

## The Biggest Issues Facing State Legislators in 2023





## The Biggest Issues Facing State Legislators in 2023

On Nov. 8, gubernatorial elections were held in 36 states and three territories, and all 435 U.S. House seats plus 34 of the 100 Senate seats were on the ballot. As a result, Democrats kept control of the U.S. Senate, winning 51 seats in the chamber (two seats are held by independent senators who caucus with Democrats), and Republicans hold 49. However, Republicans won control of the U.S. House with 222 seats to Democrats' 213 seats.

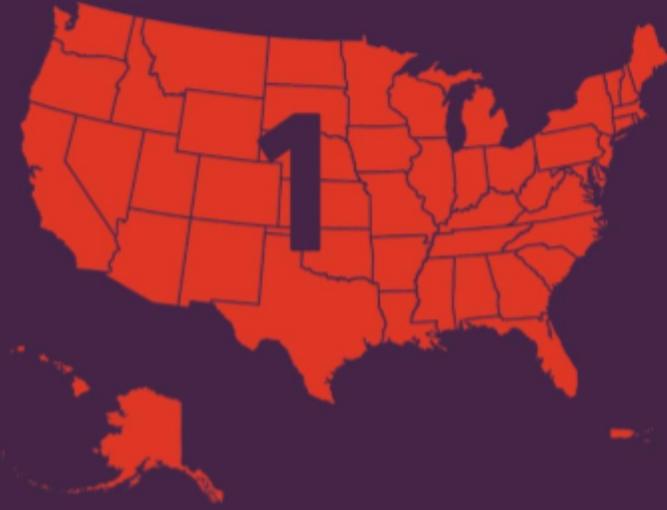
The results of the 2022 midterm elections are bound to determine the political sway and legislative decision-making in some states over the next few years. This won't largely change the top issues of most legislative sessions and what we've referred to as the big three: budget, health care, and education. And with much of the pandemic-related issues straightened out (aside from the remaining bits and pieces that linger in current legislation), the nation's state policymakers are focused on a few other major themes, many of which resulting from this year's inflation, federal legislation, and trending issues (*click to jump to that section*):

1. **Inflation Relief**: stimulus checks, price gouging, workforce retention
2. **Reproductive Rights**: restrictions, protections, legal action
3. **Infrastructure**: water, energy, electric vehicles

Let's dive in.

# FiscalNote

---



## Inflation Relief

The Biggest Issues Facing State Legislators in 2023

## Inflation Relief

The national inflation rate is at an all-time high. America's annual inflation rate jumped from 1.4 percent at the end of 2020, to 7 percent by December 2021. The current rate as of August is 8.3 percent, according to Labor Department [data](#). That number, however, reached 9.1 percent in June, prompting nationwide economic concern at all levels of government.

These historical level spikes in inflation caused five federal interest rate hikes this year. The current Federal Reserve interest rate sits at 3 percent to 3.25 percent as of Sept. 21. These trends could trigger a recession, cause a rise in unemployment, lead to household financial instability, and more.

In response, President Joe Biden signed the [Inflation Reduction Act](#) in August with three main goals: lower costs for prescription drugs, health care, and energy. The bill also aims to create more union jobs around the country, lower the national deficit, and require the ultra-rich and corporations to pay taxes (while not raising taxes for those making under \$400,000 per year). This is a hefty goal, and while citizens await certain incentives and obligations to take effect, it's predicted state governments will tackle inflation relief locally.

A few ways states are looking to do this based on this year's trends are with various rebates, addressing price gouging, retaining state workforces, and reducing personal income tax.

### Rebates and Stimulus Checks

Because of states' recording budget surpluses, and in continuation of pandemic-related relief, over a [dozen states](#) issued rebates or stimulus checks during the 2021-2022 session. Even some 2022-2023 budgets included them as well (receiving these checks relies on various eligibility, such as income level, tax filing citizens, and more).

- California's 2022-2023 budget includes issuing [inflation-relief stimulus](#) checks up to \$1,050 for eligible households
- Colorado is issuing \$750 [tax rebates](#) to state residents because of surplus
- Delaware's [Relief Rebate Program](#) provided \$300 stimulus checks to all qualifying residents
- Florida issued [inflation relief checks](#) of \$450 per child to qualifying families
- Georgia provided [tax rebates](#) of up to \$500, as did [Virginia](#), among others

Considering the rise of inflation and economic uncertainty in the nation, states are likely to discuss providing assistance in the form of rebate checks or stimulus checks next year.

## Addressing Price Gouging

While Congress introduced the [Gas Price Gouging Prevention Act](#) earlier this year to protect citizens from price-gouging of gasoline and fuels, it hasn't had much further movement. States, however, are following suit and following through.

Earlier instances of these bills can be seen in states such as Colorado where, in 2020, Governor Jared Polis signed the [Price Gouge Amid Disaster Deceptive Trade Practice](#) to prevent people from price gouging within 180 days following a presidential or state declaration of a disaster. These items span from building materials to consumer food items, medical supplies, and transportation services.

Besides Colorado, 34 other states and the District of Columbia have made price gouging during disasters and emergencies illegal. [Kentucky](#) Governor Andy Beshear and [Wisconsin](#) Governor Tony Evers signed executive orders this year to do the same.

In 2023, a few states hope to join. [Minnesota](#), [New York](#), and [Pennsylvania](#) introduced bills to ban or expand the banning of price gouging of gas, food, and other necessities. If inflation continues to rise, other states could consider similar legislation or current preventions may expand to other commodity industries in 2023.

## Workforce Retention and Minimum Wage Raise

The pandemic, and then the so-called Great Resignation in 2021, shifted how people worked. Most recently, the Bureau of Labor Statistics [reported](#) 11.2 million job openings, but 6.4 million hires. The U.S. Chamber of Commerce [reported](#) millions of Americans have left the labor force since before the pandemic, and the nation has 3 million fewer people in the labor force in August 2022 compared to February 2020, contributing to a labor shortage.

However, there is a "[Great Reshuffle](#)" happening, in which employees quit their jobs and switch their fields of work. The Chamber of Commerce also reported that "4.4 million people quit their jobs in May 2022, but hiring has outpaced quits since November 2020 (hovering around 4.4%)." Rebuilding the workforce is necessary to ease supply chain challenges and upping production.

One way state legislators are tackling workforce retention is by raising wages. In discussing her predictions for state policy priorities in 2023, Wendy Underhill, director of elections and redistricting for the National Conference of State Legislatures at a recent event, said the lack of job seekers to job openings is a challenge for almost every industry, "and it plays out in terms of higher wages, and therefore higher prices, supply chain slowdowns and a quicker-than-ever adoption of labor-saver technology."

While California is the only state with a current minimum wage set at \$15, [many states](#) have passed legislation upping the minimum wage to \$15 an hour in 2023 or the next

few years. Hawaii has [legislation](#) to hike the wage to \$18 an hour in 2028. Ultimately, 27 states and D.C. will [raise their minimum wages](#) in 2023 because of inflation or previously scheduled increases.

Thirteen states also have indexed rates, meaning the minimum wage increases automatically with the consumer price index. As these rates likely increase because of inflation, state legislators around the country could begin debating similar enactments — especially considering 20 states still go by the federal minimum wage of \$7.25 per hour.

This trend can be seen in state employees too, according to Underhill. When discussing state spending this year, she said on the panel, “much of that has gone for raises for state employees. We know that we’ve got an employees’ job market right now, so being able to retain workers is important to business and that's true for governments as well.”

# FiscalNote

---



## Reproductive Rights

The Biggest Issues Facing State Legislators in 2023

## Reproductive Rights

On June 24, the U.S. Supreme Court overturned the constitutional right to an abortion, reversing *Roe v. Wade* after issuing its opinion in [Dobbs v. Jackson Women's Health Organization](#). This ruling has opened the door for states looking to ban or further restrict abortion access. Before this decision, many were unenforceable because of constitutional rights. Now, many abortion prohibitions and restrictions have gone into effect or remain held up in court.

Based on 2022's discourse, reproductive health care will be a top issue in 2023. The midterm elections were the first since the Supreme Court ruling, after all. States already are — and will continue in 2023 — responding to the ruling by restricting the procedure, adding protections to it, or changing access based on midterm election results.

Currently, most abortions are banned in 12 states following the Supreme Court's decision. Those states are Alabama, Arkansas, Idaho, Kentucky, Louisiana, Mississippi, Missouri, Oklahoma, South Dakota, Tennessee, Texas, and West Virginia. Other states, such as Georgia, Florida, Utah, North Carolina, and Wisconsin, have restricted gestational limit bans from six to 20 weeks. Indiana [tried](#) to pass a bill in the summer banning all abortions, but it was blocked by a state judge, allowing abortions up to 20 weeks after fertilization or 22 weeks after the mother's last menstrual period.

Decisions on restrictions are also considering abortions in the case of medical emergencies, rape, or incest (which can also include reporting requirements and age restrictions). Under West Virginia's [new laws](#), for example, rape and incest victims can end their pregnancy only after reporting it to law enforcement.

Many states, however, are still debating restrictions or added the issue to ballots for the midterm elections. On Nov. 8, California residents [voted](#) to amend the state constitution to guarantee the right to abortion and contraception; Kentucky residents [rejected](#) a ballot measure that would try to deny any constitutional protections for abortion (however, this defeat will have no impact on the right to an abortion if the state's Supreme Court decides on a [sweeping ban](#)); and Vermont residents [voted](#) for an amendment that protects abortion access under the state's constitution.

Below are other states to keep an eye on for 2023 based on midterm election results.

### South Carolina

After South Carolina senators again [rejected](#) a proposed near-total ban on abortions after six weeks of pregnancy (the state's law currently stands at 22 weeks) in October, Republicans [failed](#) again to enact new abortion restrictions in November as GOP members of the state's House and Senate couldn't agree on how far to go. While this is

the final vote on the bill for the 2022 year, the sentiment is this battle isn't yet over, especially considering expected sweeping GOP [wins](#) in South Carolina.

## Pennsylvania

Abortion remains legal in Pennsylvania, but many state restrictions make it difficult to access. As it stands, abortion isn't protected by state law, and Pennsylvania does have restrictions to limit access and state funding. Republicans have historically controlled the state legislature, but Governor Tom Wolf, a Democrat, has vetoed abortion restrictions and enacted an [executive order](#) allowing out-of-state residents to seek reproductive health care services in the Commonwealth.

And while midterm election results now mean Democrats will [control](#) the state House — for the first time in over a decade — there are [rumblings](#) that Pennsylvania Republicans could hold a functional majority in the House until at least mid-February. SpotlightPA [reported](#) that “Republicans are trying to delay their switch to the minority party so they can ‘play politics and ram through extremist policies,’ according to a spokesperson.”

Yet, following some midterm election backlash, it's unlikely they'll attempt to pass an amendment that restricts abortion access, as they've [tried](#) to do in the past. Either way, it's sure to be of discussion in the new year.

## Michigan

Michigan's state court blocked a ban on nearly all abortions even before the U.S. Supreme Court's decision. Current Governor Gretchen Whitmer (who was reelected in November) and Attorney General Dana Nessel have no plans to enforce the ban. The governor issued an [executive order](#) refusing to extradite women or providers coming to Michigan seeking reproductive freedom. A proposal preserving the right to an abortion and access to other reproductive health services as an amendment to the state's constitution was also passed on November's [ballot](#).

So, while the proposal is pretty locked in and will be difficult to be undone (especially with an incoming Democratic control of both the state House and Senate in January), state legislatures' work isn't done. The law takes effect Dec. 24, but it has been [reported](#) that additional legislation will be necessary to carry it all out — like appealing the 1931 abortion ban to adhere to the current amendment. The new decision will continue to bring out opposers and discussion in 2023, and it'll remain a topic of discussion in the state legislature as they work to solidify the amendment.

## North Carolina

Before this year's midterm elections, Republicans held majorities in both chambers of North Carolina's legislature, but neither had enough votes to override a veto by the governor. Abortion in the state is banned at 20 weeks of pregnancy after a federal judge allowed an older law to go into effect, but Democrat Governor Roy Cooper

[signed](#) an executive order protecting abortion access. Earlier this year, Carolina Public Press [reported](#) Republicans had hoped to reclaim the veto-proof majority this November and table legislative action on abortions until 2023. With a veto-proof majority, they could pass policies to put further restrictions on abortion.

And while republicans fell [one seat short](#) of regaining supermajority in the state House, they did pick up enough seats in the state Senate to override Cooper's veto going forward. Still, Cooper can veto Republican-backed bills, but that veto would require "holding every Democrat in the House together," Charlotte's NPR news source [reported](#). It's worth a watch in 2023 to see whether or not legislative seat changes reverse the state's [status](#) as a "safe haven" for abortion.

# FiscalNote

---



## Infrastructure

The Biggest Issues Facing State Legislators in 2023

## Infrastructure

In 2021, President Biden signed the bipartisan \$1.2 trillion [Infrastructure Investment and Jobs Act](#) (IIJA) into law with hefty goals of rebuilding physical infrastructure, expanding access to clean drinking water and high-speed internet, tackling climate change, investing in underserved communities, bolstering the supply chain, and more. It's expected these funds and the nation's collective focus on these investment areas will spark internal modernization and rehabilitation efforts for states in 2023.

“From the state's perspective, of course, having that kind of money flowing to them is great, but states had to do, and are having to do, and will continue to do a great deal to find the matching funds that are required in some cases and put into practice all the requirements and needs, so that's a huge driver right now,” said Underhill on the panel. She also puts this as a leading driver for 2023 — especially as this is a one-time infusion of money with a 10-year spend out for it.

Investment areas for states under the bill include highways, electric vehicle charging infrastructure, fixing railroads, energy efficiency, water infrastructure, and broadband internet access — and states can receive \$2 billion to \$45 billion in non-grant funding for projects in these areas. In fact, each state's funding and plans to use it are outlined on the Transportation Department's [website](#).

“Most states have shovel-ready projects ready to go so when the funding came through some of those were able to start almost right away, and you can believe that people are out there planning ahead for what might come next,” Underhill said.

### Matching Federal Funds: Water Infrastructure, Broadband

As of September 2022, the White House [reported](#) over \$110 billion of IIJA funds has been announced and are headed to states, tribes, territories, and local governments with thousands of projects already identified.

“Thousands more projects will be added in the coming months, as funding opportunities become grant awards and as formula funds direct states become specific projects,” administration officials said.

Notably, in light of recent events, are funds designated to improve water infrastructure, for which the act allocates \$55 billion. The current water crisis in Jackson, Mississippi, and similar past events like in Flint, Michigan, have highlighted failures in the national water system, and the problem is sure to be more widespread.

While some [analysts](#) argue this isn't nearly enough to solve the nation's water system flaws, the funding is expected to motivate states to look into water-related projects to get ahead of any possible detrimental failures and because of the program's matching requirements.

For some [clean water programs](#), states are required to match [10 percent of funding for the first two years](#). That percentage rises for projects approved over two years after funding becomes available. States will want to decide on those projects as soon as possible.

States also can't rely on federal dollars alone for these multiyear projects in other areas. They must [match federal funds](#), or entities that can match funds are prioritized in other investment areas — zero-emission school buses, building smart grids, ecosystem conservation, etc. For example, the bill includes \$65 billion for broadband deployment and affordability but [requires](#) a matching contribution of at least 25 percent of the project costs by a state or its subgrantee. Ultimately, deciding how to implement and use funds, where to reallocate matching funds, and which programs to prioritize could be a top state legislative priority for 2023.

“Broadband became an even bigger issue during COVID,” Underhill said. “We know that there’s a difference between the ability to get good communications in rural areas and urban areas ... COVID made that so important to everyone throughout the nation, so what can be done about that is a question that states are definitely looking to address.”

## Managing Federal Funds

Earlier this year, a group of Republican governors issued a [letter](#) to the president voicing concerns over the current management and fund allocation of the IIJA, calling for regulations and guidance that allow states to have more regulatory flexibility. They say that, to fulfill these infrastructure needs quickly and efficiently, they need less red tape.

Specifically, the governors cite a Federal Highway Administration [memo](#) as federal overreach. This memo suggests to states what to prioritize when it comes to certain road initiatives, limiting state highway expansion and widening projects.

“Attempts to disallow the use of funding for general purpose widening projects would be biased against rural states and states with growing populations,” the governors write. “Such a policy fails to recognize the differences in state priorities, funding levels, and transportation networks across the 50 states.”

Considering the memo includes its own requests from the federal government, these disputes over provisions are expected to continue into 2023.

## Acting on Federal Funds: EVs, Clean Energy

As noted, many states have already begun submitting plans and projects, and alternative energy and electric vehicles are expected to continue trending into 2023. [According](#) to the White House, all 50 states, D.C., and Puerto Rico have submitted

plans for the National Electric Vehicle Charging Network — meaning states could look into expanding charging locations when projects are approved.

Electric vehicles and alternative energy will be of interest for many states in 2023 — especially considering the Inflation Reduction Act includes incentives for states to lower the cost of clean energy and reduce carbon emissions 40 percent by 2030.

New Jersey, for example, has already introduced [legislation](#) for the 2022-2023 session to install electric vehicle charging stations at service areas on the state's toll roads and various expressways. And Maryland has introduced [legislation](#) to convert the state's transit bus fleet to zero-emission buses.

Many states have also already [committed](#) to seeking 100 percent clean energy sources in the next few years — such as Rhode Island, California, Hawaii, Maine, New York, Virginia, Oregon, and Illinois. New York is also [looking](#) to add solar panels to all public buildings, and Louisiana is [launching](#) an offshore wind energy pilot program.

These efforts are only a glimpse into what is expected to be an ongoing trend for 2023 as states and federal agencies commit to sustainability, clean energy, and electric vehicles. They'll have to decide how to fund these programs, and legislators will certainly debate further related initiatives.

# FiscalNote

---



## Build a Solid State Strategy for 2023

The Biggest Issues Facing State Legislators in 2023



## Build a Solid State Strategy for 2023

Reproductive rights, inflation relief, water infrastructure, clean energy, and electric vehicles are only a drop in the bucket when discussing what to expect state legislators to focus on in 2023. Many other trending topics — cybersecurity, data privacy, environmental, social, and governance (ESG) issues, and more — are expected to also cover the desks of state legislators next year. All wrapped by uncertainty and changes as we approach the midterm elections.

The nation is facing economic uncertainty, a climate crisis, crumbling infrastructure, and a national focus on health like never before — and state legislators' issues will mirror these priorities in 2023.

FiscalNote's suite of tools offers everything [state government affairs](#) and advocacy leaders need to monitor legislation, [connect with supporters](#) and legislators, and effect change on the issues that matter to their organization.

# FiscalNote

CQ

Roll  
Call

 Oxford  
Analytica

 voter  
voice

 Curate

 FIRESIDE

 EQUILIBRIUM

 FRONTIERVIEW

 TimeBase

 Board.org®

predata

**FiscalNote** AI Solutions

**FiscalNote** EU Issue Tracker

FiscalNote (NYSE: NOTE) is a leading technology provider of global policy and market intelligence. By uniquely combining AI technology, actionable data, and expert and peer insights, FiscalNote empowers customers to manage policy, address regulatory developments, and mitigate global risk. Since 2013, FiscalNote has pioneered technology that delivers mission-critical insights and the tools to turn them into action.

Home to CQ, Equilibrium, FrontierView, Oxford Analytica, VoterVoice, and many other industry-leading brands, FiscalNote serves more than 5,000 customers worldwide with global offices in North America, Europe, Asia, and Australia.

---

To learn more about FiscalNote and its family of brands, visit **FiscalNote.com** and follow **@FiscalNote**.