he had billed as a sign of progress—became a $16 billion shortfall, almost overnight. Last year’s budget, which Brown had touted as a triumph of balance, was shown to be billions of dollars out of whack. Forced to adjust, Brown issued a revised budget proposal this week that made cuts his fellow Democrats will oppose and used tactics, including one-time money for budget purposes, that he had previously criticized. (Most notably, Brown’s proposal swipes $410 million from a recent legal settlement with banks over foreclosure practices, money that was supposed to go to help homeowners).

Neg - Cal Econ DA - Alt Cause

**Alt cause to California econ collapse - warming and agriculture**

**UCS 6** — (Union of Concerned Scientists, "Global Warming and California's Economy," http://www.ucsusa.org/assets/documents/global\_warming/econ-fact-sheet-final.pdf)

If global warming is not addressed, California’s $30 billion agricultural sector will face substantial challenges, such as the possibility of water supply disruptions made even more hazardous by higher temperatures. Premium wine grape growing, with $3.2 billion dollars in revenue, is particularly threatened due to the sensitivity of these grapes to changes in climate. A recent study found that if global warming is not controlled, there will be little area left suitable for premium wine grapes in California by the end of the century.

Neg - Cal Econ DA - No Link

**they are so wrong - the train is 4/10000ths of a percent of the budget**

**Rosenberg 6/8** (Mike, "With high-speed rail, is California buying a house while slashing its bills?," Mercury News, http://www.mercurynews.com/california-budget/ci\_20814031/high-speed-rail-is-california-buying-house-while-slashing-bills-bullet-train)

It looks so simple: Halt the train, save the budget. After all, $69 billion is three-fourths the amount of the entire state budget -- enough money in the upcoming year to give free tuition to every Cal State and University of California student, wipe out the state sales tax, fund the state's health care services subsidy and still close the budget deficit. Of course, it's not that simple. The high-speed line would be paid for over time, not in one lump sum, with the biggest payments coming in later years; plus, most of the funding would come from outside sources. The project would consume up to 0.04 percent of next year's state budget -- not even enough to fund the California Department of Pesticide Regulation. "It is a sound investment in our future, as well as an immediate stimulus to our struggling economy," said state Senate budget chairman Mark Leno, D-San Francisco, a project supporter. "It'll be a struggle to get there, but I think we need to face and surmount that struggle."

Neg - Cal Econ DA - Link T/

**Turn - CP requires boosting tax revenue - that's key to the economy**

**LA Times 12** (Los Angeles Times, 6-11-2012, "Budget culprit is California tax code, ratings agency says," http://latimesblogs.latimes.com/california-politics/2012/06/california-budget-taxes.html)

While Gov. Jerry Brown and top Democratic lawmakers haggle over spending cuts this week, Standard & Poor's said Monday that they're missing the core problem leading to California's budget crisis. The root of the budget morass, the ratings agency said, is the state's tax code. Tax revenue has grown more slowly and become increasingly unreliable, thanks in part to the state's heavy reliance on taxing the wealthy. Standard & Poor's estimated that income taxes on the richest 1% gave the state 11% of its general fund revenues in 2010, up from 2.7% in 1979. Brown's tax proposal, which he hopes voters approve in November, could make revenue even more unreliable because it would raise the tax rate on wealthy residents, the report said. Still, the ratings agency described it as an "emergency measure of sorts" that may be needed to balance the budget. Standard & Poor's concerns about the state's tax code echoes those voiced by the legislative analyst's office, which provides nonpartisan budget advice to lawmakers. In its report, the ratings agency painted a bleak picture of a state struggling to reboot its economy after the recession and wrestling with budget problems unique in their size and complexity.

**State level investments solve California's economy**

**Semler 5** (Michael, CSU Research Fellow @ Sacramento State University, "Financing California’s Infrastructure," http://www.csus.edu/calst/government\_affairs/reports/financing\_california.pdf)

As entrepreneurs, investors, and residents observe, prudent investment in California’s infrastructure impacts everyone. Whenever governments, like private firms, make capital investments, jobs are created and opportunities exist for further economic growth and productivity. The magnitude and type of employment opportunities created vary depending on the nature of the capital project. As in the private sector, some investments produce goods that generate substantially more employment and economic growth (as measured by increases in gross domestic product). Obviously, large public-sector construction and renovation projectshave a direct impact on employment in the construction industry and in secondary or dependent industries. These activities also stimulate the creation of additional jobs (induced employment) in other industries, e.g. retail merchants, financial services, and tourism. These activities help make everyone wealthier. In addition, investment in upgrading or renewing existing public facilities avoids negative economic effects that can result from a deteriorating infrastructure. Absent investment in adequate communication, water, and educational resources, for example, private sector employment opportunities can not exist. 45 Studies analyzing empirically the relationship between public sector capital investments and the overall economy concentrate on the former set of questions – how many jobs are created with new investments? In contrast, there are few systematic or comparative empirical studies designed to determine the magnitude of “job-loss prevention” activities. 46 Scholars have, however, consistently studied how “fair” infrastructure benefits are distributed. By their very character, public projects are neither built or serve communities and individuals equally; they are not “impact neutral.”

Neg - Cal Econ DA - Link T/

**Turn - California HSR is key to the economy**

**Krause 6/30** (Daniel, "Krause: High-speed rail will bolster economy, budget," http://www.vcstar.com/news/2012/jun/30/krause-high-speed-rail-will-bolster-economy/?opinion=1)

As California faces yet another large budget deficit, and potentially more devastating cuts, there have been numerous calls that the high-speed rail project should be shelved. Opponents are claiming that Californians must choose between funding schools and high-speed rail. Not only is this a false choice, it would also be a tragic mistake economically for California in the short and long term. It is time to set the record straight. The high-speed rail project will provide a dramatic boost to California's economy — and its budget outlook — at just the right time. California is in the middle of an economic crisis and the jobs situation is atrocious, damaging the lives of untold numbers of people. This lack of jobs is sucking the life out of our state budget because tax revenues have plummeted while the unemployed draw on public services. The jobs high-speed rail will create, along with the sale of construction materials to build the project, will dramatically increase tax revenues flowing into the state budget. But what of the debt servicing cost to our state budget? Again, one word: jobs. The early investments in high-speed rail, both in the Central Valley and at the urban bookends, will pump more than $8 billion into California's economy, creating thousands of direct and indirect jobs. Over the next few years, at a time when we must kick our economy back into gear, the increased tax revenues generated from these jobs will more than offset debt servicing costs. Additionally, the state plans to direct underutilized truck weight fees, which statutorily must be used for transportation projects, to pay the interest on HSR bonds. These small but extremely important details debunk the high-speed rail versus school kids myth. In the long term, high-speed rail will help usher a much more efficient transportation system, which is a key component to sustained economic prosperity. Continued gridlock, coupled with volatile oil prices, hurts California businesses in the worst way. High-speed rail will ensure that workers and consumers can move efficiently, without being subject to unstable transportation costs — a true boon for business. And when our business community is functioning efficiently and prospering, our state budget and our schools benefit. Extreme austerity in Europe is proving to be a flawed strategy, plunging much of the continent back into deep recession. Cutting investments to critical infrastructure projects such as high-speed rail, here at home, will only make our budget problems worse. We need to shake ourselves out of the downward economic spiral of divestment and cutting by boldly moving forward with a project that will inject billions directly into our economy.

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Neg - California Politics DA - GHG Impact

**California GHG limitations key to overall US GHG limitations**

**Raybould 11** (Paul Raybould, Sustainable Business Forum, Nov. 2011, "California Cap-and-Trade Could Change the U.S. Stance on Climate Change,")

Many are doubting why California is going it alone. The Wall Street Journal, for example, predicts that by going it alone the “economic fallout won’t be pretty”. How then can it be that California, as battered by the economic downturn as it is, is opting to decarbonize its economy? Perhaps it is because Californians realize that while market-based environmental regulations like cap-and-trade can increase costs and job losses in certain polluting industries, projected losses are often significantly overstated and are generally offset by job creation in other cleaner industries and by wider societal benefits like improved health. For example, despite almost apocalyptic predictions from industry-sponsored studies about the consequences of curbing sulfur-dioxide emissions from power plants in the early 1990s, there has been no evidence of an economic slowdown tied to this highly successful program. On the contrary, the program reduced human exposure to pollutants that are known to cause chronic bronchitis, asthma, hospitalizations for cardiac and respiratory diseases and premature death – providing billions of dollars in human health benefits. Furthermore, Californians probably understand that job creation is tangential, not mutually exclusive, to environmental regulation. The purpose of a cap-and-trade program is not to increase job growth, nor is its abolishment meant to solve unemployment. Rather, its purpose is to provide an incentive to reduce harmful GHG emissions cost effectively. It just so happens that by putting a price on carbon, cap-and-trade drives innovation and channels capital to clean technologies, the benefits of which Californians are uniquely familiar with. Despite the backlash against government support for clean energy that has come in the wake of the Solyndra bankruptcy, venture capital investment in clean technologies is still on the rise and, in the case of California, is still largely driven by state climate policies. If over the next few years California can demonstrate that its cap-and-trade system reduces GHG emissions at a reasonable price the debate in Washington over climate policy might actually shift. This would be timely as an international climate agreement is not likely until 2015. Perhaps then the discourse around whether or not the United States signs up to an international climate agreement will be less about China and political posturing and more about California and how it has proven, yet again, that the trade-off between environmental protection and economic prosperity exists more in the minds of politicians then in reality.

Neg/Aff - Elections Internal

**State economies key to the election**

**Haberman 6/16** (Maggie, writer for Politico, "The politics of swing-state economies on the rise," http://www.politico.com/blogs/burns-haberman/2012/06/the-politics-of-swingstate-economies-on-the-rise-126362.html)

Mitt Romney gave an interview to the Columbus Dispatch in advance of his visit to Ohio tomorrow, in which he was asked about the reality that the state's unemployment rate has been steadily rising and is better than the national average - a fact that has posed a messaging challenge for people like Gov. John Kasich, and one that has been seen in other swing states: “I’m glad anytime I hear news that things are getting better,” Romney said, referring to Ohio’s brightening employment picture. “But the question to ask is this: Did the president’s policies help the recovery or hurt it? And the answer to that can be found by talking to small-business people and large-business people across the country.” Talking by phone from his bus as it rolled across New Hampshire, Romney said that Obama’s policies “made it harder to create jobs. ... Instead, it’s governors like Gov. (John) Kasich, who have put in place pro-growth polices and balanced the state budget, that are doing the job that’s creating economic good news in places like Ohio, and the entire nation deserves the same kind of agenda.” In a counterpoint conference call with reporters, Columbus Mayor Michael B. Coleman, joined by Vice President Joe Biden, said he thinks Obama will win Ohio because “Ohio is coming back in terms of the recession,” and Obama “should take credit for that.” Asked in the interview what Obama has done right as president, Romney responded, “The order to take out Osama bin Laden was done right, the expansion of drones and the targeting of al-Qaida leaders was right. The president gets an ‘F,’ but he got some of the answers right.” That last line is a modulation from where Romney was a few weeks ago, when he gave Obama an F on ever topic. In terms of the economy, however, the argument is that every state can experience gains if they elect a Republican nationally. A number of Republicans privately wonder whether, **if the U.S. economy doesn't get worse, the moods of individual states will prevail, or if a sense of national anxiety will dominate by November.**