

GOVERNORS TELL THE FEDS TO QUIT HOBLING THEM THEY WANT CONTROL OF TOBACCO MONEY, EDUCATION FUNDS

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WASHINGTON -- The nation's governors focused Tuesday on several themes championed by Utah Gov. Mike Leavitt and unitedly told the federal government to stop hobbling them in education and how they spend money from tobacco lawsuit settlements.

However, they did hail the federal government for working more closely with them on some things -- with Leavitt even appearing at a White House press conference with President Clinton to praise federal help in providing health care for uninsured children. That came during the final day of winter meetings by the National Governors Association, of which Leavitt is the vice chairman.

The group adopted a resolution that Leavitt worked hard to draft that tells the federal government to keep its hands off the \$195 billion or so that tobacco companies have agreed to pay states over the next 25 years to settle lawsuits by them.

"There is no legitimate federal claim on the settlement funds," the resolution said, blasting assertions by President Clinton that the federal government should have up to 57 percent of the money to cover the federal share of Medicaid costs.

"The federal government did not join in or assist in the lawsuits, even though they were invited to do so," the resolution said. It also called for legislation by Congress to prevent federal usurping of the state money.

Leavitt and Delaware Gov. Thomas Carper, chairman of the group, also pushed and passed a resolution urging the federal government to allow more flexibility on how states use federal education funds sent to them.

Leavitt and Carper also appeared at a news conference with members of Congress sponsoring a bill to give all states the same flexibility in spending education funds that 12 states have had for four years in an experimental program.

"The other 38 states are pretty jealous," Carper said. "We would like to enjoy the same flexibility."

Leavitt added, "There has been over the past 20 or 25 years an interest by the federal government in investing in education. They have made investments that have become more and more prescriptive. . . . We've found that the further the decisions are made from the desk of the child, the less effective they are."

So the governors want freedom to spend the money any way they please as long as it serves targeted groups, and states can show improvement through test scores and other measures.

Leavitt said that will "move the decisions that ought to be made at home, back home."

For example, Maryland has used its exemptions to reduce math and science class sizes for high-risk students. But Kansas chose to use the same type of funding instead to provide all-day kindergarten, a preschool program for 4-year-olds and new reading strategies for all students.

Senate Majority Leader Trent Lott told governors he would call up such "ed flex" legislation for debate by the full Senate next week.

Leavitt also was to appear in the afternoon with Carper and President Clinton at the White House to announce a federal program that will copy something Utah has already been doing.

Clinton announced creation of a national hotline (1-877-KIDS-NOW) that people may call to

help enroll children in new programs to provide health insurance for those who do not have any. Utah has been operating its own hotline, 1-888-222-2542, for several months.

Clinton also announced the federal government will begin airing advertising to push its new hot line especially with Hispanics, blacks and American Indians -- groups that nationally have about half of the country's uninsured children.

The Health and Human Services Department also unveiled a new Web site with information, <http://www.insurekidsnow.gov>.

Leavitt praised the federal efforts to supplement state efforts on child health care. "The real beneficiaries of this partnership are the children and families who receive the health insurance and health care they need."

Governors also found themselves in a dispute Tuesday on another cause Leavitt has pushed -- encouraging work to simplify state sales taxes to more easily collect sales tax on purchases made via the Internet.

California Gov. Gray Davis -- whose state is home to many huge computer and Internet companies -- said he worried that could create new taxes on the Internet and slow electronic commerce, and fought Leavitt's resolution.

However, Leavitt argued that his resolution opposes any new Internet access taxes. But he said it is unfair not to charge sale tax on goods sold via the Internet when local merchants would have to charge it on identical items they sell in stores.

Governors finally endorsed Leavitt after lengthy debate.