

“It’s the Economy Stupid”: Blogging 2012 Swing States

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Abstract

With the economy in the midst of a jobless recovery, the 2012 election will serve as yet another opportunity to test then-candidate Bill Clinton’s memorable phrase during the 1992 election: “it’s the economy, stupid.” As such, the objective of this capstone was to provide insight into the local (and national) economic issues that are receiving attention in each of the selected swing states in 15 weekly, serial blog posts distributed on <http://www.jaredalves.com> and further disseminated on Facebook, Twitter, and LinkedIn. If the phrase still reflects a key criterion for voters when considering a candidate, then the issues identified will influence the messaging that the two campaigns will utilize when visiting them.

Five swing states from the five regions of the United States were selected to permit analysis of a range of local economic issues, such as Marcellus Shale natural gas drilling, as well as of their shared macroeconomic trends, such as unemployment. From each region, the swing state with the most electoral votes was selected, with Pennsylvania (20) representing the Northeast, Florida (29) representing the Southeast, Ohio (18) representing the Midwest, New Mexico (5) representing the Southwest, and Colorado (9) representing the West. Local economic news was primarily sourced from the three major newspapers of each state. When considered together, the capstone blog entries provide an issue guide for which to comment on the local relevance of the messages employed by the campaigns prior to the general election.

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“It’s the Economy, Stupid” – Intro to Blogging 2012 Swing States

If the acrimonious debt ceiling debate of this past summer, the maneuverings and failure of the Super Committee this past fall, and the pivoting and re-pivoting to “jobs, jobs, JOBS,” by every presidential candidate has not left you salivating for more economic news, then this series of weekly posts will not be for you. This series, “Blogging the 2012 Swing States,” will analyze, and critique the local economic news stories of five states that could decide this next presidential election.

As a senior at American University, it is difficult – if not impossible, to avoid the politicking ongoing just a short bus ride downtown in the heart of our nation’s capital. It is that inevitability of encountering the politics of our federal government and its army of appointees, representatives, staffers, bureaucrats, and interns, which assembles the thousands who choose to study in Washington. But as students pack their bags and leave home for the city on the Potomac, it becomes all too easy to neglect the states that they left behind. In doing so, students ignore a rich resource of political intrigue and economic developments.

With 2012 underway, and a looming Presidential election next November, it is now an excellent opportunity to revisit those states – well some of them. For the next 14 weeks, this blog will analyze the economic news that plasters the headlines in five swing states from all five regions of the country. Those states were identified using a list of 13-swing states found on “270 to win,” an “interactive electoral college” database website that tracks historical vote trends for each state, and their most recent polling data.¹ Those selected have the largest number of electoral votes among their region and swing state peers: Pennsylvania (20), Florida (29), Ohio (18), New Mexico (5), and Colorado (9).

By definition those states will receive significant attention by both President Obama and his Republican opponent (including primary candidates). For that reason, the health of the states’ economies and the stories that drive their local news will provide a gauge to measure the relevance of then-candidate Bill Clinton’s memorable 1992-campaign phrase: “it’s the economy, stupid.”²

Unfortunately, the twenty years since Clinton coined that phrase have not all been smooth economic sailing. Although the Great Recession ended in June 2009, it concluded with a whimper and by virtue of a technicality – positive GDP growth indicative of a recovery.³ As of December, the unemployment rate remains stubbornly above eight percent, with more than 13 million Americans out of work.⁴ Opinions vary across the ideological spectrum as to the best

¹ “270 to win.” 14 Jan. 2011. <http://www.270towin.com/>

² Kelly, Michael. “The 1992 Campaign: The Democrats – Clinton and Bush Compete to Be Champion of Change; Democrat Fights Perceptions of Bush Gain.” *The New York Times* [New York], 31 Oct. 1992. 18 Jan. 2011. <http://www.nytimes.com/>

³ “Business Cycle Dating Committee, National Bureau of Economic Research.” The National Bureau of Economic Research. 20 Sep. 2010. 18 Jan. 2011. <http://www.nber.org/>

⁴ “Labor Force Statistics from the Current Population Survey.” United States Department of Labor: Bureau of Labor Statistics. 18 Jan. 2011. <<http://www.bls.gov/>>

way to accelerate this recovery: stimulus spending, tax breaks, cut regulations, etc. Still, each of the five states has its own recovery experience, and so for the next three-and-a-half months the highlights of their experiences will be discussed.

Posts will reference a range of pieces that can be found online in the three major, local newspapers from each state. Stories, op-eds, features, online-only blogs are all eligible for critique. As with any discussion of economics or politics, there are many stances to take on every issue. Rather than espouse a single ideology, the posts will be designed with pragmatism in mind, to point out logical oversights, to suggest ways the piece could be improved, and/or to forecast the story's effect.

Continue below for more information about the five states, and check back each week for the latest post. The next five will emphasize each swing state in turn. But following those in depth introductions, the inspiration for each post will be consigned to the serendipity of current events.

The Final List



Pennsylvania: *post 2*

Northeast (20 votes)

[*The Philadelphia Inquirer*](#)

[*Pittsburgh Tribune-Review*](#)

[*Pittsburgh Post-Gazette*](#)

2008 (D), 2004 (D), 2000 (D), 1996 (D), 1992 (D)



Florida: *post 3*

Southeast (29 votes)

[*Tampa Bay Times*](#)

[*Orlando Sentinel*](#)

[*South Florida Sun-Sentinel*](#) (Miami)

2008 (D), 2004 (R), 2000 (R), 1996 (D), 1992 (R)



Colorado: *post 4*

West (9 votes)

[*The Denver Post*](#)

[*Aurora Sentinel*](#)

[*Colorado Springs Independent*](#)

2008 (D), 2004 (R), 2000 (R), 1996 (R), 1992 (D)



Ohio: *post 5*

Midwest (18 votes)

[*The Plain Dealer*](#) (Cleveland)

[*The Cincinnati Enquirer*](#)

[*The Columbus Dispatch*](#)

2008 (D), 2004 (R), 2000 (R), 1996 (D), 1992 (D)



New Mexico: *post 6*

Southwest (5 votes)

[*Albuquerque Journal*](#)

[*Las Cruces Sun-News*](#)

[*Santa Fe New Mexican*](#)

2008 (D), 2004 (R), 2000 (D), 1996 (D), 1992 (D)

NOTE on selecting the final five states

From the list of 13 swing states, each was categorized according to its region: the Northeast (2), the Southeast (3), the Midwest (5), the Southwest (1), and the West (2). The state with the largest number of electoral votes was then selected from each region.

Other Swing States

(Northeast) *New Hampshire* (4); (Southeast) *North Carolina* (15); *Virginia* (13); (Midwest) *Michigan* (16); *Missouri* (10); *Wisconsin* (10); *Iowa* (6); (Southwest) *N/A*; (West) *Nevada* (8)

Profiling Pennsylvania's Economy

This is the second entry in "It's the Economy, Stupid" a 15-part series analyzing the local economic news in five swing states.



Philadelphia Skyline⁵

It's known as the Keystone, Quaker, Coal, Oil, and perhaps someday soon the Gas State (more on that later). But to its close to 13 million inhabitants who embrace its motto of "Virtue, Liberty, and Independence," it is simply Pennsylvania. As promised in [the entry](#) from last week, this post will elaborate on the key economic data, demographics, and political trends in this Northeastern Commonwealth.

It may seem absurd to consider Pennsylvania a swing state, when its electors have voted for the Democratic candidate in the last five presidential elections – *swinging* for Barack Obama by more than 10% in 2008. But such myopia ignores the far closer contests in 2004 and 2000, at 2.5 and 4.2%, respectively, as well as the resounding Republican surge in 2010. That year, Republicans added a U.S. Senator, five Congressional Representatives, flipped the State House of Representatives, and retained control of the State Senate and Governor's mansion.

Still, by [party registration](#) the Commonwealth favors Democrats. A significant plurality totaling 46% of current, registered voters side with the [Donkeys](#) in contrast to the 37% who ride with the

⁵ Photograph of the Philadelphia Skyline provided courtesy of Wikimedia Commons

[Elephants](#). The remaining 12% are either independent or favor a third party.⁶ But no matter who voters choose to support, there will be one fewer elector this year. Slow population growth over the last decade ensured that the state would lose a Representative following the 2010 Census, and so it will decline to 20 electoral votes for at least the next 10 years. Of course it will be helpful to know a little more about those voters.

At 12.7 million inhabitants – many claiming German, Irish, and Italian ancestry, Pennsylvania is the 6th most populous state in the country. Achieving that rank is common in the state, as its \$570 billion annual [Gross State Product](#) (GSP) – GDP for a state or province, is itself 6th-highest in the nation. But that impressive ranking plummets with regard to its \$39.8 thousand GSP per capita (dividing annual GSP by its residents). With that measure, the state is 29th in the country and below the national average.

Despite that low ranking, it boasts a labor force of more than six million employees and job seekers. Fortunately, there are fewer job seekers today than in past months, and the state's unemployment rate of 7.6% is below the national average of 8.5%. Unfortunately, that number does not reflect the more than 100 thousand individuals who were once included in the total labor force at its peak in November 2008.⁷ This discrepancy often occurs when an unemployed individual stops looking for a job, such that he or she neither counts as part of the total labor force nor toward the unemployment rate.

Still, residents are just about as [educated](#) as the rest of the United States. Just fewer than 87% of adults have graduated from high school – higher than the national average of 84.6%, and more than 26% of adults have at least a Bachelor's degree – close to the national average of 27.5%. Education is a key theme in Pennsylvania, as the Education and Health Services sector represents the largest share of the workforce at 20%.

The next four largest (non-farm) sectors are Trade, Transportation, and Utilities at 19%; Government (both state and federal) at 13%; and Manufacturing at 10%. Its five-largest employers include many of those sectors – the Federal Government, the State Government, Wal-Mart Associates, Inc; the City of Philadelphia, and the University of Pittsburgh.⁸ The absence of Mining and Logging from a list of the largest sectors may be somewhat surprising given the state's Oil and Coal nicknames. But its 1% share of the labor market is the smallest of all industries.

With regard to mining, a key economic issue confronting Pennsylvania is the development of the Marcellus shale formation. Stretching from New York across Western Pennsylvania and into Ohio, Maryland, West Virginia, and Virginia; the rock formation surrounds a considerable natural gas reserve now accessible due to the development of hydraulic fracturing – [click here](#)

⁶ “Current Voter Registration Statistics.” Pennsylvania Department of State.
www.portal.state.pa.us/portal/server.pt/community/department_of_state

⁷ “Economy at a Glance: Pennsylvania.” U.S. Department of Labor: Bureau of Labor Statistics.
<http://www.bls.gov/eag/eag.pa.htm>

⁸ “Pennsylvania Top 50 Employers.” Center for Workforce Information and Analysis.
<http://www.paworkstats.state.pa.us/>

for a 6-minute video illustrating the process. Touted as a means to secure affordable natural gas and to ease our reliance on foreign sources of energy, the extraction of process is controversial. It requires significant water resources, which are later mixed with various lubricants that if not properly deployed could contaminate local water supplies. With energy not soon to disappear as an issue, expect to read more about this gas reserve in future posts.

That mining controversy along with other major Pennsylvanian economic news will be sourced from the state's three largest newspapers – from its two largest cities, to inspire forthcoming entries. Those three papers are [*The Philadelphia Inquirer*](#), which has an average weekday circulation of more than 330 thousand readers; the [*Pittsburgh Tribune-Review*](#), which has more than 187 thousand readers; and the [*Pittsburgh Post-Gazette*](#), which has more than 173 thousand readers.⁹ Beyond circulation, the two Pittsburgh papers were selected for their ideological differences: the *Tribune's* editorial staff is noted for its conservatism, while the *Post-Gazette's* is its liberal counterpart. But before this blog can delve into their articles, the remaining swing states will need to be introduced.

Next up: **Florida**.

STATE CLIPS¹⁰

Pennsylvania: “Senate Democrats Push to Restore Money for Schools, Social Programs” [*Pittsburgh Tribune-Review*](#), 25 January

Outnumbered in both houses of the Pennsylvania General Assembly, and commanding only 40% of the Senate, Democrats may be out of luck in their attempt to dictate the budget discussion. A higher tax on Marcellus shale drilling is discussed as a means to maintain various social programs.

Florida Preview: “State Private Prison Plan Facing Fire from Several Fronts” [*Tampa Bay Times*](#), 25 January

The Republican-controlled State Senate is looking to approve a plan to privatize all but one South Florida prisons. Opponents of the measure claim that it will lead to fewer jobs for those who staff the prison, as private operators would need to cut costs by at least 7%. Such a tradeoff between jobs and budget savings is likely to span numerous policy decisions as states – and the federal government, pursue austerity.

⁹ Audit Bureau of Circulations. <http://www.accessabc.com/>

¹⁰ States will be added to the “State Clips” section of each post as they are introduced in the blog

Profiling Florida's Economy

This is the third entry in "It's the Economy, Stupid" a 15-part series analyzing the local economic news in five swing states.



Florida from Outer Space¹¹

It is in the Sunshine State where North is south and South is north – politically at least. It is a state made infamous for butterfly ballots and hanging chads, and is famous for Mickey Mouse and Miami Beach. So unlike the debatable swinging of [Pennsylvania](#), it is the Southeastern state of Florida that often captivates audiences on election night with its thin-margins of victory. As was the style last week, this post will delve into the state's political and economic trends.

Mitt Romney avoided the state's trend of narrow margins, with his more than 14-point win over Newt Gingrich, et al. on Tuesday. The same was not true for then-Senator Obama in his 2.7% victory over Senator McCain in 2008. That was the first time in two Presidential elections that the state gave its electoral votes to a Democrat. But breaking the Republican streak did not mean that Florida was ready for a baptism in blue.

The 2010 Republican resurgence found its adherents in Florida. The State Legislature enjoys Republican supermajorities in both Houses – controlled by the GOP since 1996. It added four Representatives to its lopsided 19 to 6 Congressional delegation, and with the election of Marco Rubio, the party retained its US Senator. A silver-lining for Democrats, and a reminder of Florida's quirky electorate, was the 1.15-point difference in the race that had Republican Rick Scott win the governor's mansion.

¹¹ Photograph of Florida from Outer Space provided courtesy of NASA

If President Obama were to carry the state this year, then Democrats would be thrilled no matter the margin. This is especially true in 2012, as the state will have 29 electoral votes – an increase of two from the last election. Despite the 2010 Republican surge, Democrats are favored in party registration, enjoying a 5-point lead against their GOP counterparts. But that margin can rapidly disappear when independent or third-party supporters decide to be kingmakers – together they represent 23% of the 11.2 million person electorate.¹² Those voters represent a sizable piece of the state’s population.

At 19.1 million residents, Florida is the 4th largest state by population¹³. As was the case for Pennsylvania, that rank is replicated for its economic output. Its annual [Gross State Product](#) of \$748 billion is the 4th largest in the nation. But similar to its Northeastern swing state peer, its GSP is less impressive on a per capita basis. At \$35.8 thousand, it is 38th in the country and below the national average. That ranking may be due to its current employment situation.

Even as the national unemployment rate has begun to decline – now at 8.5%, Florida’s higher baseline means that it is still stubbornly at 9.9%. Many of those unemployed are the construction workers who were left soaked when the housing bubble popped. There are more than 350 thousand fewer employed construction workers today than there were at the sector’s peak in June 2006, a decline of more than 50%. For comparison, there are just more than 900 thousand individuals unemployed in the state. Unemployed construction workers are likely a significant contributor to that figure (more on that sector later).¹⁴

In spite of its huge job losses, Construction was never one of the state’s largest industries. That honor goes to Trade, Transportation, & Utilities, which represents 20% of the labor market. It is fitting that trade receives such a large share as it is more than [\\$85 billion industry](#), putting it 4th-largest (yet again that rank) in the country. It has the second most opportunities for trade, with its 20 federally-sanctioned foreign trade zones ([FTZs](#)) only behind Texas.

Its next three largest industries control approximately the same shares, with Education and Health Services; Government; and Professional and Business Services all representing just more than 15% of the labor market. If the state’s [\\$60 billion](#) (and 84 million visitors) per year tourism industry appears conspicuously absent from the list, Leisure and Hospitality comes in 5th with 13% of the market. Most of those industries appear in the list of the top-five largest employers. From the largest they are: University of Florida, Florida Hospital Orlando, Universal City Development Partners (Universal Studios), Pensacola Naval Air Station, and Orlando Health.¹⁵ Still, with 6 in 10 Republican voters identifying the economy as their number one issue in the primary [exit polls](#), this entry now turns again to one of the biggest issues in Florida’s economy.

¹² “Voter Registration Book Closing Statistics.” Florida Division of Elections. <http://election.dos.state.fl.us/>

¹³ “Florida Quickfacts.” U.S. Census Bureau. <http://quickfacts.census.gov/>

¹⁴ “Florida: Economy at a Glance.” Bureau of Labor Statistics. <http://www.bls.gov/eag/eag.fl.htm>

¹⁵ “CareerOneStop.” U.S. Department of Labor. <http://www.careeronestop.org/>

As discussed with regard to construction jobs, the state has yet to recover from the devastating collapse of its real estate bubble. In the [city of Tampa](#), home prices fell 43.9% from their peak in April 2006 to the end of the recession in June 2009. [Foreclosures](#) are a serious concern too. At a rate of one foreclosure for every 360 homes it is 5th worst in the nation. Just fewer than 170 thousand homes were being foreclosed on in December 2011. Its [housing vacancy](#) rate is third worst in the nation at 17.5%, behind only Maine and Vermont, but first in total number of vacant homes. As with Pennsylvania's Marcellus Shale, Florida's ongoing housing crisis will receive more attention in future posts.

The three newspapers that will inspire those future posts are the [Tampa Bay Times](#) with an average weekday circulation of more than 138 thousand readers, the [Orlando Sentinel](#) with more than 170 thousand readers, and the [South Florida Sun-Sentinel](#) of Miami with just fewer than 150 thousand readers.¹⁶ But before this blog can tackle their articles, three more swing states need to be introduced.

Next up: **Colorado**.

STATE CLIPS¹⁷

Pennsylvania: "Union Files Complaint Over Philadelphia School-Nurse Cuts" [Philadelphia Inquirer](#), 1 February

A \$700 million budget shortfall has left Philadelphia schools with 47 fewer nurses at the start of the year. According to the teacher's union, this means that students could receive lifesaving medications and first aid treatment from unqualified school personnel.

Florida: "South Florida Gambling Plans Head for Trouble" [South Florida Sun-Sentinel](#), 1 February

State House and Senate sponsors of plans to expand gambling in South Florida are driving their bills further apart in efforts to secure the votes necessary for passage. Advocates argue that it will boost the economy and increase jobs, while others cite a study suggesting that crime would increase as much as 12 percent and cost \$3 billion over ten years.

Colorado Preview: "Foreclosures Down 25 Percent in Colorado in 2011" [The Denver Post](#), 1 February

In a bit of news that Floridians would crave, Colorado's housing market has appeared to stabilize as foreclosure rates have fallen to 2006 levels.

¹⁶ Audit Bureau of Circulations. <http://www.acesabc.com/>

¹⁷ States will be added to the "State Clips" section of each post as they are introduced in the blog

Profiling Colorado's Economy

This is the fourth entry in "It's the Economy, Stupid" a 15-part series analyzing the local economic news in five swing states.



Aspen Mountain¹⁸

Lavish Aspen, Crass South Park, and the venerated Mile High home of Tim Tebow all claim a piece of this next state. Although no candidate is likely to mount his conquest of the square in van [styled as a dog](#) – à la Jim Carrey and Jeff Daniels, their equally ostentatious buses are certain to cover its four corners. This Western state is Colorado, and its economy has mattered to Presidential candidates since it became the Centennial State in 1876.

Mitt Romney experienced the quirks of its Republican voters, when its caucuses swung for Rick Santorum by more than 5-points, on Tuesday. This came four years after Romney defeated John McCain, et al. with more than 60% of the vote in 2008. For his part, President Obama will look to repeat his near nine-point victory in the state in November of that year, but he confronts nine electors who have only voted Democratic twice in the last twenty years. His victory was the first instance of a Democrat claiming more than fifty percent of the vote in that same span. But that statistic does not imply a red hue.

Colorado's more than 3.4 million voters are divided in near even proportions among the reds, blues, and combined others and independents. Republicans have a slight advantage with 32.5%

¹⁸ Photograph of Aspen Mountain provided courtesy of Wikimedia Commons

of registered voters, Democrats claim 31.7%, and the rest are the plurality at 35.8%.¹⁹ Such a large proportion of unenrolled and minority party voters can make single-party sweeps difficult. Although the Republican surge in 2010 tipped both the Congressional delegation and State General Assembly in their favor – picking up two and six seats, respectively; Democrats sent Michael Bennet to the U.S. Senate, John Hickenlooper to the Governor’s Mansion, and expanded their State Senate majority by one.

Even though the State’s population expanded by nearly 17% in the past decade, it retains seven U.S. Representatives for its 5.1 million residents. A largely Caucasian group – at 81.3%, the State has a sizable minority of close to 21% of individuals claiming Hispanic or Latino ethnicity. This division has caused some friction with particular regard for undocumented immigrants, a subject that will be returned to later in the post.²⁰ But it is undeniable that Colorado punches above its weight.

With the 22nd-largest population it produces a [Gross State Product](#) of \$258 billion, the 18th-largest. More impressive is its GSP per capita of \$46,757 – 9th in the nation, which is more than four thousand dollars higher than the national average – far better than its Pennsylvania and Florida swing state peers. That ranking is likely due to high school and bachelors degree rates better than the national average, at more than 89% and nearly 36%, respectively.

Its labor force of 2.7 million individuals has largely rebounded since the recession. Outside of agricultural employment, 74% of residents work in the State’s top-five industries: Trade, Transportation, & Utilities (18%); Government (17%); Professional & Business Services (15%); Leisure & Hospitality (12%); and Education & Health Services (12%). The only industry to decline over the last 12-months was Construction.

The otherwise uniform trend of expanding industries is likely responsible for the State’s relatively low unemployment rate of 7.9%, as of the most recent available data from December 2011. Indeed, it may be lower today as the national rate fell to 8.3% in January.²¹ The largest employers in the state are: The University of Colorado-Boulder, Lockheed Martin Space Systems, Peterson Air Force Base, Exempla Saint Joseph Hospital, and the Transportation Safety Office.²²

The availability of jobs often enters into rhetoric concerning the state’s estimated 180 thousand undocumented immigrants. The Colorado Alliance for Immigration Reform ([CAIR](#)) advocates steps such as instituting an immigration moratorium and rejecting all amnesty provisions. The group likely favored the failure of a 2011 instate tuition bill for the children of undocumented immigrants, which was [defeated](#) on a party-line vote in the General Assembly’s Education Committee after passing the Senate. Still, the Colorado Center on Law & Policy would likely approve of [the decision](#) by two Republican Assembly Representatives to support the 2012

¹⁹ “January 2012 Voter Registration Numbers.” Colorado Department of State. <http://www.sos.state.co.us/>

²⁰ “Colorado Quick Facts.” U.S. Census Bureau. <http://quickfacts.census.gov/>

²¹ “Colorado’s Economy at a Glance.” U.S. Bureau of Labor Statistics. <http://www.bls.gov/eag/eag.co.htm/>

²² “Colorado State Profile: Largest Employers.” Career One Stop. Department of Labor. <http://acinet.org/>

version of the bill. That organization [noted](#) in a 2011 study that undocumented immigrants represent 5% of the State's workforce, collect 3% of total incomes, but contribute 7% of the GSP. Expect this issue to be detailed more in future posts.

Two changes were made to the sources of news pieces for those future posts. The *Aurora Sentinel* and *Colorado Springs Independent* were dropped in favor of the [Pueblo Chieftain](#) and the [Colorado Springs Gazette](#) after data from the Audit Bureau of Circulations indicated higher average readership of 43 thousand and 74 thousand respectively. The state's largest newspaper, [The Denver Post](#) rounds out the three sources with an average readership of more than 350 thousand.

Next Up: **Ohio**

STATE CLIPS²³

Pennsylvania: "Pa. House votes to send shale drilling fee to Corbett" [Pittsburgh Post Gazette](#), February 8th

The state House of Representatives approved a fee that could range from \$190 to \$355 thousand dollars per natural gas well drilled in the state. Republicans presented the bill as an appropriate compromise, while Democrats argued that it was still too low to offset potential environmental impacts and to meet other budget priorities. The bill now heads to the Governor for his approval.

Florida: "Seminole County schools hit by state budget amendment" [Orlando Sentinel](#), February 8th

If enacted as amended, Seminole County schools would have limited options to close its budget deficit. It would prevent the county from closing schools or cutting arts and athletics programs in the wake of its failed attempt at levying a half-cent tax. The Republican sponsor would like the county to target administrator pay instead. A Democratic representative lambasted his colleagues for unfairly restricting a school system after approving \$1.35 billion in funding cuts the year before.

Colorado: "Springs part of effort to land federal drone test site" [Colorado Springs Gazette](#), February 8th

In a state where defense contractor Lockheed Martin Space Systems is the second-largest employer, it should be no surprise that local business groups are attempting to secure one of the six new federal training sites for unmanned drones. If selected, it should be a boon to an industry that has grown 7% since 2006 and commands average salaries of nearly \$144 thousand per year.

Ohio Preview: "'Fracking' needs better safeguards, DeWine says" [The Columbus Dispatch](#), February 8th

²³ States will be added to the "State Clips" section of each post as they are introduced in the blog

The state Attorney General is calling for new regulations for Marcellus shale hydraulic fracturing that would bring the state in line with many of its neighbors. Among other measures, he calls for dramatically increased civil penalties of \$10 thousand per day as opposed to the current maximum of \$20 thousand. With the job creating potential of natural gas drilling likely to be invoked, it remains to be seen if his proposal will gain any traction.

Profiling Ohio's Economy

This is the fifth entry in "It's the Economy, Stupid" a 15-part series analyzing the local economic news in five swing states.



Downtown Columbus²⁴

Despite [reports to the contrary](#), this state's economy continued to exist following the departure of LeBron James. Other than jilted sports franchises, it's known for nuts, nearly forgotten Presidents, and airplanes. This heart-shaped **state in the Midwest is Ohio**, and to its economy this series now turns.

Although Ohio's Republicans will not cast their primary votes until Super Tuesday, the Santorum surge in its Midwestern peer, Michigan [has been replicated](#) in the Buckeye State. Even as swift political changes are common, decisive victories are rare. In the last five Presidential elections, both major parties have **claimed a majority of votes only once each**. Its bellwether status is celebrated by local politicians and national pundits, such that the phrase "as goes Ohio, so goes the nation" is common during election season.

True to form, Obama and Clinton carried the state in their victories, while Bush claimed its 20 electoral votes as well. But it will have fewer votes to disburse this year, with reapportionment reducing its Congressional delegation by two. Despite the decline, Democrats will look to expand their U.S. House representation after losing five contests in 2010 – now five representatives to the GOP's 13. That same year, Republicans defeated the incumbent Governor,

²⁴ Photograph of Downtown Columbus Provided Courtesy of Wikimedia Commons

retained a US Senate seat – in an open contest, and added to their outsized majorities in the state legislature with two new senators and 13 new representatives.

Its recent political history will have to suffice to justify its swinging status, as its Secretary of State does not release party voter registration. Still its voter rolls are likely large, as the state's 11.5 million residents make it 7th in the nation by population.²⁵ That rank is repeated with its [Gross State Product](#), as its \$478 billion GSP is the 7th largest. While impressive, as with Pennsylvania and Florida, its per capita GSP of nearly \$37,000 is below the national average and ranks 35th in the country. A somewhat sunnier statistic is that a smaller proportion of its residents [lack health insurance](#) compared to the national average.

Another measure for which Ohio exceeds the mean is in high school education. More than 87% of its residents have earned their diploma. But that success falls with regard to college, with just above 24% having at least a Bachelor degree relative to the national average of near 28%. With regard to ethnicities, its population is 83% Caucasian, with African Americans and Hispanics a distant second and third, respectively.

Employment for Ohioans is concentrated in five industries that represent more than 70% of the labor force: Trade, Transportation, & Utilities (19%), Education & Health Services (17%), Government (15%), Manufacturing (13%), and Professional & Business Services (12%). Government remains in the top-five despite being only one of two industries with a negative growth rate during the last 12 months – Leisure and Hospitality is the other one.²⁶

The number of residents with jobs continues to grow, with the unemployment rate last December at 8.1%. This comes after peaking at 10.6% in August 2009. Still, its labor force has 100 thousand persons fewer than at its peak in June 2008. The largest employers in the state are: Ohio State University, State of Ohio Department of Corrections, Procter & Gamble Company, Nationwide Mutual Insurance Company, and Ohio University Emergency Services.²⁷ Procter & Gamble is notable for making the list as it is the only industrial manufacturer in the top-five. But the advent of a new era of manufacturing may be forthcoming.

Policy Matters Ohio, a nonprofit, nonpartisan economic policy research organization [estimates](#) that the state boasts 630 thousand skilled manufacturing workers, with the sector contributing an outsized 20% of Ohio's GSP. Many of those workers are shifting into "green jobs" with the organization Ohio Third Frontier, a nonpartisan business development coalition, having attracted close to \$6 billion in investments for high technology research and development. One area of particular note is in groundbreaking [fuel cell technology](#), with the state now claiming a "fuel cell corridor" that encompasses several post-industrial cities. Companies such as Roll-Royce Fuel Cell Systems are investing heavily into Ohio to further expand the industry. Look for additional coverage of this issue in future entries.

²⁵ "Ohio Quick Facts." U.S. Census Bureau. <http://quickfacts.census.gov/>

²⁶ "Ohio at a Glance." Bureau of Labor Statistics. <http://www.bls.gov/eag/eag.oh.htm>

²⁷ "Ohio's State Profile: Largest Employers." Career One Stop. Department of Labor. <http://acinet.org/>

As with every selected swing state, three major, local newspapers were identified as sources of economic news stories. For Ohio, they are: [*The Plain Dealer*](#) (Cleveland), which serves more than 243 thousand readers on the typical weekday; [*The Cincinnati Enquirer*](#), which has nearly 141 thousand readers; and [*The Columbus Dispatch*](#), which has just more than 135 thousand readers. Before scouring those papers for hard-hitting stories, one swing state remains to be introduced.

Next up: **New Mexico**

STATE CLIPS

Pennsylvania: “Corbett defends cuts in Pa. higher-education budget” [*Philadelphia Inquirer*](#), February 14th

Gov. Corbett’s \$27.1 billion budget would cut \$230 million from funding provided to state colleges and universities. The cut means that each of the 17 state-backed schools will see an average of 25-percent less in funding. That may not be as significant as it seems, as the cuts represent from 1.6 to 3.8-percent of the schools’ operating budgets. The Governor refused to include tax increases in his proposed budget, and argues that private businesses would be able to cut operating costs by the same amount when similarly situated.

Florida: “House Democrats try, fail to halt \$108 million business tax-cut package” [*Tampa Bay Times*](#), February 14th

Florida House Republicans advanced a \$108 million collection of tax cuts over objections by their Democratic peers. The biggest change would double the corporate income tax exemption from \$25,000 to \$50,000. It would exempt 3,770 companies from paying the tax that contributed 8% of state revenues, last year. Despite calls in Washington to simplify the federal tax code, Florida’s bill would add breaks for several activities including oil drilling and private plane repair to the state’s code.

Colorado: “Expansion blocked for West Elk coal mine in Gunnison County” [*The Denver Post*](#), February 14th

Following a decision by the US Forest Service, a St. Louis-based firm will not be able to expand its coal mining efforts in Gunnison County. The 1,700-acre expansion would have included 48 new well pads and 6.5 miles of road through previously undeveloped land. The decision came despite a review by the local forest service staff which found that the development would not have any adverse impacts on endangered species.

Ohio: “Deal funds blight fight” [*The Cincinnati Enquirer*](#), February 14th

Ohio Attorney General Mike Dewine announced a \$75 million plan to aid in the bulldozing of abandoned homes. The money would be used to match local efforts to revitalize neighborhoods and halt the decline of home values. Ohio’s vacancy rate of 10.2% is below the national average,

but that still leaves an estimated 100 thousand homes are empty. Devine is optimistic that the \$25 billion nationwide mortgage foreclosure settlement announced last week could mean millions of dollars more for state's efforts.

New Mexico Preview: “New Mexico lawmakers send state budget to governor” [*Santa Fe New Mexican*](#), February 14th

The Democratic-controlled State Legislature agreed to a \$5.6 billion budget, but Republican Governor Susan Martinez indicated that she would veto the bill unless certain tax cuts are included. In a situation that is unusual for many states, the New Mexico budget is not projected to spend all the revenues anticipated in FY 2013. But the \$37 million surplus is less than the Martinez's requested tax cuts for veterans and businesses, which would cost \$55 million. The remaining difference could come from the \$67 million worth of earmarks included in the bill.

Profiling New Mexico's Economy

This is the sixth entry in “It’s the Economy, Stupid” a 15-part series analyzing the local economic news in five swing states.



*San Andres Mountains*²⁸

It is a destination famous for aged mud brick dwellings, UFO conspiracy theories, and now [the runway](#) to meet those little green men. This year marks the 100th anniversary of a state that retains its majority-minority status. The “Land of Enchantment,” New Mexico represents the Southwest and a profile of its economy rounds out this series’ five swing states.

The GOP Presidential nominee should be long settled by the time primary voters head to the ballot booths, in early June. But it will likely receive attention from Presidential candidates nonetheless. Back in 2008, Senator Obama overcame a budding trend of less than one percent victories – Bush by 0.79% in 2004 and Gore by 0.06% in 2000, with a dramatic 15-point lead over Senator McCain. The state swung for Bill Clinton twice, thanks in large part to the significant vote share earned by Independent Ross Perot.

Candidates will be vying for the state’s five electoral votes – a number unchanged in the last census. Democrats have an enrollment advantage with 49% of the electorate to their Republican counterpart’s 32%. Independents and third parties comprise the remaining 19%.²⁹ But those

²⁸ Photograph of the San Andres Mountains provided courtesy of Wikimedia Commons

²⁹ New Mexico Secretary of State. <http://www.sos.state.nm.us/>

numbers hardly portend an Obama victory, with voters electing a Republican Governor, U.S. Representative, and five State Representatives in 2010. But neither U.S. Senator was up for election that year, and the State House – which meets for only 30-60 days each year, remains controlled by the Democrats.

Its 2.1 million residents make the State rank 36th by population. By ethnicities it is majority-minority as non-Hispanic Caucasian individuals comprise 41% of the population. Hispanic and Latino persons are a plurality at 46%, with Native Americans representing the third largest share at 9%.³⁰ Together, those residents produce an \$80 billion [Gross State Product](#) that is the 37th largest in the nation. While near equal to its population rank its GSP yields \$35,355 per capita – below the national average, and 40th overall.

More troubling statistics are its below-the-national-average graduation rates for High School and College, at 82.7% and 25.5% respectively. Around 21% of its residents [lack health insurance](#) and more than 18% of individuals live below the poverty line - both rates above their national averages. Despite those numbers, there is positive news. After unemployment peaked at 8.7% in January 2011, it has since fallen to 6.6% - well below the national average of 8.3%. Unlike other states, the dramatic decline was not due to an equally dramatic contraction of the labor force. It has been largely constant around 940 thousand employees and job seekers since the start of the crisis.³¹

That unemployment rate is likely linked to positive growth across nearly every industry. Only three experienced negative growth rates over the last year, and only one – Construction, experienced a serious decline at nearly 14%. With regard to the State's largest industries, agriculture is significant enough to factor into market shares. Considering that industry's employment, the top-six are: Government (22%), Trade, Transportation, & Utilities (16%); Education & Health Services (14%), Professional & Business Services (10%), and Agriculture (8%).

Government, Health, and Education feature in the State's five largest employers. They are the University of New Mexico, the Los Alamos National Laboratory, the University of New Mexico Children's Hospital, Albuquerque Health Partners, and the New Mexico Department of Health.³² Although it is not one of the largest industries, oil and gas mining contributes a significant portion of the State's economy.

Alongside Colorado and Wyoming, New Mexico is [one of the largest](#) coalbed methane producers in the U.S. It is [sixth-largest](#) producer of natural gas, and contributes close to one-tenth of the domestic supply. The San Juan Basin, which extends into Colorado, is the largest field of proven natural gas reserves in the country. It is the [fifth-largest](#) producer of oil. All this activity contributed \$434 million in tax revenues and royalties to New Mexico in 2011 and over \$4

³⁰ "New Mexico Quickfacts." U.S. Census Bureau. <http://www.quickfacts.census.gov/>

³¹ "New Mexico Economy at a Glance." Bureau of Labor Statistics. <http://www.bls.gov/eag/eag.nm.htm/>

³² "New Mexico's State Profile: Largest Employers." Career One Stop. Department of Labor. <http://acinet.org/>

billion in the last ten years to the state's public education system.³³ Expect this state's energy production to feature in future posts.

Sources of news for this state will come principally from its three-largest newspapers: the [Albuquerque Journal](#), with a circulation of 87,100; the [Las Cruces Sun-News](#), with a circulation of 22,600; and the [Santa Fe New Mexican](#), with a circulation of 21,200. But with every state now introduced, this series will focus on in-depth analyses of issues raised in those newspapers and the ones listed for the four previously introduced states.

STATE CLIPS

Pennsylvania: “First-ever shale health office opens” [Pittsburgh Post-Gazette](#), February 21st

The nonprofit Southwest Pennsylvania Environmental Health Project opened its doors last week in Washington County to study the health impacts of Marcellus Shale natural gas drilling. This comes after the American Association for the Advancement of Science (AAAS) [found](#) that hydraulic fracturing – the latest technology for natural gas extraction, does not pose a significant risk of groundwater contamination. The Project aims to provide medical screenings and to track health developments related to the 700 wells in operation in the County.

Florida: “Retailers hope to score big with NBA All-Star shoppers” [Orlando Sentinel](#), February 21st

Central Florida retailers are preparing for the estimated 50 thousand visitors expected to attend the 2012 NBA All-Star Game, next weekend. With tickets starting at \$500, retailers are anticipating sales numbers akin to Black Friday. But even as one article highlights the potential gain from hosting the event, another [notes](#) that security measures may separate visitors from area businesses.

Colorado: “County, state reach compromise on oil and gas regulations” [Colorado Springs Gazette](#), February 21st

Commissioners in El Paso County retreated from oil and gas regulations passed in January that were viewed by the Attorney General as usurping the authority of the State Oil and Gas Commission. The dispute highlights the at times conflicting interests between levels of government, which – as with the case of Pennsylvania, are often linked to energy concerns. In the compromise all but one regulation, which concerned water testing, was overturned.

Ohio: “Cleveland mayor presents this year's budget, casts eye to next year” [The Plain Dealer](#), February 21st

The \$507 million budget includes the first pay raise for municipal employees in three years. The City faced several challenges including cuts to the state's Local Government Fund and debt payments for the construction of the Cleveland Browns Stadium – at a cost of around \$10 million

³³ “The BLM: Investing in New Mexico.” Bureau of Land Management. <http://www.blm.gov/>

apiece. The mayor hopes that the soon-to-open downtown casino and combination convention center and medical mart will attract sufficient new tax revenue to end deficit spending after this year.

New Mexico: “Lawmakers Ditch Gov.’s School Bills” [*Albuquerque Journal*](#), February 17th

The State Legislature passed a \$5.6 billion budget before adjourning its 30-day session. Facing a veto threat, Democratic lawmakers approved several tax breaks favored by Gov. Susana Martinez, a Republican. The breaks included deductions for contractors and manufacturers, and a credit for hiring veterans who served in Iraq and Afghanistan. Lawmakers failed to address solvency concerns in the public retirement system and safety measures designed to prevent property tax surges.

Refine Baby, Refine?

This is the seventh entry in “It’s the Economy, Stupid” a 15-part series analyzing the local economic news in five swing states.



Shale Drilling Tower, Lycoming County³⁴

Sardonic websites are dedicated to [lampooning](#) the Washington Metro. But it is wonderful to rely on the District’s dysfunctional public transportation throughout a month that witnessed the average price of gasoline rise by 30 cents. To that national energy issue, Pennsylvania adds two of its own: Marcellus Shale gas and Sunoco refining. The Keystone State kicks off the second half of this series, with its energy-related, economic news.

In December, Sunoco – a major American petroleum manufacturer, retailer, and the sole provider of NASCAR’s fuel; announced that it would close its Marcus Hook refinery in Delaware County. The plant was founded in 1902, refines light sweet crude oil, and had several hundred employees. That decision came alongside one by ConocoPhillips, an integrated energy company, to close its refinery in Trainer, PA. With 490 individuals scheduled to be laid off, *The Philadelphia Inquirer* [reported](#) that the local zoning board voted to limit the future use of the facility by Sunoco – targeting the storage of Marcellus Shale gas. But that is not the only Sunoco site receiving attention.

The decision to close Marcus Hook was just one step in Sunoco’s plans to exit the refining business. According to the CEO, and as [presented](#) by the *Pittsburgh-Post Tribune*, the firm lost close to \$1 billion over the last three years in that enterprise. Another step to avoid future losses

³⁴ Photograph of the Shale Tower provided courtesy of Ruhrfisch via Wikimedia Commons

is the scheduled closure of its Philadelphia refinery in June. Unlike the closure of relative minnows Trainer and Marcus Hooks, a [report](#) released Monday by the Energy Information Administration found that the Northeast could be “significantly impacted” by this third closure. The single facility represented just under one-fourth of the region’s refinery capacity in 2011. As consumers buckle under rising gas prices, the prospects for increased instability can only add to their concerns. Still, on the other side of the state, it is the expansion of energy production that commands attention.

Even as the more liberal-leaning *Pittsburgh Post-Gazette* [highlighted](#) a study by Earthjustice, a California-based environmental advocacy organization, noting the impact of pollution from small industrial power plants, its conservative-leaning counterpart [emphasized](#) the considerable job growth in the mining industry that has come from the boom of Marcellus Shale gas. Although the smaller plants are not necessarily using natural gas, the absence of Marcellus Shale attention in the *Gazette* underscores the budding partisan divide on the issue. For its part, the *Tribune* fails to note that the growth of “drilling jobs” comes in an industry that only [represents](#) 1% of total state employment. Still, there is room for bipartisanship with regard to a natural gas drilling impact fee.

According to an [article](#) in the *Tribune*, such a fee has been under discussion in the state legislature since 2009. At that time divided government prevailed, with a Republican-controlled Senate and Democrat-controlled House. Despite the now unified GOP-majority government, the two bodies remain at odds, with the Senate favoring a mandatory state-wide fee and the House advocating an opt-in provision for affected counties. For their part, the sidelined Democrats favor a higher fee than is found in either proposal. Need for the revenue from such a fee is underlined by proposed state budget cuts.

This series previously [noted](#) a failed attempt by State House Democrats to restore funding for public education and social programs. While the *Tribune* [discussed](#) the “anger” of Democrats directed at the proposed \$629 million in cuts to programs for the poor and elderly, the *Gazette* [addressed](#) emerging opposition by Republican legislators to Gov. Corbett’s plan to cut funding to state colleges and universities. Although revenue from shale gas fees may not compensate for both those multi-million dollar cuts, an author of a recent op-ed in the *Gazette* [called on](#) legislators to pass the fee – among other revenue measures, to spare primary and secondary schools a likely \$100 million funding cut.

News from the last few days calls attention to the lingering economic stress confronting Pennsylvania. Significant funding cuts throughout the tiers of public education can only negatively impact the state in the long-run. Gov. Corbett’s refusal to raise any taxes and insistence on \$275 million in tax cuts for businesses may be a sound political strategy in the short-run, but failing to invest education could deprive the next generation of the tools to create jobs in the other 99% of its non-mining labor force.

With a natural gas impact fee appearing to have bipartisan support, it should be passed as soon as possible with the intention of reducing the funding shortfalls for education. But for all the positive news coming out of natural gas expansion, there is no easy solution to the closures of the Sunoco refineries. Fortunately for President Obama, few pundits would predict a loss of the near

sure-thing New England and New York electors as a result of rising gas prices. But the swing-state voters of Pennsylvania will likely weigh education and social program cuts against their energy frustration when they head to the voting booths.

STATE CLIPS

Florida: “Funding for beach water testing in jeopardy” [*South Florida Sun Sentinel*](#), February 25th

State officials are concerned about proposed cuts by the Obama Administration to federal funding for water testing at the nation’s beaches. The move would come as the state legislature has already reduced its share of the cost, with the federal government now responsible for 75% of the funding. As should be expected, the risk to tourists of potentially unsafe beach vacations is discussed, with the state’s beaches noted for receiving 14 million visitors each year.

Colorado: “Colorado’s college graduates increasingly weighed down by student debt” [*The Denver Post*](#), February 29th

High school and college graduation rates better than the national average may play a part in the state’s higher-than-average student debt. Those who received a bachelor degree in 2010 accumulated an average of \$25,250 in debt – a level that ranks the state 32nd in the nation. More troubling is a student-loan rate of 11.5% that is in itself higher than the national average. Even as state officials note that the rate may be inflated due to the treatment of students pursuing online degrees, the statistic is worrisome nonetheless. A significant factor in increasing debt burdens and defaults is the failure of students to complete their degrees after amassing considerable debt.

Ohio: “Shale: Bedrock for how many jobs?” [*The Columbus Dispatch*](#), February 29th

A study by the Ohio Shale Coalition found that the state’s budding oil and gas industry will create nearly 66 thousand jobs and provide a \$5 billion boost to the economy by 2014. Mining and logging currently represents less than one percent of the total state employment. The estimate falls between another industry study that boasted 200 thousand jobs in the next four years and an Ohio State University study that projected 20 thousand jobs. The Coalition’s projection is less impressive when considering that only half of the projected growth will come in the industry, while the others are expected in various service industries that would support the growth.

New Mexico: “Groups target PNM profits” [*Santa Fe New Mexican*](#), February 28th

Public Service Co. of New Mexico (PNM), an electricity-provider, was criticized by a coalition of nonprofit groups for raising rates over the last three years despite the economic crisis. The coalition, which is largely comprised of environmental advocacy and renewable energy groups, noted that the company experienced a 26% increase – in nominal dollars, from 2010 to 2011. For its part, PNM argues that the increases were necessary to fund critical capital improvements and

to enable the company to escape its own difficult financial circumstances. Even so, frustration from consumers should be expected, as rates have increased over 40% since 2008.

Super Ohio

This is the eighth entry in “It’s the Economy, Stupid” a 15-part series analyzing the local economic news in five swing states.



Wind Turbine in Bowling Green³⁵

No other Super Tuesday contest offered more late-night drama than Buckeye State’s primary. Long after the results were in for the nine other voting states, Ohio’s contest was still too-close-to-call. As with most other states, voters largely split between former Massachusetts Governor Mitt Romney and former Pennsylvania Senator Rick Santorum. But when all the ballots were counted – or at least the non-absentee ones, Romney led by nearly 10,300 votes. In seeming support of this series, the economy was the number one issue.

The New York Times offers an [interactive exit poll](#) graphic to distinguish how different groups voted in all the primaries and caucuses held on Tuesday. For those Ohio voters selecting the economy as their primary concern, Romney led Santorum by 8 points. That gap likely made the difference in the outcome. The same [exit poll](#) indicated that both 54% of voters listed the economy as their number one concern and that overall, 73% of voters were very worried about the direction of the economy. But the presidential primary was not the only issue on the ballot.

A range of local initiatives were included in ballots across the state. Officials from at least 13 Northeastern Ohio school districts are celebrating the passage of school-funding, property tax increases. *The Plain Dealer* [noted](#) that of the 20 such initiatives on the ballot, several were

³⁵ Photograph of the Wind Turbine provided courtesy of Wikimedia Commons

renewals of past increases and half were for “emergency” funding due to both dramatic declines in property tax revenues and state funding cuts.

The same newspaper [highlighted](#) the supermajority that approved a health and human services tax issue in Cuyahoga County. The change should raise \$137 million annually to help fund pre-kindergarten programs, child services, and elderly and low-income healthcare. The support for both types of local tax increases comes as serious federal tax reform appears a distant prospect in this election year.

Despite those increases, *The Columbus Dispatch* [discussed](#) a report by the non-profit Tax Foundation that heralded Ohio for having the 5th-lowest tax rate for businesses. The Foundation is based in Washington, DC and is officially a non-profit and nonpartisan research organization, but the article notes that it receives funding from conservative groups. The close to 200-page report is available [online](#). No other swing state ranked in the best-10 states with the lowest tax costs, although Pennsylvania was cited for having the highest costs for mature firms and second-highest for new firms. Colorado was fourth-highest for new firms. But taxes may be increasing for some businesses.

Republican Gov. John Kasich alluded to energy policy changes at the IHS Cambridge Energy Research Associates’ ([IHS CERA](#)) 31st conference in Houston, on Wednesday. Hosting the governor to discuss his energy policy priorities seems fitting given that the “global information company” endeavors to predict future energy trends. According to an [article](#) in *The Columbus Dispatch*, Kasich would like to raise the taxes on hydraulic fracturing, improve safety standards, and require disclosure of chemicals used in the process. He would spend \$30 million on coal research projects – including carbon sequestration, and utilize the remainder of the revenue to implement an across-the-board income tax cut.

While the Governor was advocating for changes to the treatment of hydraulic fracturing, the Ohio Supreme Court [ruled in favor](#) of a significant wind farm project. The 4-3 [decision](#) affirmed one made by the Ohio Power Siting Board, which should enable the \$150 million project covering nine-thousand acres, 70 turbines, and 126 megawatts of potential electricity generation to progress despite concerns by residents. Those concerns largely mirrored those found the trailer for a too-be-released [documentary](#), which warned of the safety hazard posed by falling blades and their massive shadows. The decision by the Supreme Court would appear to appropriately weigh those concerns against the project’s statewide clean energy benefits.

Even as wind energy may yield new benefits for the state, mother nature saw fit to wreak havoc across Clermont County in Southwestern, Ohio on Friday. The governor declared a state of emergency and is [seeking](#) federal assistance for recovery efforts. Income-eligible families could receive up to \$1,500 while elderly and disabled individuals could receive up to \$750. *The Cincinnati Enquirer* [reported](#) that State Treasurer’s office will make the [Renew Ohio and Rebuild Ohio](#) emergency financing programs available to affected individuals in that county. The programs reduce interest rates on construction by as much as 3%.

STATE CLIPS

Pennsylvania: “Philadelphia’s City Planning Commission OKs a master plan for the Delaware riverfront” [*The Philadelphia Inquirer*](#), March 7th

The unanimous decision by the Planning Commission would transform a six-mile stretch of Delaware riverfront into a mix of commercial development and public parks and trails. The decision to endorse the plan released by the Delaware River Waterfront Corporation (DRWC) comes five years after the University of Pennsylvania’s School of Design started a dialogue on the future of the waterfront. To fully implement the proposal, the city will need invest \$770 million over the next 25 years.

Florida: “Florida universities face \$300 million budget cut” [*Orlando Sentinel*](#), March 6th

Students could face dramatic tuition hikes approaching the maximum 15% increase if the Governor approves the budget negotiated between the State Senate and House. The \$300 million in cuts comes as the legislature looks to close a \$1 billion hole in the state’s \$70 billion budget. Florida State University is set to lose the most funding, at \$65.8 million.

Colorado: “County wants to be regional recycling hub” [*The Pueblo Chieftain*](#), March 4th

County commissioners have submitted an application for a \$242,000 planning grant to design the state’s second recycling center. At present, the county ships its recyclables 101 miles to a facility in Denver. With Pueblo County boasting several private trash collectors, commissioners view a \$5 million center as a new lynchpin for the area’s economy.

New Mexico: “Big Box Legislation Vetoed by Martinez” [*Albuquerque Journal*](#), March 7th

The legislation would have required out-of-state companies that operate in 30,000 square feet facilities to combine their profits earned in all states for the purposes of the state’s corporate income tax. The square footage requirement would have largely limited its effect to retailers such as Walmart and Target. At the same time, it would have reduced the top corporate tax rate from 7.6 to 7.5%.

Reports of Jobs & Corruption

This is the ninth entry in “It’s the Economy, Stupid” a 15-part series analyzing the local economic news in five swing states.



*Partly Cloudy*³⁶

With colleges in the midst of the spring break season, seniors will be returning to campus with added anxiety about the real world that is now just around the bend. Fortunately, the most recent state report from the [Bureau of Labor Statistics](#) (BLS)—issued on March 13th, gives some reason for optimism with lower unemployment rates across all but one of the five swing states. This entry will delve into those numbers to better gauge that optimism. It too will consider the [State Integrity Investigation](#) report released this week, and its implications for the buzz-phrase of *waste, fraud, and abuse*.

On the surface, declining unemployment rates would appear to signal coming relief. Unfortunately, the BLS lags in reporting data, with current numbers only providing a picture from last January. Rising gasoline prices may already be taking their toll on the recovery that appeared to be strengthening just a couple months ago. With that in mind, the most recent ranking of the five states in order from lowest unemployment to highest is: New Mexico (7%), Pennsylvania (7.6%), Ohio (7.7%), Colorado (7.8%), and Florida (9.6%). Only Florida remains above the national rate—which was steady at 8.3% through February, and New Mexico manages the lowest rate despite it having held constant from December.

³⁶ Photograph of a Partly Cloudy sky provided courtesy of Wikimedia Commons

New Mexico is alone too with regard to labor force change, as it was the only state to witness a growth in its labor force and employment over December to January—although its number of unemployed remained constant. All others experienced a contraction in their labor force, which invariably played a role in their declining unemployment rates. Of those four remaining states, only two experienced a growth in overall employment that was larger than the contraction of their labor forces—Ohio and Florida. The employment growth in the former accounted for 87% and in the latter for 78% of the decline in unemployment, respectively. Total employment accounted for less than half the decline in unemployment in Pennsylvania, while total employment declined in Colorado.

Considering those numbers, the labor markets of Florida and Ohio appear to making better strides than their respective 5th and 3rd place rankings would suggest. Pennsylvania ranks ahead of Ohio with regard to its overall unemployment rate, but the change in the Keystone State came largely from workers leaving the labor force. Colorado ranks ahead of Florida, but the change in the former came on the heels of a shrinking labor force and falling total employment. Still, different measures can further complicate the rankings.

Three states experienced improved employment growth rates for a majority of the 11 non-farm industries tracked by BLS—New Mexico (7/11), Ohio and Colorado (8/11). The changes were not in the smallest industries of those states either, with at least three of their five-largest improving. Pennsylvania had five industries improve—including manufacturing of its top-five, while **Florida had slowing growth in all eleven**. State and local governments continued to cut employment, with all five states seeing that *industry* continue to have an annualized, negative growth rate. For all its other sunny news, New Mexico was the only state with a majority of industries experiencing such negative growth, and the clouds continue to gather over that state when it comes to ethics.

The State Integrity Investigation was released last Monday, and was produced by the [Center for Public Integrity](#), [Global Integrity](#), and [Public Radio International](#). All three organizations espouse nonpartisan ideals, with the former two operating as nonprofit, investigative journalism outfits. The report rated all fifty states—but not the District of Columbia, on an A-F scale according to fourteen criteria, which included: Internal Auditing, Political Financing, State Budget Process, and Procurement. The ratings ascribed to those four categories are of particular relevance to state government spending, especially during a period of austerity. No state scored pristine marks, with New Jersey managing the best rating, a B-plus of 87%; and Georgia the worst, flunking with a 49%.

In order from most to least open to *corruption* is New Mexico (D-minus, 62%), Ohio (D, 66%), Colorado (D-plus, 67%), and Pennsylvania and Florida (C-minus, 71%). Of the four categories listed above, Political Financing was the worst for each state—ranging from an F to a C. Each state scored well for internal auditing—ranging from B-minus to A. Pennsylvania was the only state to fail in any category, and did so twice—Political Financing, and perhaps most troubling in its Budget Process.

The report noted a “culture of intolerance to openness” of records and proceedings that pervades that the Keystone State. “Pay-to-play” bribery schemes and gaps in enforcement were the most

common reasons for low scores across the five states, and despite New Mexico's score, the report's authors were optimistic that reforms pushed by current Gov. Martinez (R) could promote significant improvements. Negative press of this type will not help the five states as they continue to wrestle with difficult budget decisions that could see critical services cut and valuable professionals laid-off.

STATE CLIPS

Pennsylvania: "New Figures on Shale Gas Optimistic" [*Pittsburgh Tribune-Review*](#), March 20th

Uncertainty lingers regarding the scale of the Marcellus Shale natural gas deposit despite a research conference held at Penn State. Newly unveiled reports by energy consultants ICF International and IHS Inc. estimate that the formation could contain as much as 698 trillion cubic feet of natural gas. That figure is in stark contrast to the Department of Energy and U.S. Geological Survey which place the number at 141 and 84 trillion cubic feet, respectively. The differences matter as long-term policy-making will rely heavily on the prospects of future exploration.

Florida: "Giant Tunnel Machine Nearing another Milestone at Port of Miami" [*South Florida Sun Sentinel*](#), March 15th

Significant work is underway at the Port of Miami, where a \$1 billion and 4,200 foot underground tunnel is nearing the water's edge. Once complete, the tunnel will provide for a multi-lane underground highway to enable trucks leaving the port to connect directly to area expressways instead of crossing through busy city streets. With annual revenues at the port close to \$95 million, a more efficient ground transportation system could send its value much higher. Similar logic could apply to strained infrastructure throughout Florida and the rest of the country.

Colorado: "Vote against RTD Hybrid Deal was way to Ensure Discussion, Board Member Says" [*The Denver Post*](#), March 21st

Two board members voted against a plan that will create a hybrid commuter rail and Bus Rapid Transit link between Denver and Longmont. Had the vote been unanimous, the project could have been reviewed by the full board without discussion. The plan would use dedicated sales tax revenues approved of in a local referendum in 2004 to create the just under 40 mile transportation link. Without including the Bus Rapid Transit option, budget shortfalls would have prevented a commuter rail from being completed until 2042.

Ohio: "7 Areas Pool Electric Demand" [*The Cincinnati Enquirer*](#), March 21st

Residents of seven municipalities in Hamilton County will soon have an opportunity to save just more than one penny per kilowatt-hour of electricity. Although that sounds small, the combined savings could mean a 24% smaller annual electric bill for those who participate. The communities established the aggregation plan with DP&L Energy under provisions of Ohio's electric deregulation law.

New Mexico: “City Officials Shield Audit of Police Department Spending” [*Santa Fe New Mexican*](#), March 20th

In a possible affirmation of New Mexico’s low ethics ranking, the Santa Fe city government has refused to release an audit of Police Department spending. Requests came from the Santa Fe Coalition for Good Government and the Santa Fe Police Officers Association—which is in the midst of mid-contract negotiations due to budget shortfalls. There may not be any actual malfeasance involved, as city officials have said that the document is still incomplete following the December retirement of the auditor tasked with its creation.

Obamacare & Business Breaks

This is the tenth entry in “It’s the Economy, Stupid” a 15-part series analyzing the local economic news in five swing states.



*U.S. Supreme Court*³⁷

For political junkies this week marked a three-day Super Bowl-like affair. The spectacle came complete with paid, [professional line-holders](#) and eager anticipation ahead of daily released audio recordings and transcripts. The excitement was fueled by the Supreme Court’s hearing of the case of *Florida v. U.S. Department of Health and Human Services* – and so it is to the Sunshine State, that this entry turns.

Back in March 2010 – and immediately after the Patient Protection and Affordable Care Act was signed into law, Pamela Bondi, the Florida Attorney General, filed suit against the law in Federal Court. She argued that the individual mandate in the law which compels individuals to obtain insurance or pay a fine, and the extension of the Medicaid program conflicted with the U.S. Constitution. As the case reached the Supreme Court for this week’s oral arguments, 26 states – including fellow swing states Pennsylvania, Ohio, and Colorado; had joined the suit.

If the Supreme Court strikes down the law in its entirety, then it would surely count as a victory for states’ rights proponents. But politicians in those 26 states should be prepared to devise alternative, state-based solutions to their health insurance market failures. In Florida, there are 3.9 million individuals [without health insurance](#). That is more than one-fifth of the state’s

³⁷ Photograph of the U.S. Supreme Court provided courtesy of DBKing via Wikimedia Commons

population and significantly higher than the national rate. Alternative or not, when the Court's decision comes in June, there is likely to be a marked impact on the Presidential election.

President Obama has reason to be hopeful, due to a [Quinnipiac University poll](#) that covered three swing states and was released on Wednesday. Although he secures only a plurality of the votes in each state, he leads former Massachusetts Gov. Mitt Romney in Florida, Ohio, and Pennsylvania. This lead is maintained despite Florida voters believing that Romney would do a better job of handling the economy. Still, those same voters are more willing to blame oil companies and oil-exporting nations for recent, high gasoline prices.

As [noted](#) in the *Tampa Bay Times*, support too for Obama may come from the 57% of Floridians who believe that the economy is recovering – even as 60% think that the state is still in a recession. To that analysis, the *South Florida Sun Sentinel* [adds](#) Romney's falling support among women. He is now confronting a 14-point gap behind Obama. The unpopularity of Gov. Rick Scott is cited too, with a majority of voters giving him an unfavorable rating. To confront that unpopularity, Gov. Scott signed a series of measures designed to boost job creation, on Wednesday.

Gov. Scott approved four bills: [HB 7023](#) which enables him to fire executives at the state's regional jobs boards, [HB 7027](#) which reforms unemployment compensation, [HB 7029](#) which eliminates various state rules and regulations, and [HB 7087](#), which cuts the corporate income tax and includes various breaks for industries such as fruit and meat packers. While the *Tampa Bay Times* [highlighted](#) the \$1 billion in business tax cuts provided for by the bills, the *Orlando Sentinel* skipped the message of relieving the burden on businesses in favor of one that dealt with waste, fraud, and abuse. The paper [applauded](#) Gov. Scott for acting on its earlier investigation, which found questionable practices at the state's regional jobs boards.

More business-friendly news came in the form of free websites for small businesses. The *Orlando Sentinel* [reported](#) that a partnership between Google, Intuit, and the Governor will give small businesses free website design, domain names, and server hosting for one year. The newspaper notes that while 68% of Floridian small businesses lack websites, the [free offering](#) may be more glitz than substance. Businesses would be given a basic, 3-page website that is not capable of handling commercial transactions. After that first year, companies would need to pay more than \$500 for the website and a more meaningful e-commerce package.

Businesses may be willing to pay more for that benefit though as consumer confidence fell slightly in March. The Florida Consumer Confidence Index – as tracked by the University of Florida, [fell four points](#) to 74. The *Tampa Bay Times* [emphasized](#) the effect of rising gasoline prices as causing the drop in confidence, to the exclusion of the report noting that housing prices have stabilized and that consumers have greater confidence in their personal finances. Still, confidence in the national economic outlook had small declines. The index goes from a low of two to a high of 150, with 100 equal to confidence in the benchmark year of 1966.

If this year is like the last one, then there will be reason for many Floridians to celebrate in two weeks. According to the non-profit Tax Foundation – which has links to conservative groups, Florida celebrated [Tax Freedom Day](#) on April 11th in 2011. That came one day before the

national average, and denotes the day when the average worker has earned enough to pay his or her federal, state, and local tax obligations. Among its peers, the day came March 31st for New Mexico, April 6th for Ohio, April 8th for Colorado, and April 14th for Pennsylvania. Perhaps more important and long before Gov. Scott approved his latest arguably pro-business measures, the Foundation [ranked](#) the state as fifth most favorable climate for businesses in the nation.

STATE CLIPS

Pennsylvania: “Bill would consolidate several loan programs” [Pittsburgh Post-Gazette](#), March 28th

Continuing the theme of reforming the treatment of businesses, a Pennsylvania State Senate panel approved the creation of a Liberty Financing Authority to consolidate the business loan programs currently overseen by several government authorities. The Authority would be governed by a 15-member board, and could guarantee up to half the outstanding principal of loans – not to exceed \$1 million.

Colorado: “Drug companies targeting Colo. for trials” [The Pueblo Chieftain](#), March 27th

In more health-related news, four drug companies are recruiting patients for new clinical trials. The Pharmaceutical Research and Manufacturers of America (PhRMA), and industry association is said to be targeting Colorado for new trials because of its strong health infrastructure for both provision of care and research. As [previously discussed](#), Education & Health Services is the fifth-largest industry in the state.

Ohio: “Senior program funding shifts to taxpayer” [The Columbus Dispatch](#), March 28th

Senior programs in Franklin County will not be cut despite a decline of federal support. The congregate-meal program provides an opportunity for 1,000 seniors to gather together for a meal and socializing. Even as the County can afford to continue to support the program, falling federal funds will likely impact the size of a senior services tax referendum which will be on the ballot next November.

New Mexico: “N.M. May Cut Financial Advisor” [Albuquerque Journal](#), March 28th

Recent GOP rhetoric has centered on the inability of government to pick winners and losers in business investment decisions, but it would appear that New Mexico has had some trouble picking the experts who are supposed to know how to make those decisions. An adviser to the State Investment Council may be terminated after he directed an unauthorized \$2.5 million to an Albuquerque company. The individual is from the Santa Fe-based, Sun Mountain Capital – an in-state venture capital firm.

Amazon in, Marijuana Out

This is the eleventh entry in “It’s the Economy, Stupid” a 15-part series analyzing the local economic news in five swing states.



April 20th Celebration at UC Boulder³⁸

The cherry blossoms bloomed early, Kentucky defeated Kansas, and the Bureau of Labor Statistics (BLS) released its state employment report for February. Even as the cold days of that wintry month never arrived in the District, Southern Colorado is [recovering](#) from as much as four feet of fresh snow that descended Tuesday. Before addressing the latest marijuana and “dirty dozen” tax issues of that quadrilateral state, this entry will recap the most recent BLS report.

The partly cloudy news of the January report gave way to a more cumulonimbus than clear, blue, and sunny one for February. While all but one state experienced a falling unemployment rate in that first month of 2012, only two states could claim a decline in February. While still far above the national average, Florida fortunately witnessed its rate fall to 9.4% (from 9.6%) and Ohio notched a small decrease to 7.6% (from 7.7%). Pennsylvania and Ohio held constant at 7.6 and 7.8%, respectively. New Mexico retained its title as the swing state with the lowest rate, but it *increased* to 7.2% (from 7%).

The sunlight preventing the stormiest clouds from forming came from employment increases across all five states. Unfortunately for Colorado, the 1,500 newly employed individuals were not enough to lower its rate. *The Denver Post* [delved](#) deeper into the state’s statistics provided by businesses to the Colorado Department of Labor and Employment. It found that around 300 more individuals were laid off in the first quarter of this year as compared to the same period in 2011, although fewer companies were involved this year. Still, some brighter news comes as there has been a 17% decrease in those filing for unemployment benefits relative to February 2011 and unemployment is dramatically lower from the 8.7% it stood at this time last year.

Also this time last year, out-of-state online retailers feared a 2010 law that would have compelled them to collect the state sales tax from Colorado consumers. But a ruling last Friday by the US District Court for the District of Colorado placed a permanent injunction on the exercise of [HB 10-1193](#). While the opinion may one day find a home on the district court’s [Web 1.0 site](#), the full text is available [here](#). The Court held that the bill, which would have required retailers to notify

³⁸ Photograph of UC Boulder provided courtesy of Wikimedia Commons

consumers of their obligation to pay the state sales tax and of their purchases made each year, “impose[d] an undue burden on interstate commerce.” Local Republican lawmakers [celebrated](#) the decision, having earlier called the bill – and a package of several others designed to raise revenue, the “dirty dozen.”

The loss of prospective sales tax revenue is likely miniscule compared to the loss of property tax revenue should a proposed [ballot initiative](#) pass in November. It would phase in the elimination of the tax by 2017. But with school and other municipal funding largely supported by property taxes, legislators should not be concerned that the measure will be successful. As for a certain school and possible revenue, the University of Colorado at Boulder announced a new strategy to curtail unsanctioned [4/20](#) festivities on the campus. The date relates to a marijuana “holiday” that in the past has gathered tens of thousands onto the University’s main quad to engage in the illicit activity. Security and cleanup for the “event” has [cost](#) the school as much as \$50,000, and so among other efforts, smokers will be fined up to \$100 if caught by campus police. A legal variant of the drug received additional attention by *The Pueblo Chieftain*.

The paper [reported](#) that Medical Marijuana Enforcement Division will shed just under half of its 37 personnel since licensing fees have been insufficient to cover their costs. A ballot initiative passed in 2000 legalized medical marijuana, with businesses able to apply for licenses that range in price from \$2,750 to \$14,000. Insufficient support will [hamper](#) the state’s expansion of Medicaid services too. For the first time, adults without dependents will be able to apply for healthcare coverage through the program. Eligible adults must be at or below 10% of the federal poverty level. An estimated 50,000 individuals will be eligible for the program, but only 10,000 are likely to be selected through its lottery process.

While most Colorado residents are unlikely to be affected by the marijuana and Medicaid developments, many more are likely frustrated with the continuing rise in the price of gasoline. The *Colorado Springs Gazette* [reported](#) that the average price in the state increased another ten cents over the last week to \$3.80 per gallon. That is still [below](#) the national average of \$3.93, but gasoline is not the only energy source for which many consumers will soon confront an increasing price. Electricity provider Xcel Energy [reached a deal](#) with state regulators that would raise \$114 million over the next three years. While below the \$142 million increase it sought for 2012, the plan still has electricity bills gradually increase by 5.5% for the typical homeowner.

That is all for Colorado this week. Check back next Thursday for a detailed review of New Mexico’s latest economic news.

STATE CLIPS

Pennsylvania: “Uncovering kids: 89,000 poor Pa. kids slashed from Medicaid” [The Philadelphia Inquirer](#), April 3rd

Political rhetoric is intensifying in Pennsylvania over Gov. Corbett’s proposed budget for next year. The mistake involved a paperwork error that saw 89,000 children removed from the state’s Medicaid rolls and it comes as the Welfare Department that administers the program has

continued to layoff personnel. The article raises the specter that the since the Governor's budget proposal cuts \$629 million from social services, that similar mistakes may become more likely.

Florida: "This week's RNC security spending" [*Tampa Bay Times*](#), April 3rd

This week's \$1.4 million in spending will be dedicated to police software technology upgrades, 200 new patrol bicycles, and 13, 4x4 utility vehicles. It brings total spending on police equipment for Convention security to \$13.3 million. Even though the cost is well within the \$50 million federal grant provided for the equipment and additional police officers during the event, the use of millions of taxpayer dollars by a political party particularly focused on budget austerity is surely ironic.

Ohio: "Plans announced for redesigned Scioto River" [*The Columbus Dispatch*](#), April 3

The Columbus Downtown Development Corp. will need to raise less than half of funds needed for the revitalization of the Scioto Riverfront. This comes as the city Mayor pledged \$18 million towards the \$35.5 million project, urging that it be completed by 2015. The project involves removing an obsolete dam and developing 33 acres.

New Mexico: "Scientific ghost town sites narrowed to 2" [*Las Cruces Sun-News*](#), April 3

Like the Columbus riverfront revitalization, the Center for Innovation, Technology, and Testing's financiers would like to see their project completed in early 2015. The project calls for a \$1 billion, 15-square mile uninhabited community to be built for the purposes of testing all manner of scientific advancements from smart grid to renewable energy technology. It will be modeled after a town of 35,000, but will not have any residents.

Water less than Golf

This is the twelfth entry in “It’s the Economy, Stupid” a 15-part series analyzing the local economic news in five swing states.



*Hot Air Balloon*³⁹

The hot air balloon is [free](#), teens are still having babies – but not as many; and divergent plans emerge for *historic* sites. Those stories and more call the Land of Enchantment home this week, and it is their corresponding hullabaloo that commands the attention of this entry.

Thankfully no one was injured when a hot air balloon was trapped in power lines above an Albuquerque golf course, on Wednesday. Charged with electricity, those lines could very well have been transporting electrons generated by photovoltaic cells. The *Albuquerque Journal* [discussed](#) a study by the Solar Energy Industries Association, which praised New Mexico as the fourth-highest producer of solar electricity in the country. It measured solar system installations across residences, businesses, and utilities.

The fourth-place ranking for 2011 [improves](#) on a seventh-place ranking for 2010, and puts the state above its four swing state peers. For their parts, Colorado and Pennsylvania were constant and fifth and sixth, while Florida and Ohio fell to 17th and 18th, respectively. New Mexico was noted for producing the most solar energy per capita. Such production, the article notes, could be [linked](#) to the state’s Renewable Portfolio Standard for utilities – no such national standard exists. Utilities are required to purchase at least 15% of their energy from renewable sources by 2015 and 20% by 2020. Solar is to account for no less than 20% of the renewable energy portfolio.

³⁹ Photograph of the Hot Air Balloon provided courtesy of Marcosleal via Wikimedia Commons

While the state may be celebrating its stellar solar ranking, the Centers for Disease Control (CDC) and Prevention [noted](#) this week that New Mexico had the second-highest rate of teen pregnancy in the country, in 2010. Its rate of 5.3% among women aged 15 to 19 is far above the national average of 3.4%. This ranking comes even as the state's rate declined from 6.5% in 2000. Of the remaining swing states, only Ohio had a rate about the national average – albeit only slightly, at 3.42%. The remaining three were below the average with Colorado at 3.34%, Florida at 3.2%, and Pennsylvania at 2.7%. The CDC [estimates](#) that teen pregnancies cost taxpayers \$11 billion per year in additional health care costs, foster care, incarceration, and lost tax revenue.

Health education likely plays a key role in reducing teen pregnancies, and it is health education about nutrition that is the focus of a new center in Silver City. Two years after receiving a grant from the U.S. Department of Housing and Urban Development, The Commons Center for Food Security and Sustainability had its groundbreaking ceremony this week, as reported by the [Las Cruces Sun News](#). The \$475,000 grant was awarded to create the all-in-one emergency food distribution and nutrition education center. Presumably the investment in nutrition education will limit higher health expenses later due to chronic diseases such as adult-onset diabetes.

Even as one city spends on nutrition, the Las Cruces city council is [considering](#) purchasing the municipality's fallow country club. The 110-acre Las Cruces Country Club was first opened in 1927, but closed its gates last November. Fears of the downtown site falling into disrepair likely spurred the discussion, but its estimated \$9 million price tag is said to be out of reach for the city. Upkeep of the greens would consume considerable water resources too. Control of that resource can be contentious, but 280 miles away in Santa Fe a historic water-rights settlement [would join](#) county and Native American users into a \$200 million regional water system. After State and Federal support the estimated cost to the city comes in less than the golf course, at \$7.4 million.

Starting with a seven, but ending with fewer zeroes is a historic development grant [awarded](#) to the town of Taos. The \$70,000 grant from the self-described grassroots, New Mexico Main Street Program is for the Taos Arts and Culture District. The Main Streets Program has been [awarding](#) development dollars since 1985, with \$9.3 million distributed in 2011 for 167 building rehabilitation projects. The Program currently supports 23 main street projects and 6 state-authorized arts and cultural districts.

To the chagrin of the New Mexico state government, protection of historic sites is a characteristic shared by the local Taos and Santa Fe governments. [According to](#) the *Santa Fe New Mexican* the city's Historic Design Review Board expressed skepticism at a plan to demolish four *casitas* across from the Capitol for the construction of a \$25 million state office building. The small homes were built in the early 1930's and are protected under a 2009 law that requires state construction plans to conform to municipal ordinances. The homes are not all that impressive – at least when using [Google Street View](#).

A more transformative state initiative comes in the field of public education. The U.S. Department of Education [announced](#) on Monday that five states – including New Mexico and Colorado, which missed out on the 2011 phase of Race to the Top grant funding, are eligible to

revise their applications for the \$133 million made available in the 2012 fund. The funds come from \$4.35 billion grant program that was included in the American Recovery and Reinvestment Act of 2009 – otherwise known as the infamous stimulus bill. It rewards states for innovative plans to boost public education. New Mexico’s original application [requested](#) \$25 million to track data on early childhood programs, set standards for preschools, and develop programs for the lowest-performing areas. The state is eligible for up to 50% of those funds in this latest competition.

STATE CLIPS

Pennsylvania: “City schools to cut back on special ed” [Pittsburgh Post-Gazette](#), April 11th

Pittsburgh Public Schools will cut 78 special education positions in an effort to close a looming budget gap. Three-quarters of those laid-off will be teachers, and so class sizes are expected increase to cope with the losses. The lay-offs are part of a \$5 million cut, which represents 5% of the 107.6% million that the city pays for special education each year.

Florida: “Gasoline prices may be peaking, but \$4 a gallon still hurts” [Orlando Sentinel](#), April 10th

A local businessman is used to personify the cost of rising gas prices, with the individual having to devote up to \$70 each week to fill-up his car. Still, the article notes that even as the price in Orlando recently peaked at \$4.01, it has begun to fall to a new average of \$3.94. That is still above the national average of \$3.92, and is little consolation to those who have seen prices rise by 50 cents over the last four months. There are prospects for a further price decline, with the Chinese economy slowing, a possible recession ongoing throughout Europe, and the willingness of Iran to enter into talks about its nuclear program.

Colorado: “Commuters rejoice: I-25 widening to Monument gets OK” [Colorado Springs Gazette](#), April 11th

The Pikes Peak Area Council of Governments approved a plan to spend \$17.5 million to widen a commuter-laden stretch of interstate 25. The decision comes as the Colorado Department of Transportation decided to fund the majority of the \$66 million project, last October. The article notes that the contract is likely to be awarded next fall, so frustrated commuters will have to wait some time before they see any relief. Still, the action on infrastructure development is a welcome development given this country’s recent, [poor ratings](#).

Ohio: “Sales tax numbers offer glimpse of future optimism across the region” [The Plain Dealer](#), April 11th

Residents of Northeastern Ohio appear to have embraced the economic recovery. The article cites data from the Ohio Department of Taxation which has sales tax revenues up for at least 17 of the last 22 months across the counties of the region, relative to the same months the year

before. Two counties saw the growth across all 22 months. With consumer spending representing two-thirds of GDP, the steady increase indicates that this recovery may be sustainable.

Buses Cut and Gases Captured

This is the thirteenth entry in “It’s the Economy, Stupid” a 15-part series analyzing the local economic news in five swing states.



*Philadelphia Museum of Art*⁴⁰

There are extra votes in [Philadelphia](#), additional fishermen in the rivers and streams, and a gas dispute leaving some towns queasy. All those issues, funding disagreements, and Marcellus Shale define Pennsylvania this week. And so it is to the Keystone State that this entry turns.

More than 80 Philadelphia voting divisions reported more ballots cast than the number of individuals who showed up at the polls last primary election. Although the discrepancies are often concerning just a handful of votes, the issue will surely generate talking points for supporters of the State’s voter ID law that is set to [take effect](#) next November. Critics of the law argue that it discriminates against poor, elderly, and minority voters who often lack an acceptable photo identification card – one with an expiration date.

For that reason, the ACLU and the NAACP [expressed](#) their intent to challenge the constitutionality of the requirement, last week. And the issue largely breaks along party lines, with Republicans arguing that it is a small step to prevent fraud and Democrats arguing that it is an unnecessary and onerous requirement that will disenfranchise voters. State officials [note](#) that free ID cards are available through the Department of Transportation and that voters will be permitted to cast a provisional ballot if they cannot meet the requirement at

⁴⁰ Photograph of the Philadelphia Museum of Art provided courtesy of Wikimedia Commons

the polls. Still, those assurances [did not stop](#) opponents of the law from protesting outside a Pittsburgh drivers license center – calling it a “poll tax,” on Wednesday.

Protesters may soon take to the streets in Philadelphia too, after *The Philadelphia Inquirer* [discussed](#) generous tax benefits provided to city nonprofits. The Philadelphia Museum of Art – the one that boasted the Rocky statue, is noted for receiving more than \$5.4 million annually for facilities maintenance, security, and its utilities bills. The paper contrasts that spending with the Museum’s \$360 million endowment, and reveals that at least 50 city nonprofits are compensated for their utilities and other bills. Even as difficult Pennsylvania budget choices have been highlighted throughout this series, the city has yet to develop a comprehensive policy for extending or reviewing the benefits extended to nonprofits. Each is said to be the result of a myriad of policy preferences of past administrations.

Still, Philadelphia Mayor Nutter has appointed a task force to review the spending, and the Department of Parks and Recreation reviews each benefit as they come up for renewal. That may be of little solace to members of the Philadelphia Parks Alliance who [claim](#) that the Department is entitled to as much as \$8 million more than it received. The self-described “citizens’ voice” for the parks [argues](#) that the Department has been underfunded for the last 30 years, and that Mayor Nutter promised that additional revenue raised from a 2008 parking tax would be earmarked to resolve that issue. For its part, the city notes that the economic crash and resulting decline in tax revenues made that promise untenable.

Across the State, Pittsburgh may be dreaming of replacing its woes with those of Philadelphia – perhaps more than the Penguins’ desire of the Flyers’ wins. The dreaming comes as the Port Authority of Allegheny County, which administers greater Pittsburgh public bus and light rail transit system, announced its largest service cuts in the agency’s 48-year history, on Wednesday. The *Pittsburgh Tribune-Review* [reports](#) that 35% of its services will be cut, including 46 of the agency’s 102 bus routes. The only positive news is that a \$1 million Federal Transit Administration grant will stave off the elimination of a route to the airport. The Port Authority is the 11th largest public transit system in the country.

As Pittsburgh’s daily ridership diminishes with fewer transit options, an inverse trend is underway at the State Fish and Boat Commission. The already profitable agency is [set to earn](#) \$3.5 million more this season, due to a 20% increase in the sale of fishing licenses. The spike represents the reversal of a 20 year trend away from outdoor recreation. The Commission cautions that the increase may be a statistical anomaly due to the mild winter, with regular fishermen seeking permits earlier than in years past.

In another tale of millions of dollars, The *Pittsburgh Post-Gazette* [reports](#) that Brunner Inc. is witnessing a \$37 million annual marketing budget for the State Lottery Commission slip away, as procedural errors in the competitive bidding process have forced the contract to be rescinded. Brunner [was rated](#) the most expensive of three bidders and had the lowest score for technical expertise, but had received a boost through plans to hire “disadvantaged businesses” – those owned by minorities or women. A one-year contract was extended to the current marketing firm used by the Lottery, which may give Gov. Corbett enough time to push through plans to privatize the management of the agency.

New plans for Marcellus Shale drilling largely took effect this past Saturday. The plans are reflected in An Act Amending Title 58 (Oil and Gas) of the Pennsylvania Consolidated Statutes – otherwise known as “[Act 13](#),” which was approved last February. The 174-page Act [permits](#) developers to drill for natural gas up to 500 feet away from buildings and water wells, 300 feet from natural water resources, and 1,000 feet from drinking water. It imposes impact fees on drillers for the first time – the last state to do so, which is expected to raise \$175 million this year. The most contentious issue addressed by the Act and that which prevented it from taking full effect concerns local zoning ordinances.

The Act requires municipalities to let developers drill in all zoning districts or forfeit rights to impact fees. An injunction [issued](#) last week by the Commonwealth Court prevented that provision from taking effect for 120 days, to give towns time to amend their ordinances to meet the Act’s standards. Petitioners in the case include the nonprofit [Delaware Riverkeeper Network](#) along with seven municipalities. As the suit continues, members of the gas industry and Republican state legislators are [seeking](#) the right to join the case. For their part, the petitioners argue that the State Attorney General is already prepared to represent the side of the proposed newcomers.

For a final slice of Marcellus news, the Environmental Protection Agency issued a [final rule](#) regulating hydraulic fracturing emissions. The *Pittsburgh Post-Gazette* [describes](#) the rule as the “first comprehensive update in decades” to emission standards, while the *Pittsburgh Tribune-Review* is content to [call](#) them the “first-ever national standards.” Semantics aside, the final rule grants two years to the industry to implement emission-capture technology, an allowance from the draft rule which would have had them comply immediately. Those two years start after the rule takes effect in 60 days. Almost 50% of wells are noted for already using the technology.

STATE CLIPS

Florida: “Tampa Bay-area projects that made, or got cut, from the state budget” [Tampa Bay Times](#), April 17th

The Tampa Bay-area will receive \$3.75 million for projects that include science laboratories at St. Petersburg College and a 13,000-square-foot Boys and Girls club facility. It will lose \$15.15 million that would have been spent on temporary housing for the mentally ill, drug addiction programs, and a project designed to improve middle school math scores. However, the lion’s share of the cuts comes from \$12.3 million that would have been sent to the Expressway authority – which said that it did not need the money.

Colorado: “No drilling at Rocky Mountain Arsenal, Barr Lake under oil and gas rules mulled by Commerce City council” [The Denver Post](#), April 17th

The Commerce City council has drafted a template agreement for area oil and gas drilling. The agreement would prohibit drilling in the Rocky Mountain Arsenal National Wildlife Refuge and Barr Lake State Park, which had become viable due to hydraulic fracturing technology. A variety

of other requirements would be imposed too on noise, water quality monitoring, and operation hours, among others. Should the regulations be approved, the particular requirements would be negotiated with individual operators seeking a permit.

Ohio: “Qualls: Erase Parking Minimums for Developers” [*The Cincinnati Enquirer*](#), April 17th

Roxanne Qualls, Vice Mayor of Cincinnati, has the support of the majority of city council members to eliminate a city ordinance that requires developers to provide a parking space for every new residence built downtown. She argues that the added cost of providing a surface space or spot in a garage raises prices for consumers and area businesses. The Cincinnati Center City Development Corp. (3CDC) estimates that a surface spot adds \$5,000 and a garage spot adds \$25,000 to a developer’s costs. The article notes that Qualls is a real estate agent and lives downtown.

New Mexico: “Budget picture improves for city of Santa Fe” [*Santa Fe New Mexican*](#), April 16th

The proposed \$73 million budget for Santa Fe could increase by as much as \$800 thousand according to Mayor David Coss. Additional gross-receipts tax revenue, which is assessed on the total revenue of an area business, largely accounts for the difference. The Mayor has suggested hiring additional first responders or providing city employees with a 1% pay increase.

Falling Confidence, Redevelopment Efforts

This is the fourteenth entry in “It’s the Economy, Stupid” a 15-part series analyzing the local economic news in five swing states.



*Zephyrhills Downtown Historic District*⁴¹

Unemployment is down – but so is consumer confidence. As several communities unveil economic development plans, others look to penny taxes and proposals for closing gaping budget deficits. With summer rapidly approaching, it is to the tourist haven of Florida that this series shifts, but first detours to the latest Bureau of Labor Statistics report.

The BLS Regional and State Employment and Unemployment report for March, [notes](#) that Florida continued the dramatic fall in its unemployment rate. Over that month it fell to 9% - a number that it has not been below since January 2009. The decline is largely due to the nearly 20 thousand individuals hired over the course of March, but the rate remains above the national level of 8.2%. Every other swing state is below that rate, but none experienced a decline as dramatic as Florida’s.

Two states, Ohio and Pennsylvania, experienced small declines of 0.1 percentage points to fall to 7.5%. But the report cautions against celebrating Ohio’s lower rate, as it had the largest decrease in employment – by 9,500 workers, relative to all other states. Colorado’s rate of 7.8% is above both those states, and has been constant over the last three months. New Mexico is constant too, at 7.2%, but that rate represents a 0.2 percentage point increase since this series began.

⁴¹ Photograph of the Zephyrhills Downtown Historic District provided courtesy of Wikimedia Commons

Many Floridians are likely returning to the workforce through the support of the 24 regional job workforce boards across the state. Still, the impact of one board – Workforce Central Florida, was [scrutinized](#) by the *Orlando Sentinel*. Even as the board has helped 9,300 individuals find jobs through 2012, it has consistently ranked 15th (or worse) among its peers. The ranking system was initiated by Gov. Rick Scott in an effort to improve accountability, but the results are disputed by the Central Florida board as overestimating job availability and inflating the placement efforts of other boards. Despite the disagreement, falling unemployment could be expected to correlate with consumer confidence.

That correlation is not present. For the third month in a row, the University of Florida's Consumer Confidence Index [found](#) a decline in the measurement. It fell two points in April to 73, with declines across all five components: perception of personal finances (59), expectations of US economic conditions over the next year (72) and next five years (77), expectations of the economy a year from now (78), and whether it is a good time to buy “big ticket” items (78). The largest fall occurred in personal finances – down four points, with perceptions held by seniors citizens cited for the overall dropping confidence. Still, the researchers note that if trends of increasing home prices and falling unemployment hold, then the measurement should recover. And although the decline parallels a similar one over the same period last year, it is higher than that period's level of 68.

Perhaps in an effort to boost that flagging confidence or at least to attract tourism dollars, several cities and counties are boosting local redevelopment efforts. Pasco County is staking its tourist tax revenue on the Wiregrass Sports Complex. Pending final negotiations, the *Tampa Bay Times* [reports](#) that the 200-acre and 20-field complex will receive \$14 million from a county account used to hold hotel taxes. The move will virtually liquidate the account, which has been untouched since 1991. If successful, the complex will meet its 2,000-team per year capacity, and bring considerable revenue back to the county.

Another effort is [nearing](#) final approval in the city of Zephyrhills. The near 12-thousand person city, would double its Community Redevelopment Area to over 250-acres. Established in 1988, the Area sets aside a portion of property tax revenue for redevelopment efforts. If approved by the city council, the Area will benefit from a new Community Redevelopment Plan designed to enhance parking and recreational facilities.

Boynton Beach is looking to set itself apart too, with the *South Florida Sun Sentinel* [highlighting](#) a 465-unit apartment complex that is nearing completion. Once complete, the complex will be the largest sustainable-energy residential development in the country, with tenets expected to save 40% on energy and 25% on water bills. The paper notes the tradeoff for securing the construction, with the community's development agency rebating \$2 million in tax revenue from the complex to the developer over the next ten years. For an alternative financing scheme, Boynton could look to Pasco County which is [seeking](#) a penny sales tax. If passed in a referendum next November, the tax is expected to generate \$502 million over 10 years with some proceeds earmarked for economic development.

A penny tax would be unlikely to help the city of Saint Petersburg, which faces a \$13 million budget deficit. Property tax revenue has fallen \$100 million over the last four years, and the after

countless cuts to services, city officials are considering a range of revenue proposals to close the deficit in the proposed \$200 million budget. The Mayor and city councilors remain divided as to which revenue measure they would like to impose, but a survey [finds](#) that 71% of residents oppose future cuts and 67% support a property tax increase.

That wraps up the major economic news coming out of Florida, check back next week for the 15th and final entry of this series.

STATE CLIPS

Pennsylvania: “Landowners say gas companies duped them” [Pittsburgh Tribune-Review](#), April 23rd

Marcellus Shale natural gas is in the headlines again. Joining seven municipalities in lawsuits related to the resource are over 100 landowners who claim they were defrauded into selling leases to access gas reserves on their land for \$3 per acre. Following the surge in hydraulic fracturing, prices now average \$3,000 per acre. For landowners, that can mean the difference between a license worth \$129 or \$100,000 per year. But the claims of fraud may be difficult to prove, in a situation that is at the very least a “bad bargain.”

Colorado: “Colorado legislature okays bill for electric and natural-gas vehicles” [The Denver Post](#), April 24th

The bill was unanimously approved by the Colorado State Senate and will head to the Governor’s desk, where it is expected to receive his signature. It permits grocery stores and convenience stores to install electric and natural-gas fueling stations without being subject to regulation by the state Public Utilities Commission. With a lack of refueling infrastructure arguably hampering the deployment of alternatives to gasoline powered automobiles, the bill could provide a needed jolt to develop the electric and natural gas-powered vehicle industry.

Ohio: “Cleveland envisions a floating office park to lure the creative class” [The Plain Dealer](#), April 24th

In what may be a unique business environment, Cleveland entrepreneurs envision creating a floating office park in the city’s Lake Erie harbor. The project forms part of the city’s \$2 billion, 90-acre lakefront development plan. Even as the article profiles one startup which is readying its office barge, bureaucratic hurdles and winter weather concerns may discourage others from following suit.

New Mexico: “Governor among those celebrating start of I-10, I-25 interchange project” [Las Cruces Sun-News](#), April 24th

The \$36.6 million project is welcomed by area commercial truck drivers who note that improving the aged interchange will not only promote safety but business. Still, they and their 30,000 peers who drive the road daily will likely not celebrate the up to 373 days estimated for

the project completion. Those celebrating are the 140 local residents employed by the project – even if they are scheduled for the night shift on the 20-hour per day construction effort.

Final Swing State Thoughts

This is the final entry in “It’s the Economy, Stupid” a 15-part series analyzing the local economic news in five swing states.



Empty Swing

For more than 100 days this series presented and analyzed the economic news of five swing states from the five regions of the country. Excluding this final post, just fewer than 17,600 words were dedicated to entries about Pennsylvania, Florida, Colorado, Ohio, and New Mexico. More than 50 state news clips supplemented 13 state-specific posts. But even as the election in November is still several months away, this American University senior is readying for graduation – and consequently the *real* world, so the series must come to a close.

Back in January, the Republican primary season had just started. At that time there were still 13 swing states, as identified by [270 to win](#). But as the [horserace](#) rounded a series of primary turns, it became evident that former Massachusetts Gov. Mitt Romney would soon receive his party’s nomination. Over the course of those months, a few states that were not covered by this blog *leaned* towards the incumbent president and the former governor – Michigan and Wisconsin for Obama and Missouri for Romney. Even one of the five selected for this series changed, with New Mexico now considered lean-Obama territory.

Only one in-depth entry – other than its introductory post, was dedicated to that southwestern state. The same is true for Colorado and Ohio, while Pennsylvania and Florida each earned two. But that may be appropriate given their respective electoral weights. A post was dedicated to both the January State Employment Report from the Bureau of Labor Statistics (BLS) and the

State Integrity Investigation. The February and March BLS reports were given only a couple paragraphs in preceding posts.

The number of readers of the blog grew month-to-month. In January, there were 119 views, but by April there were 214. Five fellow WordPress bloggers liked the series too: [lesleycarter](#), [The Alternate Economy](#), [Unedited Politics](#), and [The Allin1E System](#). Across all readers, the three most popular entries were the [first](#) – Intro to Blogging 2012 Swing States, the [second](#) – Profiling Pennsylvania’s Economy, and the [eleventh](#) – Amazon In, Marijuana Out, which focused on Colorado.

In the introductory posts for each state, a claim was made regarding an economic issue that would likely receive attention in future posts and state news clips. That claim was only affirmed in one case – Pennsylvania. The newspapers in that state were keen to discuss the Marcellus Shale natural gas drilling debate. From debates and disputes concerning the development and implementation of a related drilling tax to possible health effects, the shale gas reserves were a fixture of Pennsylvania news.

The claim that housing would be a focus for Florida was never discussed – let alone affirmed. The same was true for Colorado and the claim that illegal immigration would receive attention. Green jobs received one mention in Ohio, as relates the approval of a massive wind farm. But natural gas was not discussed in New Mexico – although the state’s solar power was celebrated.

Eight topics could be used to categorize the economic news that received attention across the five states. In order from most to least mentioned they are: Energy with 24% of total mentions, Redevelopment Initiatives with 19%, State and Local Budgeting with 14%, Businesses and Job Creation with 11%, Education and Healthcare tied with 10% apiece, Government Spending Oversight with 8%, and Housing with 3%. Even excluding references to gas prices, Energy still tops the list. Removing clean energy references would send it just below Redevelopment Initiatives. If Clean Energy was its own category, then it would only represent 4% of total mentions.

Altogether, 57% of newspaper mentions referenced Energy, Redevelopment Initiatives – including infrastructure maintenance, and State and Local Budgeting, which could suggest to the presidential candidates that those three issues should receive their attention. But the aggregate statistic ignores variations in each state. Within Pennsylvania, newspapers addressed first Energy – particularly Marcellus Shale, with Education funding cuts and Government Spending Oversight coming in as distant second and third places, respectively.

In Florida, Redevelopment Initiatives edged out Businesses and Job Creation, with State and Local Budgeting a close third. The focus on Redevelopment Initiatives may seem counterintuitive given that Florida’s unemployment rate of 9% is still above the national average, but mentions largely focused on big ticket tourism and infrastructure projects – such as the Port of Miami tunnel and the Wiregrass Sports Complex.

Like its Keystone State peer, Colorado’s newspapers too focused on Energy. Although unlike Pennsylvania, the Centennial State divided its attention between fossil fuels and incentives for

hybrid vehicles. Redevelopment came in second, which included the widening of an interstate highway and plans to attract the testing of unmanned military drones to the state. State and Local Budgeting, Businesses and Job Creation, and Housing all tied for third.

Energy was again the focus in Ohio, with newspapers dedicating significant attention to the state's Marcellus Shale reserves. The parallel with the aggregate ranking continued through its second most discussed topic, Redevelopment Initiatives – including a proposed floating office park in Cleveland Harbor. Businesses and Jobs tied with Healthcare for third place.

State and Local Budgeting were the focus in New Mexico. The topic earned headlines early as the curiously short-lived state legislature battled with the Governor to adopt a budget in the divided government. Redevelopment Initiatives came in second, with references ranging from a town's desire to purchase a defunct country club to the expansion of an interchange on an interstate highway. Healthcare and Government Spending Oversight were tied for third place.

Despite that state-specific insight, if given the opportunity to restart this blog from January, then it would likely be titled: Blogging a 2012 Swing State. The demands of internships, other courses, and friends limited the attention that could be dedicated to the series each week, with only a single entry posted each Thursday. Fifteen posts could have been sufficient for a truly in-depth study of a single state, but a few posts for several states, supplemented by news clips, left this author wanting to learn and write more about each one.

Still, the conclusion of this series could never and does not now leave the reader with an idea as to which way a single or the five swing states would or will vote come November. Rather, it provided some in-depth coverage of the economic issues that receive attention in each state. When following the election over the next several months, readers can turn to this series to judge whether the candidates are addressing the issues that newspapers in those states found most relevant to their residents.

If President Clinton's quip that "it's the economy, stupid" still holds value today, then natural gas will be a fixture of speeches in Pennsylvania and Ohio, tourism and jobs in Florida, fossil fuels and renewable energy technologies in Colorado, and tightened belts and responsible government spending in New Mexico.