CSG Leadership Council
## CSG LEADERSHIP COUNCIL MEETING MATERIALS

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### Friday, February 14

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<tr>
<th>Time</th>
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<tr>
<td>3:00 p.m.</td>
<td>CSG Orientation</td>
<td>Leaders Guide to CSG, History of CSG, CSG Leadership Council, CSG Articles of Organization, CSG Organizational Chart, CSG Standing Committees, CSG Affiliate Organizations, CSG Justice Center</td>
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<td>CSG Orientation</td>
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<td>Toll Fellows Info, CSG Associates Program, CSG Policy &amp; Research, CSG Washington, D.C. / International</td>
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<td>Policy Priorities</td>
<td>Policy Committees Across the Organization, Top 5 Issues - CSG National Policy Areas</td>
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<td>8:00 a.m.</td>
<td>Breakfast</td>
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<td>8:30 a.m.</td>
<td>Call to Order / Introductions</td>
<td>CSG Leadership Council - Meeting Minutes</td>
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<td>8:45 a.m.</td>
<td>Updates from the Chair</td>
<td>CSG Focus on Federalism Initiative</td>
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<td>Workforce Development Initiative</td>
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<td>10:45 a.m.</td>
<td>Business Session</td>
<td>Member Jurisdiction Dues Update</td>
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<td>CSG FY'14 Budget - Midyear Update</td>
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<td>Kentucky Employment Retirement System</td>
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<td>CSG Associates Program Update</td>
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<td>CSG 21st Century Foundation Update</td>
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<td>CSG Affiliates Report</td>
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<td>CSG Headquarters Campus - Building Update</td>
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<td>12:30 p.m.</td>
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<td>CSG Regional Updates</td>
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<td>Upcoming CSG Meetings Preview</td>
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<td>2:15 p.m.</td>
<td>CSG Justice Center Update Discussion</td>
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**Saturday, February 15**

**Sunday, February 16**

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AGENDA
February 14-16, 2014
Omni Montelucia
4949 East Lincoln Drive, Scottsdale, Arizona 85253
(480) 627-3200

Senate Majority Leader Mark Norris, Tennessee
2014 CSG National Chair

Friday, Feb. 14
All day
Arrivals
Noon-6 p.m.
Registration/Information Table Open
3 p.m.
CSG Leadership Council – New Member Orientation
Castillo Lucena

1) Who are we, what do we do, how did we get here?
   o Overview
   o History / Mission / Brand
   o Governance Structure
     ▪ Articles of Organization highlights
   o Organizational Structure
   o Role of the CSG Leadership Council

2) Duties and Expectations of the CSG Leadership Council and Standing Committee Chairs
   o Leader Duties / Responsibilities
   o Legal Duties and Due Diligence
     ▪ Risk Management
     ▪ Services to Regions & Affiliates
     ▪ External / Internal Liabilities
   o Finances
     ▪ Dues (formula, collections, leveraging)
     ▪ Grants & Contracts
     ▪ Services to Regions & Affiliates
     ▪ 2013 Audit
     ▪ FY’14 Budget
   o Human Resources
     ▪ Snapshot of CSG Employees (number, varying states, employment law)
     ▪ Personnel Policies
     ▪ Training
     ▪ Services to Regions & Affiliates

3) Making a Difference for the Community of the States
   o Key Differentiators
   o Core Policy Products / Services
   o Unique Membership Leverage Points

6 p.m.
Dinner – All Attendees
Alhambra Terrace
Saturday, Feb. 15
8-8:45 a.m. Breakfast Buffet – All Attendees
   Castillo Lucena

8:45-9:00 a.m. Call to Order and Introductions
   • Approval of September 2013 CSG Leadership Council Meeting Minutes

9-10:30 a.m. Updates from the Chair
   • CSG Focus on Federalism Initiative
   • Workforce Development Initiative

10:30-10:45 a.m. Break

10:45 a.m. – 12:30 p.m. Business Session / Group Discussion
   • CSG Finance Report
     o Member Jurisdiction Dues Update
     o CSG FY’14 Budget – Midyear Update
     o CSG FY’15 Budget – Preliminary Plans
     o KRS Discussion (Kentucky Retirement System)
   • CSG Affiliates Report
   • CSG Headquarters Campus – Building Update
   • Additional Action Items

12:30-2 p.m. Working Luncheon with CSG National Leadership Circle Members
   • CSG Executive Director Report
     o CSG Associates Program and Development Report
       ▪ CSG Associates Program Update
       ▪ CSG 21st Century Foundation Update
   • CSG Regional Updates
     o State-of-the-States
   • Upcoming CSG Meetings Preview
     o 2014 CSG Leadership Forum – June 20-22, Washington, DC
     o CSG Midwest Annual Meeting – July 13-16, Omaha, NE
     o CSG South Annual Meeting – July 26-30, Little Rock, AR
     o CSG East Annual Meeting – August 3-6, Baltimore, MD
     o CSG West Annual Meeting / CSG 2014 National Conference – August 9-13, Anchorage, AK

2-2:15 p.m. Break

2:15-5 p.m. CSG Justice Center Update and Discussion

6 p.m. Dinner – All Attendees
   Lon’s Restaurant – Bus departs at 5:45pm from lobby

Sunday, Feb. 16
8-8:30 a.m. Breakfast Buffet – All Attendees
   Castillo Lucena

8:30-10 a.m. Continued conversation from Saturday, Feb. 15

10-11 a.m. CSG Leadership Council – Next Steps and “To Do’s”

11 a.m. Adjourn
TAB - B
CSG National Chair
Senator Mark Norris

Address: 301 6th Avenue, North
9A Legislative Plaza
Nashville, TN 37243
Phone: 615-741-1967
Fax: 615-253-0194
Email: sen.mark.norris@capitol.tn.gov
Staff Contact: Liz Alvey, Senior Policy Advisor
liz.alvey@capitol.tn.gov

Sen. Norris has served as Tennessee Senate majority leader since 2007. He was re-elected in 2012 to serve a fourth term in the state senate. Prior to his first election in 2000, Norris served as a Shelby County commissioner. Sen. Norris currently serves as chair of the Senate Rules Committee. He is a 2002 Toll Fellow.

CSG National President
Governor Earl Ray Tomblin

Address: State Capitol
1900 Kanawha Boulevard, East
Charleston, WV 25305
Phone: 304-558-2000
Staff Contact: Becky Neal, Executive Assistant
rebecca.l.neal@wv.gov

Gov. Tomblin has served as West Virginia governor since 2010. He was elected to the West Virginia House of Delegates in 1974 and served in the house until he was elected to the West Virginia Senate in 1980. He served as President of the West Virginia senate for almost 17 years and was named the state's first lieutenant governor in 2000. Gov. Tomblin served as the CSG national chair in 2006.

---

1 Gov. Tomblin has been nominated to serve as president by the CSG Leadership Council. The CSG Executive Committee will consider the nomination on Feb. 13, 2014.
CSG National Chair-Elect
Senator Carl Marcellino

Address: 188 State Street
Room 811
Albany, NY 12247

Phone: 518-455-2390
Email: marcelli@nysenate.gov
Staff Contact: Tori Ann LaMalfa
tlamalfa@nysenate.gov

Sen. Marcellino was first elected to the New York Senate in 1995. He currently serves as chair of the Senate Committee on Investigations and Government Operations. He is known for his reputation as an environmental champion and has written over 100 environmental laws.

CSG National Vice Chair
Senator Beau McCoy

Address: Room 2015
P.O. Box 94604
Lincoln, NE 68509

Phone: 402-471-2885
Email: bmccoy@leg.ne.gov
Staff Contact: Mary Jacobsen
mjacobsen@leg.ne.gov

Sen. McCoy was first elected to the Nebraska Legislature in 2008. He currently serves on both the Revenue Committee and the Committee on Transportation and Telecommunications. Outside of his legislative service, McCoy is a small business owner working as a home improvement contractor. He is a 2011 Toll Fellow and the 2014 Midwestern Legislative Conference chair.
CSG Immediate Past National Chair
Senator Gary Stevens

Address: State Capitol, Room 429
Juneau, AK 99801
Phone: 907-465-4925
Fax: 907-465-3517
Email: Senator.Gary.Stevens@akleg.gov
Staff Contact: Katrina Matheny, Chief of Staff
Katrina.Matheny@akleg.gov

Sen. Gary Stevens served as the Alaska Senate president from 2009-2012. His service in the Senate began in 2003 and he previously served one term in the Alaska House of Representatives from 2001-2003. The retired history professor currently serves as the chair of the Senate Committee on Education. He is a 2005 Toll Fellow and the 2013 national chair.

CSG Immediate Past National President
Governor Jay Nixon

Address: P.O. Box 720
Jefferson City, MO 65102
Phone: 573-751-4917
Fax: 573-751-1906
Staff Contact: Judy Murray, Executive Assistant
Judy.Murray@mo.gov

Gov. Jay Nixon is currently serving in his second term as governor of Missouri. Prior to his 2008 election as governor, he served three terms in the Missouri Senate and four terms as the state’s attorney general. During his first term as governor, Nixon successfully worked the across the aisle with the Republican-controlled legislature to get a comprehensive jobs bill passed and an increase in funding for the state’s public elementary and secondary schools.
CSG East Co-Chair
Senator Mike Miller

Address: State House, H-107
Annapolis, MD 21401
Phone: 410-841-3700
       301-858-3700
Fax: 410-841-3910
Email: thomas.v.mike.miller@senate.state.md.us

Sen. President Mike Miller was first elected to the Maryland Senate in 1974. Prior to joining the Senate, he served one term in the Maryland House. He has served as Senate president since 1987, making him the longest serving president in state history as well as the longest serving senate president in the country. Miller is a graduate of the University of Maryland School of Law and has been in private practice for 40 years.

CSG Midwest Representative
Senator Cliff Hite

Address: Senate Building
          1 Capitol Square, 1st Floor
          Columbus, OH 43215
Phone: 614-466-8150
Email: Hite@ohiosenate.gov

Sen. Cliff Hite was first elected to the Ohio Senate in 2010 and previously served two terms in the House. Hite currently serves as chair of the Senate Committee on Agriculture and vice chair of the Senate Committee on Education. A former teacher and coach, Hite is a 2008 BILLD Fellow.
Arkansas Senate Minority Leader Keith Ingram is serving his first term in the Senate. Ingram served two terms in the Arkansas House prior to his election to the Senate and also served as mayor of West Memphis, Ark. from 1987-1994. He is vice chair of the Senate Insurance & Commerce Committee and the Arkansas Legislative Council Review.

Rep. Craig Johnson is serving his fourth term in the Alaska House, first being elected to the position in 2006. He serves as chair of the House Committee on Rules and co-chair of the House Committee on Resources. Johnson is a 2008 graduate of the Western Legislative Academy.
National Association of State Treasurers
Treasurer Richard Ellis

Address: 350 North State Street, Suite 180
P.O. Box 142315
Salt Lake City, UT 84114
Phone: 801-538-1042
Email: rellis@utah.gov

Richard Ellis was first elected as Utah’s state treasurer in November 2008. Prior to becoming treasurer, he served nine years as chief deputy state treasurer. Other public service includes three years as director of the Governor’s Office of Planning & Budget and time as executive director of the Department of Administration. Ellis has over 25 years of experience in the field of public finance and serves as an adjunct faculty member teaching Cash Management and Investments at BYU’s Marriott School of Business.

CSG Affiliated Organizations
Dr. Kathleen Berg, Ph.D., Brigadier General
Representing MiC3

Address: University of Hawaii at Manoa
1776 University Avenue
Honolulu, HI 96822
Phone: 808-956-4952
Email: kberg@hawaii.edu

Dr. Berg is a specialist and associate director of the Curriculum Research and Development Group at the University of Hawaii at Manoa since 2003. She served as a member in the Hawaii Air National Guard from 1977 until 2009, when she retired at the rank of brigadier general. Berg was appointed in 2009 as the Hawaii state commissioner to the Interstate Commission on Educational Opportunity for Military Children.
Tom Stickrath has led the Ohio Bureau of Criminal Investigation as its superintendent since 2011. BCI is the state’s official crime lab serving the criminal justice community. Stickrath has over 30 years of experience in the criminal justice field. Previously held positions include director of the Ohio Department of Public Safety, director of the Ohio Department of Youth Services and interim director of the Governor’s Office of Criminal Justice Services.

Rep. Damron was first elected to the Kentucky House in 1992. He served as the House Majority Caucus Chair from 2009-2012. Damron, an investment banker, serves on a number of House standing committees. He currently sits on the House Committees on Appropriations & Revenue, Banking & Insurance and Veterans, Military & Public Safety.
Sen. Moore was first elected to the Massachusetts Senate in November 2008. He is a former police officer, environmental investigator and town selectman. Moore is the current chair of the Joint Committee on Higher Education and Vice Chair of the Joint Committee on Public Safety and Homeland Security. He is a 2012 Toll Fellow.

Justice Nancy Saitta was elected to the Nevada Supreme Court in 2006. Justice Saitta began her judicial career a decade earlier when she was appointed as a Las Vegas Municipal Court Judge in October 1996. At the Supreme Court, she is chair of the Judicial Public Information Committee and co-chair of the Commission on Statewide Juvenile Justice Reform. Saitta also chairs the Nevada Court Improvement Program, which seeks improvements in services to children and families in the child welfare system. She is a 2009 Toll Fellow.
21st Century Foundation

Senator Carl Marcellino  
*Chair*  
Address: 188 State Street  
Room 811  
Albany, NY 12247  
Phone: 518-455-2390  
Email: marcelli@nysenate.gov  
Staff Contact: Tori Ann LaMalfa  
tlamalfa@nysenate.gov  

Sen. Marcellino was first elected to the New York Senate in 1995. He currently serves as chair of the Senate Committee on Investigations and Government Operations. He is known for his reputation as an environmental champion and has written over 100 environmental laws. He is the current CSG national vice chair.

Senator Beau McCoy  
*Vice Chair*  
Address: Room 2015  
P.O. Box 94604  
Lincoln, NE 68509  
Phone: 402-471-2885  
Email: bmccoy@leg.ne.gov  
Staff Contact: Mary Jacobsen  
mjacobsen@leg.ne.gov  

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Senator Carl Marcellino  
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Phone: 518-455-2390  
Email: marcelli@nysenate.gov  
Staff Contact: Tori Ann LaMalfa  
tlamalfa@nysenate.gov

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Senator Gary Stevens  
*Vice Chair*

Address: State Capitol, Room 429  
Juneau, AK 99801  
Phone: 907-465-4925  
Fax: 907-465-3517  
Email: Senator.Gary.Stevens@akleg.gov  
Staff Contact: Katrina Matheny, Chief of Staff  
Katrina.Matheny@akleg.gov

Sen. Gary Stevens served as the Alaska Senate president from 2009-2012. His service in the Senate began in 2003 and he previously served one term in the Alaska House of Representatives from 2001-2003. The retired history professor currently serves as the chair of the Senate Committee on Education. He is a 2005 Toll Fellow and the current CSG national chair.
Finance Committee

Representative Maxine Bell  
Co-Chair

Address: 194 South 300 East  
Jerome, ID 83338
Phone: 208-324-4296  
Email: mhjbel@live.com

Rep. Bell has served over 20 years in the Idaho House and was first elected in 1988. She is the current chair of the Senate Appropriations Committee and co-chair of the Joint Finance-Appropriations Committee. Bell, a retired school librarian and farmer, is a 2008 Toll Fellow.

Representative Bob Damron  
Co-Chair

Address: 702 Capitol Avenue  
Annex Room 352  
Frankfort, KY 40601
Phone: 502-564-8100 ext. 614  
Email: Robert.Damron@lrc.ky.gov

Rep. Damron was first elected to the Kentucky House in 1992. He served as the House Majority Caucus Chair from 2009-2012. Damron, an investment banker, serves on a number of House standing committees. He currently sits on the House Committees on Appropriations & Revenue, Banking & Insurance and Veterans, Military & Public Safety.
Interbranch Affairs Committee

Representative Alan Williams  
Legislative Branch Chair

Address: 1001 The Capitol  
402 South Monroe Street  
Tallahassee, FL 32399-1300
Phone: 850-717-5008  
Email: alan.williams@myfloridahouse.gov

Rep. Williams has been a member of the Florida House since being elected in 2008. He is the current House Democratic whip and previously served as the Democratic deputy whip. Williams is the Democratic ranking member on both the House Committee on Economic Affairs and the Subcommittee on Energy & Utilities. He is a 2012 Toll Fellow.

Scott Smith, Chief of Staff, Office of the Governor  
Executive Branch Chair

Address: 1700 West Washington  
Phoenix, AZ 85007
Phone: 602-542-1444  
Fax: 602-542-7601  
Email: ssmith@az.gov

Smith is the chief of staff to Arizona Gov. Jan Brewer. Prior to serving as the governor’s chief of staff, Smith served as both the governor’s deputy chief of staff as well as the director of the Department of Administration. He is a 2012 Toll Fellow.

Justice Nancy Saitta  
Judicial Branch Chair

Address: 201 South Carson Street  
Carson City, NV 89701
Phone: 775-684-1530  
Email: nsaitta@nvcourts.nv.gov

Justice Nancy M. Saitta was elected to the Supreme Court in 2006, served as Chief Justice from September 5, 2011, to May 6, 2012, and was re-elected to the Supreme Court in 2012. Justice Saitta began her judicial career a decade earlier when she was appointed as a Las Vegas Municipal Court Judge in October, 1996. Two years later, she was elected a judge at the Eighth Judicial District Court. She is a 2009 Toll Fellow.
Intergovernmental Affairs Committee

Senator Michael Moore

Co-Chair

Address: State House, Room 215
Boston, MA 02133
Phone: 617-722-1485
Fax: 617-722-1066
Email: Michael.Moore@masenate.gov

Sen. Moore was first elected to the Massachusetts Senate in November 2008. He is a former police officer, environmental investigator and town selectman. Moore is the current chair of the Joint Committee on Higher Education and Vice Chair of the Joint Committee on Public Safety and Homeland Security. He is a 2012 Toll Fellow.

Senator Beau McCoy

Co-Chair

Address: Room 2015
P.O. Box 94604
Lincoln, NE 68509
Phone: 402-471-2885
Email: bmccoy@leg.ne.gov
Staff Contact: Mary Jacobsen
mjacobsen@leg.ne.gov

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Governor Earl Ray Tomblin

Vice Chair

Address: State Capitol
1900 Kanawha Boulevard, East
Charleston, WV 25305
Phone: 304-558-2000
Staff Contact: Becky Neal, Executive Assistant
rebecca.l.neal@wv.gov

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International Committee

Senator Julie Rosen  
Co-Chair

Address:  
100 Rev. Dr. Martin Luther King Jr. Blvd.  
State Office Building, Room 139  
Saint Paul, MN 55155-1206

Phone:  
651-296-5713

Email:  sen.julie.rosen@senate.mn

Sen. Rosen has served in the Minnesota Senate since her election in November 2002. Her initial legislative service earned her the “Freshman Legislator of the Year” award. She currently sits as the Ranking Minority Member on the Health and Human Services Division of the Senate Finance Committee.

Senator Mike Brubaker  
Co-Chair

Address:  Senate Box 203036  
168 Main Capitol  
Harrisburg, PA 17120-3036

Phone:  717-787-4420

Fax:  717-783-3156

Email:  mbrubaker@pasen.gov

Sen. Brubaker was first elected to the Pennsylvania Senate in 2006 and re-elected in 2010. He is currently the chair of the Senate Finance Committee and vice chair of the Senate Committee on State Government. Prior to his legislative service, Brubaker served as served as President and CEO of three private companies that offer expertise in agriculture development and engineering. He is a 2012 Toll Fellow.

Wade Merritt, Vice President, Maine International Trade Center  
Vice Chair

Address:  511 Congress Street  
Portland, ME 04101

Phone:  207-541-7408

Fax:  207-541-7420

Email:  merritt@mitc.com

Merritt is the vice president of the Maine International Trade Center, where he is responsible for supervising the staff and day-to-day operations of the Center. Prior to his promotion to vice president, he headed the Center’s office in Bangor where he founded the Canada Desk. Merritt is the current president of the State International Development Organizations, Inc.
National Conference Committee

Senator Mark Norris  
Chair  

Address: 301 6th Avenue, North  
9A Legislative Plaza  
Nashville, TN 37243  
Phone: 615-741-1967  
Fax: 615-253-0194  
Email: sen.mark.norris@capitol.tn.gov  
Staff Contact: Liz Alvey, Senior Policy Advisor  
liz.alvey@capitol.tn.gov

Sen. Norris has served as Tennessee Senate majority leader since 2007. He was re-elected in 2012 to serve a fourth term in the state senate. Prior to his first election in 2000, Norris served as a Shelby County commissioner. Sen. Norris currently serves as chair of the Senate Rules Committee. He is a 2002 Toll Fellow.

Senator Gary Stevens  
Vice Chair  

Address: State Capitol, Room 429  
Juneau, AK 99801  
Phone: 907-465-4925  
Fax: 907-465-3517  
Email: Senator.Gary.Stevens@akleg.gov  
Staff Contact: Katrina Matheny, Chief of Staff  
Katrina.Matheny@akleg.gov

Sen. Gary Stevens served as the Alaska Senate president from 2009-2012. His service in the Senate began in 2003 and he previously served one term in the Alaska House of Representatives from 2001-2003. The retired history professor currently serves as the chair of the Senate Committee on Education. He is a 2005 Toll Fellow and the current CSG national chair.
Rep. Moak has served in the Mississippi House since 1984. He sits on several House committees including Banking and Financial Services, Ways and Means, Insurance and Judiciary. Moak is a practicing lawyer and a 1986 Toll Fellow.

Mr. Bassett is the director of the Alabama Legislative Reference Service. He serves as the 2012-13 chair of the Southern Legislative Conference's Legislative Service Agency Directors Group.
Sen. Davis was first elected to the Idaho Senate in 1998. He currently serves as the Senate majority leader and sits on the Senate Committee on Judiciary & Rules and the Committee on State Affairs. A lawyer by trade, Davis is a 1999 Toll Fellow, served as the CSG-West 2003-04 chair and the CSG 2009 national chair.
Representative Sara Gelser  
**Co-Chair**

Address: 900 Court Street NE  
H-285  
Salem, OR 97301  
Phone: 503-986-1416  
Email: rep.saragelser@state.or.us

Rep. Gelser has served in the legislature since 2005 and is co-chair of the House Education Committee. She also serves on the Revenue Committee and the Joint Committee on Tax Credits. In 2010, President Barack Obama appointed her to the National Council on Disability. She is Co-Chair of the Oregon Women’s Health and Wellness Alliance and was a founding member of the Senior and Disability Caucus. She is a 2008 Toll Fellow.

Representative Jeff Thompson  
**Co-Chair**

Address: 1739 Peggy’s Lane  
Idaho Falls, ID 83402  
Phone: 208-524-7367  
Email: jthompson@house.idaho.gov

Rep. Thompson was first elected to the House in 2008. He previously worked as an assessment technician and ISAT math teacher and has a strong background in business with executive- and director-level experiences for ARAMARK, Marriott Corporation and IBM Corporation. He serves as director of the Advisory Board of the Idaho Falls Salvation Army. He is 2011 WLA graduate and is a 2013 Toll Fellow.

Dr. Terry Holliday, Commissioner of Education  
**Vice Chair**

Address: 500 Mero Street, 1st Floor CPT  
Frankfort, KY 40601  
Phone: 502-564-3141  
Email: teresa.perry@education.ky.gov

Dr. Holliday has served as Commissioner of Education since July 2009. His previous experience includes serving as superintendent, associate superintendent, director of accountability, principal, assistant principal, director of instrumental music and band director in North Carolina and South Carolina.
Assemblyman Upendra Chivukula
**Co-Chair**

Address: 888 Easton Avenue  
Somerset, NJ 08873  
Phone: 732-247-3999  
Email: AsmChivukula@njleg.org

Assemblyman Chivukula has served in the Assembly since 2002, where he has served as Deputy Speaker since 2007. He is the chair of the Telecommunications and Utilities Committee and vice chair of the Homeland Security and State Preparedness Committee. He is the first Asian-Indian American to be elected to the NJ General Assembly and the fourth in the nation to be elected to state office.

Representative Chuck Martin
**Co-Chair**

Address: 417 State Capitol  
Atlanta, GA 30334  
Phone: 404-656-5064  
Email: chuck@martinforgeorgia.com

Rep. Martin has served in the Georgia House since 2002 and currently serves as the Chairman of the Budget and Fiscal Affairs Oversight Committee. He served as chair of the SLC’s Energy & Environment Committee from 2010-2012. From 1993-1995 he was a member of the Alpharetta City Council. The following year, he was elected as Alpharetta Mayor and held that position until 2002 when his membership in the Georgia House began.

Teresa Marks, **Director, Department of Environmental Quality**  
**Vice Chair**

Address: 5301 Northshore Drive  
North Little Rock, AR 72118  
Phone: 501-682-0959  
Email: marks@adeq.state.ar.us

Ms. Marks was appointed by Gov. Mike Beebe in 2007 to her current position, where she oversees the work of approximately 400 employees with the charge to protect, enhance and restore the environment of Arkansas. She spent 12 years with the Office of the Attorney General and was named Arkansas Attorney General’s Public Protection Department deputy attorney general.
Fiscal and Economic Development Public Policy Committee

Senator Jay Scott Empler  
**Co-Chair**

Address: 300 Southwest 10th Avenue  
Room 541-E  
Topeka, KS 66612  
Phone: 785-296-7354  
Email: jay.emler@senate.ks.gov  
Staff Contact: Cherryl Masters  
cherryl.masters@senate.ks.gov

Sen. Empler has represented the 35th District in central Kansas since 2001 and served as Senate majority leader from 2011-2012. He currently holds the position of vice chair for both the Committee on Kansas Security and Committee on Federal and State Affairs. He also serves on the Governor’s Council on Homeland Security and was the CSG 2012 national chair.

Representative Kyle Yamashita  
**Co-Chair**

Address: State Capitol, Room 422  
415 South Beretania Street  
Honolulu, HI 96813  
Phone: 808-586-6330  
Fax: 808-586-6331  
Email: repyamashita@capitol.hawaii.gov

Rep. Yamashita has represented the residents of House District 12 since his election in 2004. He is currently a member of the House Finance, Labor & Public Employment, Public Safety and Transportation Committees. He is a 2012 Toll Fellow.
Sen. Brown was elected to serve Ohio’s 11th Senate district in November 2010. Prior to joining the Senate, her dedication to public service led to a 32-year career as an employee with the city of Toledo, followed by an eight-year tenure as a member of the Toledo City Council. She moved to the Statehouse in January 2002 to fill the Ohio House of Representatives seat of then newly-elected Toledo mayor Jack Ford. Senator Brown currently serves as the Assistant Minority Whip in the Senate.

Rep. Clibborn was first elected to the House in 2002 and currently serves as chair of the House Transportation Committee. She is also a member of the House Health Care & Wellness Committee. Her previous professional experience includes Executive Director of the Mercer Island Chamber of Commerce and Registered Nurse at Harborview Medical Center. Her previous public service includes Mayor of Mercer Island and Mercer Island City Councilwoman.
TAB - C
David Adkins, CSG Executive Director / CEO
(859) 244-8100 / (859) 559-3915 / dadkins@csg.org

David Adkins, a former Kansas state senator, leads The Council of State Governments as its executive director and CEO. The Council of State Governments is a nonpartisan, nonprofit organization serving all three branches of state government. CSG is the only national organization serving all three branches of state government. CSG is a region-based forum that fosters the exchange of insights and ideas to help state officials shape public policy. Prior to joining CSG, Adkins served as vice chancellor for External Affairs at the University of Kansas Medical Center. Adkins, a graduate of the University of Kansas School of Law, was a Kansas state senator from 2001 to 2005 and served in the Kansas House from 1993 to 2001. He had also served as the founding executive director of the Community Foundation of Johnson County, an affiliate of the Greater Kansas City Community Foundation. While in the legislature, Adkins was an active CSG member serving on the executive committee of the national organization and as chair of the 11-state Midwestern Legislative Conference of CSG. He also is an alumnus of CSG’s Toll Fellows Leadership program, Class of 1993. His gubernatorial appointments in Kansas include chairman of the Kansas Advisory Group on Juvenile Justice and Delinquency Prevention and a member of the Governor’s Task Force on Higher Education. He received the Kansas Bar Association’s Outstanding Young Lawyer Award in 1996.

Wendell Hannaford, Director of CSG East / ERC
(212) 482-2320 / whannaford@csg.org

Wendell Hannaford has been the director of CSG East/Eastern Regional Conference since 2009. He previously served as the deputy director and as a senior policy analyst for international trade and economic development. In 1998, while serving as deputy director, he created the Eastern Trade Council, an affiliate organization of CSG-ERC. The Eastern Trade Council’s mission is to facilitate collaborative approaches to export promotion among state trade officials in the Northeast. He helped recruit six Eastern Canadian provinces to become international associate members of ERC and staffed the ERC Eastern Canadian Provinces Committee. He also created the ERC Tax and Budget Chairman’s Roundtable. Prior to joining CSG, Hannaford worked for the New York State Senate Select Committee on Interstate Cooperation as a research analyst. He holds a bachelor’s degree in political science from Drew University and an international trade specialist certificate from Thunderbird Graduate School of International Management.

Mike McCabe, Director of CSG Midwest / MLC
(630) 925-1922 / mmccabe@csg.org

Mike McCabe is the director of the Midwestern Office of The Council of State Governments. In that role, he oversees the efforts of an 11-member team that provides research and staff support services to several groups of state officials, including primarily the Midwestern Legislative Conference. Prior to assuming his current duties, he served first as a policy analyst and later as the assistant director of the Midwestern Office. Before joining CSG, Mike worked as an attorney with a private law firm in Des Moines, Iowa. A graduate of Iowa State University, he earned his law degree at the University of Illinois.

Colleen Cousineau, Director of CSG South / SLC
(404) 633-1866 / fitzgerald@csg.org

Colleen Cousineau serves as director of CSG-South / SLC. Colleen joined CSG in 1980 as a research associate. In 1983 Colleen began serving as deputy director and in 1989 became executive director. Prior to joining CSG, Colleen worked for Georgia’s Dept. of Health and Human Services for seven years as a program manager for centers for developmentally disabled and challenged children and adults. In addition, she served as an intern with the poison control unit of a large metro-Atlanta hospital and as a research associate with Research Atlanta, a non-profit research firm. Colleen was appointed to the Georgia Blue Ribbon Commission on Campaign and Ethics Reform by Georgia Secretary of State Max Cleland. She graduated Cum Laude from Georgia State University, as well as accepted for one-year into the Accelerated Masters Admission Program at Georgia State University.
Edgar Ruiz, Director of CSG West  
(916) 553-4423 / eruiz@csg.org  
Edgar Ruiz is the executive director of The Council of State Governments–WEST (CSG-WEST), a position he has held since November 2011. His professional background expands over 20 years in the public and non-profit sectors that have provided him a strong organizational foundation and knowledge of local, regional, national and international policy issues and politics. He holds a Juris Doctor from Lincoln Law School of Sacramento, as well as a master’s degree in public administration and bachelor’s degree in political science from San Diego State University.

Mike Robinson, CSG Senior Deputy Executive Director  
(859) 244-8147 / mrobinson@csg.org  
Mike Robinson joined The Council of State Governments in 2006. As the senior deputy executive director he reports directly to the executive director. While he has responsibilities across the organization, he is primarily focused on the operational aspects of CSG. One of his primary responsibilities going forward will be to oversee the renovation project recently funded by the Commonwealth of Kentucky. Prior to joining CSG, Mike served in several key management positions in Kentucky state government, primarily in the area of human services. Mike was first appointed in 1979 by former Gov. Julian Carroll and over the years served as commissioner of several state agencies including the Department for Medicaid Services. Mike retired from state government in 2005. Throughout his career Mike has been involved in the community and has served in several leadership positions. He is past president of Prevent Child Abuse Kentucky, a statewide non-profit organization, and continues to serve on the Board of Directors. This year Mike was elected president of the Frankfort Country Club.

Kelley Arnold, CSG Director of Membership, Marketing and Media  
(859) 244-8258 / karnold@csg.org  
Kelley Arnold joined CSG in 2001 and currently serves as the director of membership, marketing and media. The scope of her job includes ensuring consistent branding across the organization; directing the editing, design and production of all CSG print, electronic and website materials; overseeing media relations; and serving as director of both national conferences and leadership development. She has also served as faculty in the communication departments of both the University of Kentucky and Georgetown College. Kelley holds a bachelor’s degree in communications from Georgetown College and a master’s degree in communications from the University of Kentucky.

Chip Barton, CSG Director of Human Resources  
(859) 244-8201 / cbarton@csg.org  
Chip joined CSG in 2010. As director of human resources for all of CSG, Chip administers CSG’s personnel policies, oversees employee relations activities, coordinates recruitment and selection of staff, conducts management and supervisory training, orients new employees to CSG, administers CSG’s employee benefits programs, investigates personnel policy violations, councils employees and supervisors and ensures, along with CSG’s general counsel, that the organization is in compliance with all federal and state employment laws. Prior to joining CSG, Chip spent 17 years as a human resources professional in the manufacturing sector—predominantly in the automotive industry. Chip is a certified professional in human resources (PHR) from the SHRM Human Resources Certification Institute and holds a bachelor’s degree in sociology from Western Kentucky University.

Wade Littrell, CSG Chief Financial Officer  
(859) 244-8144 / wlittrell@csg.org  
Wade started with CSG in 1996. His qualifications include being the financial controller of a large manufacturing company, auditor and business assurance associate with Coopers and Lybrand LLP, auditor with the Kentucky Office of Inspector General and a Revenue Examiner with the Kentucky Department of Tax Compliance. He graduated from the University of Kentucky and holds the following designations:

- Certified Public Accountant
- Chartered Global Management Accountant
- Member of the American Institute of Certified Public Accountants
- Member of the Kentucky Society of Certified Public Accountants where he has served on numerous committees and task forces
- 2008 Leadership Lexington Graduate
Maggie Mick, CSG’s Director of Development  
(859) 244-8113 / mmick@csg.org
Maggie Mick serves as CSG’s director of development. Maggie began her tenure at CSG in 2010 as associate director of development. Prior to joining CSG, Maggie served as an aide to then-U.S. Congressman Jerry Moran of Kansas in Washington, D.C., and fundraised for non-profits in Kentucky. From 2009-2012, Maggie held elected office on the Lancaster, Ky. City Council. She is a graduate of both the University of Kansas’ William Allen White School of Journalism and Mass Communications and the College of Liberal Arts & Sciences. In 2011, Maggie was named an Emerging Leader of the Year by Commerce Lexington. Also that year, she was chosen to represent the United States and the U.S. State Department on an international delegation to China with the American Council of Young Political Leaders. In 2012, she was given the Lexington Young Professionals Association Rising Star Award and received the Bluegrass Alliance for Women Impact Award from Kentucky First Lady Jane Beshear. In 2013, she was recognized as one of five “Top Women in Business” by the Lane Report.

Jason Moseley, CSG General Counsel  
(859) 244-8145 / jmoseley@csg.org
Jason Moseley is general counsel for The Council of State Governments and has been with CSG for seven years. Prior to that, he served as an assistant attorney general with the Kentucky Attorney General’s Office and director of policy development and executive advisor at the Kentucky Cabinet for Health and Family Services. Jason received his bachelor’s degree from the University of Kentucky and his juris doctorate from Northern Kentucky University.

John Mountjoy, CSG’s Director of Policy, Research and Strategic Initiatives  
(859) 244-8256 / jmountjoy@csg.org
John Mountjoy joined The Council of State Governments in 1998 and became director of policy, research and strategic initiatives in 2005. In this role he actively coordinates CSG’s headquarters-based policy activities, programs and partnerships, including: Suggested State Legislation, The Book of the States, CSG’s Knowledge Center and States Perform, CSG’s National Center for Interstate Compacts, CSG’s 21st Century Foundation and various other national policy products and services such as CSG’s Policy Academy series. In addition, he oversees CSG’s national policy staff with policy and program experts specializing in education, energy & environment, fiscal & economic development, health care, interstate cooperation, transportation and various proprietary research and publication services. Prior to his role as policy director, John served as the founding director of the National Center for Interstate Compacts—a national policy group at CSG promoting interstate cooperation. In that role, he has overseen or assisted in the development of several new and revised national and regional interstate compacts on corrections, education, foster care and natural resources. He also served as a research analyst in public safety and justice. John holds both a bachelor’s degree in communications and a master’s degree in public administration from Western Kentucky University.

Michael Thompson, Director of CSG’s Justice Center  
(212) 482-2320 / mthompson@csg.org
Michael Thompson has worked on criminal justice policy issues for nearly 20 years. He started with The Council of State Governments in 1997 as a policy analyst and the sole staff person assigned to the criminal justice program for CSG’s Eastern Regional Conference. Under his leadership, that program launched major projects in the areas of victim rights, criminal justice/mental health collaboration and prisoner reentry. Since transforming the regional criminal justice program into the national CSG Justice Center, Mike designed the Justice Reinvestment Initiative and conceptualized the organization’s work in school discipline. The Justice Center’s work has prompted bipartisan legislative and programmatic initiatives in states across the country. Mike has authored numerous publications and testified before Congress on multiple occasions. He is routinely interviewed by national media outlets as a recognized expert on criminal justice issues. Prior to joining CSG, Mike worked for three years for the Office of the Court Monitor in San Juan, Puerto Rico—an office established by a U.S. District Court Judge. Mike received his B.A. with honors from Middlebury College.
TAB - D
## NON-CSG EMPLOYEE EXPENSE REPORT**

**Payee Name:** __________________________  **Social Security #:** __________________________

**Mailing Address:** __________________________  **Date Submitted:** __________________________

**Phone Number:** __________________________  **SIGNATURE:** __________________________

**Business Purpose:** __________________________

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**TOTAL**

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**APPROVED BY:** __________________________

**Return check to:** __________________________

**TOTAL Reimbursement**

**ORIGINAL RECEIPTS REQUIRED**
TAB - E
As the executive director of The Council of State Governments, I am so proud to be associated with the dedicated and passionate public servants who lead our states. Every day I have the opportunity to learn from and serve an exceptionally talented group of governors, legislators and judges. While the past year certainly posed its fair share of challenges, I had a front row seat to witness how, with innovation, creativity, intelligence and persistence, the leaders of the states tackled problems and crafted solutions.

Let’s face it, serving as a state leader today isn’t easy. The public is frustrated and the electorate is quick to judge. It is very difficult to work toward long-term solutions in a climate that demands immediate results. Campaigns have become increasingly coarse and expensive. I know firsthand how service in a state legislature requires significant sacrifice from both the officeholders and their families. I remain incredibly impressed by the variety of people who seek public office and the remarkable talents and perspectives they bring to their service.

The Council of State Governments isn’t an organization apart from the states. We are a community of the states. We bring the states together to accomplish more than any one state could accomplish on its own, and we provide a forum for leaders to share insights, broaden their perspectives and learn from each other. States created CSG in 1933 to fill a need. Since that time, we have been the place where state leaders come together to empower themselves to achieve excellence. We exist because state leaders knew then what they know now: Sharing what works makes leaders more effective in serving the needs of the people who sent them to the state capitol. We remain committed to sharing capitol ideas and we work hard every day in many ways to honor the vital role the states have entrusted to us.

At The Council of State Governments, we serve all three branches of state government and relish our status as a regionally based organization. No other association does what we do. No other organization can.

You’ll find these pages full of valuable information that we hope will prompt you to access the resources of CSG. Whether you log on to our powerful CSG Knowledge Center or reach out to access the expertise of our regional or national policy staff, we hope you will view this guide as our invitation to get full value from all CSG has to offer. Consider this our personal invitation for you to become more involved in the work of CSG.

CSG was created by the states, for the states. We are a member-driven association of state leaders. Our work reflects the priorities of the states. We know that when state leaders come together to listen, to share, to explore, to work, to learn—good things happen. We also know that leadership is challenging and solutions to complex problems can be elusive. That is why CSG pays dividends for the states. We are an exceptionally low-cost way for solutions to be found and for leaders to develop the skills and access the resources they need to be successful.

We hope in the coming year you will join us. You are a valued member of our CSG family. I encourage you to take full advantage of the many ways CSG provides you with an opportunity to make a difference in your state, commonwealth or territory.
CSG EAST | CSG SOUTH
CSG MIDWEST | CSG WEST

Regional by design, CSG is a national community with six offices across the U.S. The headquarters office is in Lexington, Ky., and the federal affairs office is located in Washington, D.C. Regional offices are located in Atlanta, Chicago, New York City and Sacramento. All CSG members have the opportunity to participate on two levels—regional and national. This structure invites focused participation from members on a more intimate, regional level and also provides a national community to exchange information and ideas. The regional and national offices also invite international participation through partnerships with Canadian provinces.

WASHINGTON, D.C.

CSG’s Washington, D.C., office provides state leaders a voice in Congress. The Washington office monitors federal developments and trends and evaluates the impact of federal activities, including U.S. Supreme Court decisions, on states. The CSG Washington office is well positioned to continue growing the partnerships between the states and the federal government.

www.csgdc.org

MISSION

Founded in 1933, The Council of State Governments is our nation’s only organization serving all three branches of state government. CSG is a region-based forum that fosters the exchange of insights and ideas to help state officials shape public policy. This offers unparalleled regional, national and international opportunities to network, develop leaders, collaborate and create problem-solving partnerships.

www.csg.org/about/regions
Through affiliation with CSG, national organizations of state officials can share ideas and combine efforts to accomplish mutual goals. Affiliates contribute specialized expertise, information, resources and issues to the overall mission of CSG. In turn, CSG offers a mechanism by which affiliates may tap into CSG’s products and services, and a forum for bringing issues to a broader, collective audience of state leaders.

www.csg.org/about/affiliates
CSG convenes states to work together collaboratively to address problems that span state boundaries. CSG’s National Center for Interstate Compacts serves as an information clearinghouse, provides training and technical assistance, and assists states in the review, revision and creation of new interstate compacts to solve multi-state problems.

CSG provides state leaders a variety of regional and national opportunities to actively engage on issues of importance to their jurisdictions and constituents – predominantly through CSG’s diverse regional/national committee system. These forums, composed of delegates appointed by each state’s individual appointing authority, enable state leaders to collaboratively address emerging challenges and issues arising from dynamic conditions in the states on both a regional and national level. CSG’s committees are designed to encourage multi-state problem solving, the sharing of best practices, and to facilitate networking among state officials and between the public and private sectors. In addition, CSG’s regional and national standing committees gain the expertise of state officials in the governance of CSG activities, including mission focus, strategic planning, programming priorities and financial oversight.

The CSG D.C. office serves as an advocate for state governments in Washington, D.C. The office communicates regularly with congressional, agency and White House officials to ensure the interests of states are known and understood. The office helps members understand how their work in state capitals interacts with federal laws and policies. In addition, CSG helps state officials understand how pending and recently passed federal laws will impact their state.

Today’s state government leaders don’t have time to weed through a stack of hundreds of policy documents. They aren’t interested in another white paper buried on their desk. That’s why CSG created the Knowledge Center, an interactive website that serves as a one-stop shop for more than 600 tagged and indexed policy reports, blogs and other policy items. State government officials can browse by topic and, most importantly, quickly find what they’re looking for. They can subscribe to RSS feeds only the topics in which they’re interested. Within the Knowledge Center, you can find: Capitol Research | Capitol Comments | Policy Webinars | Access to CSG Regions & Affiliates | Data Center | Suggested State Legislation | Innovations

The Border Legislative Conference is a joint program of the CSG West and CSG South regions aimed at enhancing collaboration and communication among state legislators of the United States and Mexico. It serves as a mechanism for ongoing dialogue and collaboration among state legislators of the two nations. The goal of the program is to empower border state legislators to engage in the binational agenda and provide input and direction in the development of policy between both countries.

The CSG Associates Program allows representatives of the private sector to offer their perspectives to public sector members. CSG Associates have the opportunity to interact with state policymakers through national and regional conferences, program and policy work, and international exchanges.

The CSG Justice Center helps states increase public safety and strengthen communities. The center serves all states to promote effective data-driven practices—particularly in areas in which the criminal justice system intersects with other disciplines, such as public health—to provide practical solutions to public safety and cross-systems problems.

CSG ASSOCIATES

CSG COMPACTS CENTER

The CSG Associates Program allows representatives of the private sector to offer their perspectives to public sector members. CSG Associates have the opportunity to interact with state policymakers through national and regional conferences, program and policy work, and international exchanges.

www.csg.org/about/associates

www.csg.org/ncic

CSG FEDERAL AFFAIRS

The CSG D.C. office serves as an advocate for state governments in Washington, D.C. The office communicates regularly with congressional, agency and White House officials to ensure the interests of states are known and understood. The office helps members understand how their work in state capitals interacts with federal laws and policies. In addition, CSG helps state officials understand how pending and recently passed federal laws will impact their state.

www.csgdc.org/FederalAffairs

CSG JUSTICE CENTER

The CSG Justice Center helps states increase public safety and strengthen communities. The center serves all states to promote effective data-driven practices—particularly in areas in which the criminal justice system intersects with other disciplines, such as public health—to provide practical solutions to public safety and cross-systems problems.

www.justicecenter.csg.org

CSG KNOWLEDGE CENTER

Today’s state government leaders don’t have time to weed through a stack of hundreds of policy documents. They aren’t interested in another white paper buried on their desk. That’s why CSG created the Knowledge Center, an interactive website that serves as a one-stop shop for more than 600 tagged and indexed policy reports, blogs and other policy items. State government officials can browse by topic and, most importantly, quickly find what they’re looking for. They can subscribe to RSS feeds only the topics in which they’re interested. Within the Knowledge Center, you can find: Capitol Research | Capitol Comments | Policy Webinars | Access to CSG Regions & Affiliates | Data Center | Suggested State Legislation | Innovations

www.csg.org/about

www.borderlegislators.org

CSG COMMITTEES

www.csg.org/knowledgecenter

CSG SERVICES

www.csg.org/knowledgecenter

www.csg.org/about
CSG EXPERT GUIDE

CSG is dedicated to getting members what they need, when they need it. Our dedicated staff of experts is always here to get them the latest information on the topics of importance to them and their state*. You can visit www.csg.org/expertguide for a complete listing of experts throughout the organization.

*www.csg.org/expertguide

POLICY AREAS

EDUCATION
- www.csg.org/education

ENERGY & ENVIRONMENT
- www.csg.org/energy
- www.csg.org/environment

FEDERAL AFFAIRS
- www.csgdc.org

FISCAL/ECONOMIC ISSUES
- www.csg.org/fiscal

HEALTH
- www.csg.org/health

INTERNATIONAL AFFAIRS
- www.csgdc.org/internationalaffairs

PUBLIC SAFETY & JUSTICE
- www.justicecenter.csg.org

TRANSPORTATION
- www.csg.org/transportation

*Note: Throughout this brochure, the term "state" also includes the six U.S. territories: American Samoa, District of Columbia, Guam, Northern Mariana Islands, Puerto Rico and U.S. Virgin Islands.
LEADERSHIP DEVELOPMENT

www.csg.org/leadershipcenter

CSG provides members with the opportunity to participate in leadership training at both the national and regional levels. From the premiere Henry Toll Fellowship Program, which offers an intensive weeklong program for selected officials from all three branches of state government, to regional programs focused on legislators, CSG helps empower leaders to accomplish even more.

NATIONAL & REGIONAL CONFERENCES

www.csg.org/events

CSG’s national and regional meetings convene state leaders, private sector partners and staff together to experience world class content and programming that provides information, insights and solutions. Each conference focuses on issues state leaders are facing today, with an eye toward problem-solving for the future.
Coverage
Type
Total 2012 CSG Contribution
Up-Front Contribution (Deposited to HSA January 1, 2012)
Contribution Per Semi-Monthly Pay Period
Pro-Rated Contribution Per Semi-Monthly Pay Period (employees who join the plan after January 1, 2012)

Single $1,250 $500 $31.25 $52.08
Family $2,500 $1,000 $62.50 $104.17

CSG PRODUCTS ▶ WWW.CSG.ORG

CAPITOL IDEAS
▶ capitolideas.csg.org
The flagship publication of CSG is a news magazine that shares the best of the best ideas in state government. Its advantageous bi-monthly reach of 20,000 state leaders offers unparalleled access to the community of state government. With colorful graphics, lively articles, expert commentary and fact-based reporting, Capitol Ideas keeps decision-makers in all the states in the know.

THE BOOK OF THE STATES
▶ www.csg.org/bookofthestates
A staple of CSG for more than 75 years, The Book of the States is a state government encyclopedia with essential and hard-to-find information all in one place. Featuring easy-to-read summaries, tables and charts, The Book of the States is an invaluable reference tool that’s withstood the test of time. It provides information, answers and comparisons for all 56 U.S. states and territories. And now, with CSG’s new The Book of the States online Web tool, you have immediate access to the articles, charts and tables of current and past editions. As the Web tool grows, users will be able to access charts and tables in more than 50 different categories and create custom reports based on their queries. This new tool enables unprecedented access to 76 years of historical state information available only from The Council of State Governments.

STATES PERFORM
▶ www.statesperform.org
The States Perform website provides access to interactive information on how states are performing across six key policy areas: education, public safety and justice, energy and environment, economic and fiscal policy, health and human services, and transportation. In a world where states are expected to do more with less, States Perform offers access to interactive, customizable and up-to-date comparative performance measurement data from all 50 states.

SOCIAL MEDIA
▶ FACEBOOK ▶ www.facebook.com/CSGovts
▶ TWITTER ▶ twitter.com/CSGovts
▶ YOUTUBE ▶ www.youtube.com/CSGovts
Recognizing the new ways social media is driving modern policy dialogue, CSG is actively engaged on a number of social media platforms: Facebook, Twitter and YouTube. These unique tools allow CSG’s expert policy staff to alert state officials to breaking policy information, events and impacts.

INTERSTATE COMPACTS DATABASE
▶ apps.csg.org/ncic
CSG’s National Center for Interstate Compacts maintains the best single resource for state interstate compact statutory information. Search by state, compact name or year of joinder to learn which compacts your state is a member of. Also included is key contact information for each compact in the states, as well as relevant information on national groups which administer interstate compacts. More than 200 different interstate compacts exist today and each state is, on average, a member of more than two dozen agreements.
The Vision of Henry Toll

By Mary Branham Dusenberry

“What is needed is a league of state governments and the first major task of the enlarged board will be to develop ways and means for securing harmony among the states.” —Henry W. Toll

Times were changing. States were becoming more dependent on each other because of the increased speeds of transportation and communication. It was the 1930s, and there wasn’t much cooperation among the states in the early part of the 20th century.

Specifically, many in government found conflicting laws regarding taxation among individual states, and between states and the federal government, particularly as industry grew beyond the boundaries of any particular state. In fact, the U.S. Supreme Court in 1902—in Kidd v. Alabama—suggested “it would be of great advantage to the country and to the individual states if principles of taxation could be agreed upon which did not conflict with the others.”

Conflicting taxation was an area that Colorado state Sen. Henry Wolcott Toll and others saw a need to address. But it wasn’t the only one.

“In thousands of instances the laws of the states are in conflict, their practices are discordant, their regulations are antagonistic and their policies are either competitive or repugnant to one another. Such disharmony cannot continue.”

That sentence from the Articles of Organization for The Council of State Governments, adopted Sept. 15, 1933, explains in a nutshell the need for interstate cooperation and the vision of Toll, who spearheaded the effort to form what has become the only national state organization to serve all three branches of government.

The organization was a long time coming, but it was merely the culmination of Toll’s dream. He recognized the need for more state interaction in the 1920s and founded the American Legislators’ Association. He saw how important it was for states to cooperate and share ideas and a May 29, 1931, press release about an article for State Government, the magazine of the ALA and forerunner to State News, epitomized the same need.

The article defended the meeting of governors in French Lick, Ind., with these words: “There is such a direct inter-relation between the affairs of various states, that no one of them can longer be indifferent to the manner in which the others are administered.”

States, Toll wrote, were “clinging to the remnants” of states’ rights as the economic, government and political conditions of the day threatened the very existence of those rights. “Our only hope lies in a two-fold program: to make the legislative and executive departments of the 48 states more adequate, and to develop a closer contact between them,” he said.

But achieving that would require cooperation from the individuals in the executive and legislative branches of government. “In other words,” he wrote in the article, “it is as imperative for governors, as it is for legislators, to resist isolation.”

Toll believed the changing world necessitated more interaction from all branches of government. The legislators’ association in its early years took on two distinct roles: providing legislators with information and an opportunity to connect, and making an attempt to bring harmony between states and between each state and the federal government. Those goals would serve as a foundation to resisting the isolation in state government and to CSG, the organization to come.

Toll said in a 1936 letter explaining the Articles of Organization that to address that second function “it is not only proper to have executive and administrative officials participate with the legislators, it is absolutely necessary.”

CSG’s Articles of Organization cite a nation that was moving faster in transportation and communication as reason for better cooperation between the states. The 1933 preamble begins this way:

“New times bring new needs in government, as in other affairs. For a century, republican government in America functioned moderately well, in spite of the fact that it was confined in substantially isolated compartments. These separate divisions, larger and smaller, were administered respectively by the national government and by the governments of several states.

“But now the increased speed of transportation and communication, and the increased size of business units, have rendered safety and prosperity in every state somewhat dependent upon conditions and practices in other states.”

Beyond those concerns, Toll believed all states were linked and interstate cooperation was imperative for states to maintain control over inherent state issues.

But instead, Toll’s time was characterized by 48 states that were often at odds with each other and ignorant of their political surroundings. “The laws of the states conflict, their practices diverge, their policies are antagonistic,” he said in a Jan. 19, 1933, press release. The states, he said, operated as 48 sovereign nations, and if that continued, one of two courses would be inevitable. “Either many of the remaining functions of the states will rapidly pass into federal control, or else the states must hasten to cooperate with each other as they have never cooperated before.”

Toll lobbied for the latter.

To start with, the “lawmaking machinery” of the 48 states, he said, was inadequate. He wanted the organization to take a strong stand to change what he called “a national menace” because of the lack of cooperation between the states.

“This association is not a sewing circle: We want to smash into this situation and do something. We do not want to deal with petty questions, nor do we want to mark time,” he said of the March 1932 Board of Managers Meeting, the purpose of which was to “develop a new and larger perspective for all of us.”

Toll believed it was important for states to cooperate for a number of reasons.

“As things now stand, there are better facilities for dealing between the federal government and foreign nations than there are for dealings between adjacent states,” Toll said in an Oct. 24, 1933, press release.

The major task of the CSG Board of Managers, Toll said, would be to develop a way
The newly completed building at 1313 East 60th St., Chicago, officially became the location of the central secretariat of The Council of State Governments on April 16, 1938.

State Government, April 1938

Groundbreaking Ceremony
Chicago • 1937

Pictured at the site on Chicago’s Midway where CSG’s new building rose are (left to right, foreground): Louis Brownlow, Director, Public Administration Clearing House; Robert M. Hutchins, President, University of Chicago; Clifford W. Ham, Executive Director, American Municipal Association; and Clarence E. Ridley, Executive Director, International City Managers’ Association. Other directors and staffs of the national governmental associations now housed at 850 East 58th Street, Chicago, were present at the ceremonies, which marked the beginning of a new, modern home for them. In addition to The Council of State Governments, 14 other autonomous associations of governmental officials would have their offices in the new structure.

State Government, May 1937
for correlating the activities of the states and to bring state and federal governments into closer accord. He said in an Oct. 24, 1933, press release that new ways of facilitating that cooperation were needed. The Articles of Organization, he said, stressed states’ competence rather than states’ rights. The articles suggested CSG would provide the means of cooperation among the states. “Until the states provide themselves with adequate machinery for cooperating with each other, they cannot cooperate adequately with the national government,” Toll said in the October press release.

The articles listed areas that needed better state cooperation, including tax collection, protection against crime, liquor control, highway regulation, motor vehicle control and helping the poor. In fact, an early challenge for CSG was the issue of taxation. The American Legislators’ Association—CSG’s forerunner—held its first Interstate Legislative Assembly on the issue in February 1933.

State cooperation was also needed to improve the legislative processes, or lawmaking machinery, of the different states. Toll announced a nationwide program for practical improvements in state legislation in a press release from Feb. 27, 1931, stressing the need for intelligent cooperation between states.

“Legislative conditions are universally unsatisfactory. But by no amount of effort can these conditions be improved without a concerted effort in which the lawmakers themselves cooperate. “Our program is designed to use every means for welding a closer feeling of cooperation between the states, to the end that there may be a general legislative improvement and a reduction in the bulk of the statutes which have already been enacted by each commonwealth.”

That goal was part of the structure of the American Legislators’ Association. At the association’s first meeting July 19, 1926, Toll compared the 48 legislatures to the directors of corporations, with a combined plant worth $1.5 billion.

“The different legislatures are working in essentially the same field, but surely their work cannot be less effective by the comparison of notes,” he said.

He spoke of the role of states as laboratories, and said cooperation could help to avoid duplication of experimental work in adopting legislation. In addition, Toll believed “clumsy laws”—those bills passed without much information that are subsequently amended and perhaps later repealed—could be limited. “In other words, the touch of knowledge in the first instance will certainly reduce the amendments and the repeals and the experiments in legislation,” he said.

Toll said the ALA was not a matter of sentiment. And CSG, in later years would not be easy work. “This is a hard-working organization, a wood-sawing undertaking. There will be little if anything which is spectacular or conspicuous in what is done; it is simply a plan for hard work,” he said.

His goal with ALA was to help legislators gather accurate information and good technical advice. He recognized, however, that the association would be limited in its early stages by the lack of funding; it would not be able to conduct research, prepare opinions or draft bills. But he envisioned an organization in which the director would prepare himself to continually give information about the various organizations studying subjects of legislative concern.

“My picture of the idea is little different from a large telephone switchboard,” he said. “The legislator plugs in and asks to be connected with the best information and the most trustworthy advice on his questions. The director immediately connects him with the proper agency, and you have your line of communication established. . . ."

He envisioned nothing less in forming CSG, and said as much in a letter to the board of managers: “What is needed is a league of state governments and the first major task of the enlarged board will be to develop ways and means for securing harmony among the states.”

His vision was endorsed both by those involved in the process and others on the outside. President Franklin Roosevelt, a former New York governor, addressed the organization’s plans to hold a conference on the issue of taxation in a letter to Toll, included in a Jan. 18, 1933, press release on the Interstate Conference of Legislators, which was later offered as evidence in the need to form CSG.

“Many exceedingly important public questions are pressing for solution and among the more urgent of these is the very one with which your Association proposes to deal,” Roosevelt wrote. “In the past the Federal Government has passed legislation with too little consideration for state taxing systems and, on the other hand, the states have legislated with little reference to the Federal revenue plan and with almost no consideration for the tax programs of other states. This is not as it should be.”

Frederick L. Zimmerman, a member of the New York House Committee on Interstate Cooperation, said he believed states could avoid governmental centralization only through a cooperative venture such as what Toll outlined in organizing CSG.

As Toll outlined in the Articles of Organization: “The purpose of the League of State Governments is to invent and install governmental machinery—or methods—by which the states can cooperate adequately with each other and with the federal government—not in legislation alone, but also in planning and in administration.”

When Toll stepped down as executive director in 1938, he believed CSG
was well on its way to meeting what he envisioned. But he acknowledged in the November 1938 issue of State Government that getting the organization to that point took a lot of time and hard work.

“By a process of trial and error many scores of adjustments and techniques have been evolved, in the course of the invention of an extensive and intricate mechanism; and each of them has later been modified and adapted to conform to the dictates of laboratory tests and of actual operations in the field.”

Throughout nearly a decade and a half CSG proved the efficacy of its operations, as developed with two special purposes, Toll argued in that article.

“First, it has perfected a plan of action to make possible nationwide collaboration among state governments concerning specific problems,” he said. “Second, the Council has demonstrated that by using its machinery a group of states can now grapple effectively with many previously insoluble regional problems.”

And all of the hard work paid off. The Fourth General Assembly of CSG, in a resolution Jan. 20, 1939, thanked Toll for his service.

“Well and faithfully as others may and will serve it, this body will throughout its existence be a monument to the unfailing service and magnificent ability of Senator Henry W. Toll of Colorado.”

That existence has spanned 75 years, achieving a goal Toll set in the early years. He said in 1932 that the Board of Managers planning the organization “would not be interested in this project if it were not for the possibility of doing something of lasting national significance.”
“New times bring new needs in government, as in all other affairs.”

—Preamble to Articles of Organization of The Council of State Governments

The Council of State Governments was born on the evening of Oct. 22, 1933, when a small group of state legislators gathered in a room at the Penn Harris Hotel in Harrisburg, Pa.

There’s no record of the meeting, CSG founder Henry Toll recalled it 25 years later. “Probably 12 or 15 of us sat around a table in a small room,” said Toll. “The Council of State Governments had never been heard of before that day.”

The legislators at that meeting were the Board of Managers of the American Legislatives’ Association, an organization Toll founded in 1925.

A Colorado state senator from 1922 to 1930, Toll established ALA to provide legislators and administrative state officials with information and help them connect across state lines to study “legislative technique.” One of his first items of business was to compile a list of all 7,500 state legislators in the country, a roll that did not exist until Toll put one together.

**A League of States**

By 1933, however, the scope of the ALA’s activities had widened. The organization held its first annual Interstate Assembly in February, and it had become apparent for states to work together on interstate issues and collectively with the federal government that state administrative officials would need to be part of a state organization.

The Board of Managers asked Toll to draft articles for such a league of states.

In a letter he wrote to board members in September, a month before the Harrisburg meeting, Toll explained that the ALA’s role was evolving. No longer solely a service organization for legislators, ALA was also engaged in undertaking “an attempt for harmony in state activities between state and state, and between state and nation.

“By the time that Interstate Assembly was organized, it had become clear that in the performance of the second function (harmony), it is not only proper to have executive administrative state officials participate with the legislators—it is absolutely necessary.”

The board members, who were in Harrisburg that October attending a two-day conference on interstate bus and truck laws, supported Toll’s call for a new league of states.

“After a few minutes discussion,” Toll wrote in 1958, “the board adopted, without amendment, some Articles of Organization I had written in the Chicago office for an institution named the League of State Governments.”

Although the board did not amend Toll’s articles of organization, it did make one significant change: Members wanted the new group to be known as The Council of State Governments. Toll later explained that some board members didn’t want the organization identified with the League of Nations, the controversial international peacekeeping body that the United States did not join.

**Affiliates**

CSG, even in its infancy, was an organization adapting to the needs of state governments. The new articles called for affiliations with a cross section of state organizations.

Original affiliates included the National Association of Attorneys Generals, the National Association of Secretaries of State, the Governors’ Conference, the National Association of State Auditors, Comptrollers and Treasurers, and the National Conference of Commissioners on Uniform State Laws. The presidents of all those organizations were part of CSG’s original 25-member Board of Managers, which also included six state legislators, six executive branch officials and six state officials drawn from any branch of government.

By 1939 the new organizational structure was recognized for its efficiency. In a Jan. 20, 1939, editorial, *The New York Times* cited the Council’s success in facilitating the interstate compact between New York and New Jersey that established a joint authority over the Palisades Interstate Park and the creation by five states of the Interstate Commission on the Delaware River.

“Notice the fitness of the machinery for the job,” the editorial read. “The commission members of state legislatures will look after the necessary laws. The administrative officials will execute them. COSGO (CSG) is a practical machine of information and action, highly useful in a day of complex problems.”

**An Organization Takes Root**

During the next couple of years, Toll and his staff of 15, based in their Chicago headquarters in the ivy covered building at 850 East 58th St., devoted their energies to developing the Council as an organization. They moved along parallel tracks, providing services for the state constituencies while at the same time securing CSG’s legitimacy among state governments.

A resolution drafted by state Sen. Joseph G. Wolber of New Jersey served as model legislation establishing in each state a State Commission of Interstate Cooperation comprised of Senate and House members appointed by their leadership, and administration officials appointed by the governor. New Jersey was the first state to adopt a commission that declared the Council to be a state agency and that pattern was used by most other states.

Meanwhile, Toll and his Chicago staff continued providing state officials with services that had been initiated earlier through the ALA. One service was the Interstate Reference Bureau, which served as an information clearinghouse for state legislators and was now expanded to function as a reference source for all state officials.

The Council also continued publication of its monthly journal, changing the name from *American Legislator to State Government* to reflect the broader role of the organization.

The year 1935 was an important milestone in CSG’s history. The articles of organization called for opening up to 10

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Years of Transition, Years of Change: 1980–1983

By Frank H. Bailey, CSG executive director, 1980–1983

Clearly the early 1980s was a period of some internal soul searching for The Council of State Governments. We were an organization in the middle of transition. The 1970s dawned with CSG as the parent of powerful associations of state leaders. The National Governors Conference (NGC), National Legislative Conference (NLC), the Conference of Chief Justices (CCJ) and the National Association of Attorneys General (NAAG) were all still within the CSG family of affiliates. By 1980, when I became executive director, that had all changed. NGC had established itself as a separate Washington-based force, the National Governors Association; NLC had become the National Conference of State Legislators headquartered in Denver; CCJ had become part of the National Center for State Courts; and NAAG was combining its three separate offices into one Washington operation.

So in 1980 CSG found itself in the midst of a corporate mid-life crisis—having a fulsome sense of its history, struggling with its present and unclear about its future. In such times of uncertainty, executive turnover becomes a way of life. CSG was no exception. From 1973 to 1980 there were four separate executive directors, and by the time I left in 1983, a fifth had been named to serve.

Money from the states was tight and subject to growing competition from the recently established executive and legislative leadership organizations. Moreover, there was an increasing ongoing struggle within CSG as to the locus of authority and dollars with the Regions promoting greater autonomy and asking for a larger share of the CSG budget for the regional offices.

Patently the first big job to tackle in 1980 was securing the operating funding necessary for the important work of CSG on behalf of the states. The Executive Committee and the Board of Directors made two early and significant strategic decisions about funding. First, strengthening ties to the 53 state and territorial governments was imperative. So under the Board's direction, we implemented the first stages of a shift toward a national association with a strong regional focus. By early 1982, more than 15 percent of the total operating revenues had been moved to the Regions for their use in promoting local priorities. That percentage would continue to grow in subsequent years to its current level of 60 percent.

The second decision seemed less intuitive at the time, but probably stimulated the kind of changes that were ultimately needed to build a stronger organization over the long term. In 1980, just about half of CSG's funding came from grants and contracts, primarily from the federal government, and the Board said it was time to reverse that trend and put CSG on a more stable and permanent funding base. So over the next two years, the percentage of grant and contract dollars was reduced from about 50 percent to just under 35 percent.

To address the human resource issues, we created CSG's first official personnel function to tackle the people side of the reorganization and the ultimate reduction in force. Another outcome achieved by the new personnel office was the establishment of CSG's first formal compensation and benefits package with an initial attempt at job classifications and career pathing for staff. In addition, we rolled out the first formal in-house data system for both internal management information and substantive research material.

A couple of programs that began during this period are worth mentioning because they had significant longevity and impact over the next several years. The first involves the development of what was then called “The Corporate Associates Program.” This fund development program targeted a selected set of corporations and businesses to help partner with states the ongoing work of CSG. The partnership has continued to grow and flourish ever since.

The early foundation for the second initiative was laid just prior to the end of my tenure at CSG and grew to its more robust form under subsequent executive directors. The idea was to expand CSG's role as the secretariat for several affiliating organizations of state agency directors. It appears that while this secretariat function had a run of several years, CSG would benefit by expanding the role of state executives within the CSG framework.

I ended my 12-year career at CSG in 1983 to become the CEO of the Washington-based National Council of Community Mental Health Centers. My years at CSG had a profound influence on my future career choices and my thinking about policy, politics, leadership and the role of state government as an affirmative and affirming agent of inevitable change in the crucible that is our society.
regional offices and Toll rented a New York office at the Fifth Avenue Building of the Guaranty Trust Co. at 44th Street. In addition, the organization established an office in Washington, D.C.

And 1935 was the year the first edition of The Book of the States was published. The Book of the States remains the premier reference book about state governments.

Establishment Secured

It wasn’t until 1938 that Toll believed CSG had become a permanent institution. Two developments that year solidified the organization’s role in the community of state governments. On April 16, CSG and several other state service organizations sharing offices on East 58th Street moved into new headquarters at 1313 East 60th St. The new headquarters was built on land donated by the University of Chicago with construction funds provided by the Spelman Fund. The building would serve as CSG headquarters for more than 30 years.

The other milestone in 1938 that secured CSG as an institution was the appointment of Frank Bane as executive director. Toll, who had guided CSG from the beginning, wanted to return home to Denver. Bane was Toll’s handpicked successor. He recruited Bane from his position as the first director of the Social Security Board, which later became the Social Security Administration. Toll returned to his private law practice in Denver, but remained active in CSG as its honorary president until his death in 1975.

CSG that year also became the secretariat for The Governors’ Conference. The Conference had no offices and the part-time services of former Florida Gov. Cary A. Hardee. When Hardee retired in 1938, the Conference affiliated with CSG. The partnership lasted until 1975 when the conference renamed itself the National Governors Association and set up headquarters in Washington, D.C.

SSL and More Regional Offices

In 1940, at the request of the Roosevelt Administration, CSG met with federal officials to devise plans to aid states in developing legislation that would dovetail with the federal government’s defense efforts at the dawn of World War II. This led to the establishment of the Suggested State Legislation Committee. Throughout the war, CSG used SSL’s work to organize state defense councils, develop the policies and administer the Selective Service system, and establish state guards to replace members of the National Guard called into federal services.

Following the war, SSL broadened its work and continues to address contemporary challenges to state governments such as legislation regarding antiterrorism, identity theft and predatory lending practices.

Post-War Activities

The post-war period also brought about the expansion of CSG’s regional presence. With the Eastern Regional Conference well-established since 1935, regional leaders in the Midwest, South and West organized regional conferences in the mid-1940s.

For the first 25 years of CSG’s operations, State Government served as the organization’s monthly magazine. In response to the needs of state officials who wanted more news on state activities and reports on important issues, State Government News was created in 1958 and State Government became a quarterly publication dealing with policy issues in depth. In 1992, State Government became Spectrum: The Journal of State Government and continued under that name until publication ceased in 2004. State Government News became State News in 2004.

Executive Directors

In 1958, Frank Bane retired after 20 years as CSG executive director. Named to replace him was Brevard Crihfield, who would fill the role for 20 years. Crihfield had served in the Washington office, the New York office and was the Midwest regional representative before becoming CSG executive director. During his tenure, he directed the expansion of CSG services and supervised the move of CSG headquarters from Chicago to Lexington, Ky.

Crihfield retired in 1977 and was replaced by Herbert L. Wiltsee, who served 18 years as director of CSG’s Southern office. He joined CSG in 1942 as director of research and publications. He retired in 1978.


In 1989, Daniel M. Sprague, director of CSG’s Western office, was named CSG’s eighth executive director. Since taking over as executive director, Sprague has undertaken an expansion of the headquarters office, initiated development of a strategic plan, and guided the development of CSG’s trends mission. He plans to retire at the end of 2008.

NGA and NCSL Establish New Homes

In 1975, CSG underwent a major organizational change. The Governors’ Conference, now the National Governors Association, established its own secretariat in 1975 and moved those services to Washington, D.C., along with the National Association of State Budget Officers.

That same year, the National Conference of State Legislators was established when three legislative organizations, including the National Legislative Conference of CSG, merged and opened its headquarters in Denver.

Evolving Programs and Services

In 1976, CSG launched one of its most enduring and successful programs—the Innovations Transfer Program, known today as the Innovations Awards Program. Although the name has changed, the program, established with a grant from the National Science Foundation, continues to recognize exemplary government programs. In 1983, CSG began the CSG Associates program to provide the private sector opportunities to network and exchange ideas with CSG’s public sector members. In 1994 the 21st Century Foundation was created to bring public and private sector members together to help direct funds for priority initiatives.

CSG’s premier leadership development program began in 1986. The Toll Fellowship Program continues to attract the brightest state officials from all three branches of government to equip them with the skills and strategies to meet the challenges ahead.

International Outreach

During the 1990s, CSG expanded its international activities. The ERC recruited Canadian provinces to join CSG and in 1999 the Eastern office established the Eastern Trade Council.

In 2000, the State International Directors Organization affiliated with CSG. And in 2002 CSG’s Western and Southern offices created the Border Legislative...
Conference to work with officials from Mexico’s border states on common problems along the U.S.-Mexican border. CSG also shifted its research in 2000 to identify trends that impact states. The mission continues today as CSG helps states define and respond to policy questions arising from change drivers such as demographics, new technologies and the changing global economy.

The Future

While CSG has successfully followed the course that Toll charted 75 years ago, the organization continues to move forward into the future with the recent establishment of the Justice Center, the National Center for Interstate Compacts and the Transformation of State Governance initiative.

Outgrowths of earlier CSG programs, these new centers not only provide state officials with the policy research they need, but with the technical assistance required to meet the challenges of the 21st century.

MEMORABLE MOMENTS

By Carl Stenberg, CSG executive director, 1983–1989

The call from CSG Chairman Rep. Tim Moynihan came shortly after Labor Day, 1983. Would I accept the Executive Committee’s invitation to serve as the Council’s 6th executive director? The decision was a “no-brainer,” and one that I’ve never regretted.

The early 1980s were ripe with challenges and opportunities, as the administration of President Ronald Reagan sought to shift increased responsibilities from Washington to the states. The Search Committee had challenged candidates for the executive director position to find new ways to put CSG on the map as a leader and innovator. Drawing on the words of CSG’s founder Henry Toll, the Council should “make no small plans.” So now the ball was in my court, and I was off to Iron Works Pike!

Three initiatives I feel especially good about are the annual meeting, the Corporate Associates Program and Toll Fellows.

When I reported to work on Oct. 1, the Council’s 50th anniversary celebration was just two months away. Truly trial by fire! Fortunately the senior staff team—Bill Schneider, Doug Roederer, Norm Sims, Darrell Perry, and others—had the program, speakers, and logistics well-organized, and the conference was a success. The energy and enthusiasm generated by “the 50th” encouraged the staff to recommend to the Executive Committee that a major national CSG conference be held each year, as a “family reunion” to bring together the regions, Headquarters and Washington offices, affiliates, and sister organizations to celebrate the state’s resurgence and chart some productive paths toward working together to better serve all branches of state governments. Each year the annual conference has grown in size, substantive scope, and significance, and it has bolstered the Council’s visibility and credibility.

The 50th anniversary was also an opportunity to build on the Eastern Region’s pioneering work in recruiting Corporate Associates. As I recall, there were a handful of national CSG Corporate Associates at that time, growing to around 100 six years later when I left the Council.

In addition to its long-standing roles as an honest information resource and broker, in the mid 1980s the Council recognized the need to identify and groom the next generation of leaders in the legislative, executive, and judicial branches of state government. In response, the Executive Committee approved the Henry Toll Fellows Program, capitalizing on both the multi-branch reach of the Council and its regional base to attract the best and brightest to attend. There are now hundreds of “die-hard CSG loyalists” in state capitals who are proud to call themselves Toll Fellows. It is also gratifying that each of CSG’s regions has established a leadership development program.

Some trials and tribulations will never be forgotten. One of the Council’s annual meetings was held in the West at a casino and resort in Lake Tahoe. I recall escorting CSG President and Virginia Gov. Chuck Robb past slot machines, back hallways, and kitchen areas to avoid probing members of the press wondering what he was doing amidst hoards of tourists and gamblers. For a while, I thought this might be my last annual meeting!

Three of the faces of CSG who are no longer with us deserve special mention. Lois Murphy served for more than three decades as the Council’s executive assistant, and in that capacity “broke-in” four of CSG’s six executive directors, countless CSG chairs and presidents, and many staff in the Chicago and Lexington offices.

Koos Chi served the Council with distinction for nearly as long as Lois. Chi anchored CSG’s research programs, and his work was consistently thorough, timely, and on the cutting-edge.

Finally, Norman Beckman, Washington Office Director during the 1980’s, was instrumental in establishing a presence for the Council and some of its affiliates in the Hall of the States and a place for CSG in “Big 7” deliberations and at the negotiating table with Congressional, White House, and federal agency representatives.

The Council has now reached another milestone with its 75th anniversary. There is much work left to be done, but CSG’s mission is still relevant and its programs and people have made a significant difference in improving governance in state capitals, across state boundaries, in regions, and spanning the public and private sectors. It was quite a ride during my service as executive director, and I’m very proud to have been a part of that journey.
TAB - F
During its meeting in December 2012, The Council of State Governments’ Governing Board adopted revisions to CSG’s Articles of Organization. Among the changes was the adoption of a new three-tiered governance structure. Composed of a large Governing Board, an enhanced Executive Committee and a new Leadership Council, this revised governance model enables CSG to simultaneously engage a larger and more diverse segment of state officials while providing for a more agile member response to pressing issues impacting the organization.

The CSG Leadership Council is a core group of 17 leaders from across the larger CSG organization and includes not only CSG’s national officers, but also the leaders from each of CSG’s four regions, representatives from CSG’s affiliate organizations and leaders from CSG’s key standing committees.

- CSG National Chair
- CSG National President
- CSG National Chair-Elect
- CSG National Vice Chair
- CSG Immediate Past National Chair
- CSG Immediate Past National President
- CSG Regional Chair or their designees; one from each of CSG’s four regions
- One member appointed by the National Lieutenant Governors Association
- One member appointed by the National Association of State Treasurers
- One member appointed by and representing CSG’s Affiliated organizations
- Chair of the CSG Justice Center Board of Directors or designee
- One CSG Finance Committee member appointed by the CSG National Chair
- One CSG Intergovernmental Affairs Committee member appointed by the CSG National Chair
- One CSG Interbranch Affairs Committee member appointed by the CSG National Chair

The CSG Leadership Council is tasked with overseeing the more immediate functions of CSG, such as:

- Establishing the terms and conditions of employment for the CSG Executive Director and providing for his/her annual performance evaluation
- Administering and overseeing the implementation of official policies, acquiring and disposing of interest in real property, and confirming or canceling legal contracts
- Authorizing the initiation, defense or settlement of legal claims, and providing a report to the CSG Executive Committee
- Considering and approving interim statements of policy, subject to review of the CSG Executive Committee
- Creating policy committees and designating members of such committees to advance the mission of CSG
- Be responsible for organization-wide strategic planning, including CSG’s mission, branding, scope of services, biennial workplan, products, and programming, and providing a report to the CSG Executive Committee
- Considering and approving interim changes to the annual operating budget, subject to approval of the CSG Executive Committee
- Adopting guidelines for the affiliation of associations with CSG
- Reviewing appropriate financial reports including CSG’s IRS Form 990 prior to filing and all reports of auditors
- Taking other necessary interim actions to govern CSG, subject to review by the CSG Executive Committee
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The conversation about CSG’s governance structure and processes began during the Executive Committee meeting in June 2011 and quickly emerged as a priority for then CSG National Chair Rep. Bob Godfrey of Connecticut.

“Since our founding in 1933, CSG has seen unprecedented change in America’s states, and today’s fiscal and policy challenges require us as an organization to look inward and reflect on the ways CSG can better connect with state leaders around the country as they wrestle with these tough issues,” said Godfrey.

Following the June meeting, a National Governance Working Group was created to examine key ways CSG could advance its mission through enhancements to its governance structure. The National Governance Working Group was composed of members from across the broader CSG organization, including state officials from each of CSG’s regions as well as representatives from CSG’s Affiliate and Associate communities.

Meeting twice in late 2011, and continuing its work throughout 2012, the National Governance Working Group established broad goals for enhancing CSG’s governance model, including:

- An enhanced role for the judicial branch in CSG’s leadership and governance structure, affirming CSG’s interbranch mission
- An expanded Governing Board whose membership would include all governors, majority and minority legislative leaders, and all chief judges in member jurisdictions
- An Executive Committee tasked with major oversight of CSG activities including budget and major policy decisions
- An agile and responsive Leadership Council charged with casting the strategic vision for CSG and acting, along with CSG’s senior staff leaders, as a “quick reaction force” to urgent organizational matters
- Codification of many CSG practices into officially sanctioned processes, including the regional rotation of CSG’s leadership

In early 2012 a Governance Drafting Team was developed to put pen to paper on the Working Group’s broad recommendations and met several times to craft a revised set of CSG governance documents. Following these meetings – and with oversight from the larger Working Group – the Drafting Team made significant progress on adjustments to CSG’s governance structure and processes. During the CSG Executive Committee meeting in May 2012, the Working Group submitted its draft revisions to the CSG leadership for review.

Following this session, Drafting Team members also met with leaders from each of CSG’s regions during their annual meetings during the summer of 2012. These sessions provided valuable insights into the proposed changes and Drafting Team members made several modifications to the proposal based on this feedback.

Working Group/Drafting Team
During the CSG Executive Committee meeting in June 2011, CSG leaders authorized then CSG National Chair Rep. Bob Godfrey to create a special national working group to examine CSG’s governance model and offer recommendations for enhancing CSG’s engagement with state leaders.

- Chair Godfrey appointed the following members to serve on the new national working group:
  - Albert Ashwood, director, Oklahoma Department of Emergency Management
  - Rep. Pat Colloton, Kansas House of Representatives
  - Sen. Bart Davis, Idaho Senate Majority Leader
  - Sen. Jay Emile, Kansas Senate Majority Leader
  - Deputy Speaker Bob Godfrey, Connecticut House of Representatives
  - Pat Hayes, The Procter & Gamble Company
  - Nancy Hublar, Golden Living
  - Treasurer James Lewis, State of New Mexico
  - Randy Morris, Bureau Chief, Dept. of Administration, Div. of State Personnel, Montana
  - Sen. Mark Norris, Tennessee Senate Majority Leader
  - Sen. Curren Price, California State Senate
  - Chief Justice Nancy M. Saitta, Nevada Supreme Court
  - Senate President Gary Stevens, Alaska State Senate
  - Paul White, 1991 CSG Chair

Recommendations from the working group were considered by a drafting team appointed over the winter of 2011–12. The drafting team is composed of:

- Rep. Pat Colloton, Kansas House of Representatives
- Sen. Bart Davis, Idaho Senate Majority Leader
- Sen. Jay Emile, Kansas Senate Majority Leader
- Deputy Speaker Bob Godfrey, Connecticut House of Representatives
- Treasurer James Lewis, State of New Mexico
- Sen. Mark Norris, Tennessee Senate Majority Leader
- Sen. Gary Stevens, Alaska Senate President
ARTICLE I
NAME, PURPOSE & MEMBERSHIP

SECTION 1
Name, Principal Office, Registered Agent
The name of this organization is The Council of State Governments (“CSG”). CSG will maintain its headquarters office in Lexington, Kentucky. CSG’s registered agent at that address will be its Executive Director.

SECTION 2
Purpose
The Council of State Governments, the multi-branch organization of the states and U.S. territories, champions excellence in state government, bringing state leaders from across the nation and through its regions together to put the best ideas and solutions into practice. To this end, CSG: builds leadership skills to improve decision-making; advocates multistate problem-solving and partnerships; fosters collaboration and understanding among and between the branches of government; interprets changing national and international conditions to better prepare states for the future; advances the exchange of ideas and information among state governments and their subnational counterparts in other countries; provides opportunities for public- and private-sector leaders to interact on public policy issues; and promotes the sovereignty of the states and advocates their interests in the American federal system. CSG is organized exclusively for charitable, religious, educational, and scientific purposes as permitted under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code and will be operated as such. No part of the net earnings of CSG will inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that CSG will be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in these Articles.

SECTION 3
Membership
The membership of CSG will comprise the states of the United States, District of Columbia, Commonwealth of Puerto Rico, Territory of American Samoa, Territory of Guam, Territory of the U.S. Virgin Islands, and Commonwealth of the Northern Mariana Islands, hereinafter referred to as member jurisdictions. Wherever the word “state” or “states” appears herein, it will be meant to reference a state, commonwealth, federal district and/or territory.

SECTION 4
Participation by Member Jurisdictions
CSG, as the community of the states, respects and acknowledges the authority of state leaders to determine and appoint delegates to represent their jurisdiction on the CSG Governing Board, CSG Executive Committee, CSG Leadership Council, CSG’s Standing Committees and CSG’s Public Policy Committees.

The following state leaders will be recognized as the appropriate authorities responsible for making such appointments:

A. Executive Branch—governor of each member jurisdiction or other state-wide elected official whose jurisdiction covers the appointed participant;
B. Legislative Branch—the highest ranking legislative leader elected by each legislative chamber from each member jurisdiction; and
C. Judicial Branch—the highest ranking judicial official from each member jurisdiction.

SECTION 5
International Partners
Subnational state, provincial or territorial governments in other countries may, subject to the review, approval and conditions set by the CSG Executive Committee, participate with CSG as “International Partners.”

SECTION 6
Authority, Procedures and Rules
CSG will conduct its business in accordance with these Articles and other authorized governance documents. In all other respects, the CSG Governing Board, the CSG Executive Committee, the CSG Leadership Council and CSG’s Standing Committees and Public Policy Committees will adhere to Robert’s Rules of Order when conducting business. Relying on Robert’s Rules of Order, CSG’s General Counsel or other designee of the CSG Executive Director will serve as Parliamentarian.

ARTICLE II
FUNCTIONS

SECTION 1
Functions
CSG will be a community of the states. Its function will be to enhance the governance of its member jurisdictions by serving as a neutral, non-partisan convener of state officials and provide forums for a diverse, civil and productive engagement among state leaders of all political parties and ideological perspectives. To that end, CSG will, to the extent its resources allow:

A. Serve as a catalyst to express the views of the member jurisdictions on matters of major concern, including state-federal issues;
B. Act as a coordinating agency to analyze legislation and programs of the federal government and for advancing the role of the member jurisdictions in state-federal relations;
C. Work in concert with organizations of city, county, and state officials and with federal agencies for effective intergovernmental and interbranch cooperation;
D. Engage in research on major issues and challenges facing state government and develop programs to enhance governance of the member jurisdictions;
E. Study techniques of state administration in order to improve governmental processes and administrative management;
F. Arrange and convene meetings and provide other services requested by legislators, executive officials, judicial officials,
and commissions on interstate and interbranch cooperation, and their staff;  

G. Promote more effective regional cooperation, the development of programs of mutual interest to adjacent member jurisdictions, and the solution of problems common to an area;  

H. Provide programs for the training and development of state officials, legislators, judges;  

I. Gather, analyze, and disseminate information, including data on governmental policies, innovations, practices, legislation, transformations, and other items of interest to member jurisdictions;  

J. Serve as a resource for affiliated organizations, legislative service agencies of the member jurisdictions, and the news media; and  

K. Act as a catalyst for cooperation of member jurisdictions with foreign governments and their political subdivisions.

ARTICLE III  
CSG GOVERNING BOARD  

SECTION 1  
Membership  
The CSG Governing Board will be composed of the fifty-six member jurisdictions represented by the following delegates from each member jurisdiction:  

A. Executive—the Governor.  

B. Legislative—  

1. the two highest ranking majority party legislative leaders and the highest ranking minority party legislative leader of each legislative chamber from each member jurisdiction or their designees; or  

2. the legislative leader, or their designee, plus five legislators designated by the legislative leader in member jurisdictions with a non-partisan, unicameral legislature; or  

3. the legislative leader, or their designee, plus two legislators designated by the legislative leader in a legislative chamber that lacks majority and/or minority parties.  

C. Judicial—the highest ranking judicial official.  

D. All other CSG Executive Committee members entitled to vote.  

SECTION 2  
Term, Appointments and Vacancies  
CSG Governing Board appointments will be made biennially for a two-year term beginning January 1 of odd numbered years. Delegates to CSG’s Governing Board serve at the pleasure of their designated appointing authority.  

SECTION 3  
Voting and Quorum  
In any action of the CSG Governing Board, the votes will be taken by member jurisdiction, with each member jurisdiction having one vote. A quorum will consist of thirty member jurisdictions present and voting. No member jurisdiction or delegate thereof may vote by a proxy. A member jurisdiction will be considered present for purposes of calculating a quorum if at least one delegate of that jurisdiction is present and eligible to vote. A member jurisdiction’s vote on any matter will be determined by a majority vote of that jurisdiction’s delegates present and voting.  

SECTION 4  
Meetings  
The CSG Governing Board will be convened at the call of the CSG Executive Committee, or upon written request from CSG Governing Board members representing no fewer than thirty member jurisdictions. The CSG Governing Board will not act on any motion without prior written notice to all member jurisdictions.  

SECTION 5  
Powers and Duties  
The CSG Governing Board will have sole jurisdiction over the dissolution of CSG or its corporate merger with another entity. The CSG Executive Committee may refer other issues to the CSG Governing Board for consideration. No other matters will be in order.  

ARTICLE IV  
CSG EXECUTIVE COMMITTEE  

SECTION 1  
Membership  
The CSG Executive Committee will be composed of the following persons:  

A. CSG National Chair, CSG National President, CSG National Chair-Elect, CSG National President-Elect, CSG National Vice Chair, CSG National Vice President, CSG National Immediate Past Chair and CSG National Immediate Past President.  

B. The chairs and immediate past chairs of each of CSG’s four regions.  

C. Eight Legislators, two from each of CSG’s four regions, designated by the region’s governing authority.  

D. One Chief Justice of a member jurisdiction.  

E. One state court administrator of a member jurisdiction.  

F. Two Lieutenant Governors or other official second in line of gubernatorial succession designated by the National Lieutenant Governors Association.  

G. Two Secretaries of State designated by the National Association of Secretaries of State.  

H. Two State Treasurers designated by the National Association of State Treasurers.
I. Two Attorneys General designated by the National Association of Attorneys General.
J. Four Legislators designated by the National Conference of State Legislatures.
K. The chair or co-chairs of each CSG Standing and Public Policy Committee.
L. Two members of the board of directors of the CSG Justice Center, as designated by the chair of the CSG Justice Center Board of Directors.
M. Two representatives from CSG’s Affiliate organizations, from among those CSG Affiliates not otherwise represented on the CSG Executive Committee, appointed by the CSG National Chair.
N. One member of state legislative staff from each of CSG’s four regions appointed by that region’s governing authority.
O. All CSG Past National Chairs and CSG Past National Presidents, so long as they are an elected or appointed state official.
P. The CSG National Chair may appoint up to ten additional elected or appointed state officials in order to enhance diversity, inclusion, geographic or partisan balance.
Q. The CSG National Chair may appoint up to two non-voting representatives from among CSG’s International Partners.

SECTION 2
Term, Appointments and Vacancies
Appointments to the CSG Executive Committee will be for a one-year term, beginning January 1. Persons, organizations or other entities responsible for appointing persons to the CSG Executive Committee will make such appointments no later than April 1 of each year. The CSG National Chair may extend this deadline when warranted. Delegates to CSG’s Executive Committee serve at the pleasure of their appointing authority.

SECTION 3
Officers and Authority
The officers of CSG will include the CSG National Chair, CSG National Chair-Elect, CSG National Vice Chair, CSG Immediate Past National Chair, CSG National President, CSG National President-Elect, CSG National Vice President, and CSG Immediate Past National President. All CSG officers will serve as officers of CSG’s Governing Board, CSG’s Executive Committee, and CSG’s Leadership Council.

A. Qualifications: The CSG National Chair, CSG National Chair-Elect, CSG National Vice Chair, and CSG Immediate Past National Chair will be incumbent legislators representing CSG member jurisdictions. The CSG National President, CSG National President-Elect, CSG National Vice President, and CSG Immediate Past National President will be incumbent governors or other jurisdiction-wide elected officials representing CSG member jurisdictions.

B. Terms of Office: All officers will serve one-year terms beginning on January 1.

C. Nominations and Elections: The offices of CSG Immediate Past National Chair and CSG Immediate Past National President will be filled by automatic succession. All other CSG officers will be elected annually by the CSG Executive Committee during the CSG National Annual Meeting, or at such other time as designated by the CSG Executive Committee. Written notice of any alternate date will be provided to the CSG Executive Committee at least thirty days in advance. Candidates for election to serve as CSG officers will be nominated by the CSG Leadership Council, as provided herein. The CSG Leadership Council will forward to the CSG Executive Committee a nominee for each national office. A CSG Executive Committee member may submit other nominations with at least three calendar days prior written notice to the CSG National Chair and CSG National President so long as such nominees are from the same CSG region as the nominee of the CSG Leadership Council.

D. Regional Nomination and Rotation of Legislative Officers: The regional designation of a nominee for CSG National Chair, National Chair-Elect and National Vice Chair will rotate annually in the following order, beginning January 1, 2013: National Chair—CSG-West; National Chair-Elect—CSG-South; National Vice Chair—CSG-East, and Immediate Past National Chair—CSG-Midwest. The appropriate CSG region will designate a qualified nominee from among its member jurisdictions to serve as the next CSG National Vice-Chair in accordance with its own rules, provided such designation is made at least two weeks prior to the CSG Executive Committee meeting at which consideration of such nomination is scheduled. The designated nominee will be nominated by the CSG Leadership Council to the CSG Executive Committee. In the event that a CSG region fails to timely recommend a nominee, the CSG Leadership Council will nominate a candidate from that region after consulting with that region’s officers. CSG officers serving in the positions of CSG National Chair-Elect and CSG National Vice Chair will be nominated by the CSG Leadership Council for election to the positions of CSG National Chair and CSG National Chair-Elect, respectively.

E. Vacancies: In the event that a CSG officer or nominee resigns, is ineligible or declines to serve, the office held or nomination will be vacated. In the event of a vacancy in the office of CSG National Chair, the duties of CSG National Chair will be performed by the officer next in line of succession. In the event of a vacancy in the office of CSG National President, the duties of CSG National President will be performed by the officer next in line of succession. In the event of a vacancy in the office of CSG National Chair-Elect or CSG National Vice Chair, the CSG Leadership Council will request that the appropriate region designate a nominee to fill the vacancy, in accordance with its own rules. A nominee designated by the region will be reported to, and nominated by, the CSG Leadership Council.

F. Removal from Office: With prior written notice and an opportunity to be heard, any CSG officer may be removed from office by a two-thirds vote of the members present and voting at any CSG Executive Committee meeting.

SECTION 4
Duties of Officers
The CSG National Chair will preside at all meetings of the CSG Executive Committee and CSG Leadership Council. The CSG National Chair-Elect will serve as CSG Acting National Chair in the absence of the CSG National Chair. In the absence of the CSG
National Chair and CSG National Chair-Elect, the CSG National Vice Chair will serve as CSG Acting National Chair. The CSG National President will preside at meetings of the CSG Governing Board, maintain general responsibility for CSG’s Annual Meeting, and represent CSG at regional or national meetings. The CSG National President-Elect will serve as CSG Acting National President in the absence of the CSG National President. In the absence of the CSG National President and CSG National President-Elect, the CSG National Vice President will serve as CSG Acting National President. In the absence of the CSG National President, CSG National President-Elect, and CSG National Vice President, the CSG National Chair, CSG National Chair-Elect or the CSG National Vice Chair may perform the functions of the CSG National President. In the absence of the CSG National Chair, CSG National Chair-Elect or the CSG National Vice Chair, the CSG National President, CSG National President-Elect or the CSG National Vice President may perform the functions of the CSG National Chair. The CSG National officers will perform such other duties as approved by the CSG Governing Board, CSG Executive Committee, CSG Leadership Council and these Articles.

SECTION 5  
**Voting and Quorum**

A quorum for the purpose of conducting business will consist of those members present; except, a quorum for the purpose of adopting policy resolutions, adjusting member jurisdiction dues, imposing sanctions for non-payment of dues, convening the CSG Governing Board, reassigning a member jurisdiction from one region to another and reversing an action of the CSG Leadership Council will consist of twenty-five members of the CSG Executive Committee. No votes may be cast by proxy.

SECTION 6  
**Meetings**

The CSG Executive Committee will meet at the call of the CSG National Chair, but at least once annually, or upon a written request from at least twenty-five CSG Executive Committee members, either in person or by sanctioned electronic means. The CSG Executive Committee will not meet without prior written notice to the members.

SECTION 7  
**Powers and Duties**

Except as otherwise provided in these Articles, the CSG Executive Committee will have general authority over the funds, property, and management of CSG, including to:

A. Establish ‘Policy Resolution Guidelines’ prescribing the types and nature of policy resolutions or statements that place CSG on public record with regard to a matter of local, state or federal policy. All CSG policy statements and resolutions not updated or renewed within three years from the date of adoption will expire, unless an earlier expiration is otherwise provided in the policy statement or resolution;

B. Consider, approve or rescind statements of policy that represent the official policy position of CSG;

C. Consider, approve or rescind statements of policy adopted on an interim basis by the CSG Leadership Council;

D. Consider, adopt or amend CSG’s annual operating budget and review and approve all interim budget decisions made by the CSG Leadership Council;

E. Adopt financial management rules governing the submission of budget recommendations, investment of CSG funds and financial controls;

F. Determine an equitable dues allocation formula for the member jurisdictions, advocate for the payment thereof and impose appropriate sanctions on any non-dues paying member jurisdictions;

G. Appoint and assign responsibilities to the CSG Executive Director;

H. Amend the regional structure of CSG as provided herein;

I. Consider and approve the terms and conditions of participation by foreign nations and their political subdivisions;

J. Consider and approve the terms and conditions of participation by private-sector entities and their representatives;

K. Call meetings of the CSG Governing Board;

L. Delegate to the CSG Leadership Council, for a time certain, authority to exercise CSG Executive Committee powers; and

M. Veto any action authorized or undertaken by the CSG Leadership Council, except as provided under Article V, Section 3. All powers, functions, and duties not otherwise delegated herein, are reserved to the CSG Executive Committee.

SECTION 8  
**CSG Executive Director**

A. Responsibilities: The CSG Executive Director:

1. Serves as the chief executive officer of CSG responsible for all management functions. The CSG Executive Director is responsible for directing CSG activities and programs, including day-to-day operations of CSG, and carrying out CSG’s strategic mission under the direction of CSG’s officers, the CSG Leadership Council, the CSG Executive Committee and the CSG Governing Board.

2. Serves as the Secretary of CSG and will designate a Treasurer for CSG.

3. Establishes, pursuant to Article IX, the terms and conditions of an affiliation by and between CSG and another association provided the mission and purpose of that association is compatible with and advances the mission and purpose of CSG.

4. Serves as CSG’s staff liaison to other associations of state and local government officials.

5. Serves as President of CSG’s 21st Century Foundation.

6. Employs, discharges and establishes the terms and conditions of employment of all CSG employees, except CSG Regional Directors and Affiliate Directors and employees of same.

7. Establishes, after consultation with the Regional Directors and the directors of CSG’s affiliated organizations, the human resource policies for all CSG employees, and establishes the financial, accounting, information technology and other administrative policies and procedures for CSG.
B. Appointment and Compensation: The CSG Leadership Council will establish the terms and conditions of the employment contract for the CSG Executive Director and provide for the annual performance evaluation of the CSG Executive Director. Any action to employ or discharge a CSG Executive Director will require the affirmative vote of at least two-thirds of the members of the CSG Leadership Council. A CSG Leadership Council action to employ or discharge the CSG Executive Director will be conveyed in writing to the members of the CSG Executive Committee and the CSG Executive Committee may amend, repeal or affirm such action upon a majority vote.

C. Deputy Executive Directors: The Regional Director of each CSG region will also serve as a Deputy Executive Director of CSG. In this role they will consult and collaborate with the CSG Executive Director in support of the mission and goals of CSG. The CSG Executive Director may appoint such other Deputy Executive Directors as appropriate.

ARTICLE V
CSG LEADERSHIP COUNCIL

SECTION 1
Membership
The CSG Leadership Council will be composed as follows:
A. CSG National Chair
B. CSG National President
C. CSG National Chair-Elect
D. CSG National Vice Chair
E. CSG Immediate Past National Chair
F. CSG Immediate Past National President
G. CSG Regional Chair or their designees; one from each of CSG’s four (4) regions
H. One member appointed by the National Lieutenant Governors Association
I. One member appointed by the National Association of State Treasurers
J. One member appointed by and representing CSG’s Affiliated organizations
K. Chair of the CSG Justice Center Board of Directors or designee
L. One CSG Finance Committee member appointed by the CSG National Chair
M. One CSG Intergovernmental Affairs Committee member appointed by the CSG National Chair
N. One CSG Interbranch Affairs Committee member appointed by the CSG National Chair

SECTION 2
Term, Appointments and Vacancies
CSG Leadership Council appointments will be made annually for a one-year term, beginning on January 1. Persons, organizations or other entities responsible for appointing persons to the CSG Leadership Council will make such appointments no later than February 1 of each year. The CSG National Chair may extend this deadline when warranted. Members of CSG’s Leadership Council serve at the pleasure of their appointing authority. Members of CSG’s Leadership Council shall carry out their duties as leaders of CSG and exercise such duties not as a representative of their appointing authority, but in the best interests of CSG.

SECTION 3
Exclusive Powers and Duties
The CSG Leadership Council will establish the terms and conditions of the employment contract for the CSG Executive Director and provide for the annual performance evaluation of the CSG Executive Director.

SECTION 4
Provisional Powers and Duties
The CSG Leadership Council will:
A. Establish the official policies, approve the acquisition, transfer or sale of any interest in real property, and confirm or cancel legal contracts or obligations referred to it by the CSG Executive Director. Such actions will be reported to the CSG Executive Committee within three business days by the CSG Executive Director and the CSG Executive Committee may, by a majority vote, reverse such a decision by the CSG Leadership Council within ten business days of receiving the report; and
B. Authorize the initiation, defense or settlement of legal claims or potential legal claims. Such actions will be reported to the CSG Executive Committee within three business days by the CSG Executive Director and the CSG Executive Committee may, by a majority vote, reverse such a decision by the CSG Leadership Council within ten business days of receiving the report;

SECTION 5
Other Powers and Duties
The CSG Leadership Council will:
A. Consider and adopt any interim statements of policy which will expire at the next meeting of the CSG Executive Committee unless affirmed by the CSG Executive Committee;
B. Create Public Policy Committees as may be necessary to advance the mission of CSG;
C. Engage in strategic planning, including approval of CSG’s mission and vision. The CSG Leadership Council will establish strategic priorities for CSG’s products, programs and services, and provide a report to the CSG Executive Committee;
D. Consider and approve interim changes to the annual operating budget, subject to approval of the CSG Executive Committee;
E. Adopt guidelines for the affiliation of associations with CSG;
F. Review appropriate financial reports including CSG’s IRS Form 990 prior to filing and all reports of auditors; and
G. Take other interim actions necessary to govern CSG, subject to review by the CSG Executive Committee.
SECTION 6
Voting
Each member of the CSG Leadership Council will be entitled to one vote. No vote may be cast by a proxy.

SECTION 7
Meetings
The CSG Leadership Council will meet at the call of the CSG National Chair or upon the petition of one-third of its members, either in person or by sanctioned electronic means.

SECTION 8
Quorum
A majority of the members will constitute a quorum for conducting business of the CSG Leadership Council.

ARTICLE VI
CSG STANDING AND PUBLIC POLICY COMMITTEES

SECTION 1
Standing Committees
A. To conduct business on behalf of the organization and to fulfill its purpose, CSG will maintain the following the Standing Committees:

1. Finance Committee: The Finance Committee will monitor the fiscal affairs of CSG, review the financial implications of proposed plans before implementation, and recommend an annual budget and schedule of state appropriations to the CSG Executive Committee. In its role of providing financial oversight, the Finance Committee serves as fiduciary, maintaining financial management rules for CSG. The membership of the Finance Committee will include public-sector members only and will consist of: the chair and chair elect (or vice chair in regions having no chair elect) of each CSG region; one member from each region designated by the chair of each region; four members at large designated by the CSG National Chair; up to four members of CSG Affiliate organizations represented on the CSG Executive Committee to be designated by the CSG National Chair; two advisors (non voting), one each representing the executive and legislative branches of state government; and a chair and vice chair of the Finance Committee to be designated by the CSG National Chair and CSG National Chair-Elect.

2. Intergovernmental Affairs Committee: the Intergovernmental Affairs Committee will review and monitor major intergovernmental issues and relevant court cases and decisions impacting the states. The Intergovernmental Affairs Committee will review all policy positions or decisions impacting the states. The Intergovernmental Affairs Committee will review and monitor major intergovernmental issues and relevant court cases and decisions impacting the states. The Intergovernmental Affairs Committee will periodically review and update its resolutions and policy statements and request other committees to review and update theirs as necessary. The membership of the Intergovernmental Affairs Committee will be appointed bi-annually by the CSG National Chair, and will include two members from each CSG region and one member from each CSG affiliate organization. Membership may include non-voting private-sector representatives from CSG’s Associates Program and non-voting representatives from CSG International Partners as designated by the CSG National Chair. The CSG National Chair, in consultation with the CSG National Chair-Elect, will appoint two Intergovernmental Affairs Committee Co-Chairs or a Chair and Vice Chair.

3. Interbranch Affairs Committee: the Interbranch Affairs Committee will review and monitor major interbranch issues and seek to foster collaboration and understanding among and between the branches of state government. The membership of the Interbranch Affairs Committee will be appointed bi-annually by the CSG National Chair in consultation with the CSG Leadership Council and will include public-sector members from CSG member jurisdictions and may include non-voting representatives from International Partners as designated by the CSG National Chair. The CSG National Chair, in consultation with the CSG National Chair-Elect, will appoint three Interbranch Affairs Committee Co-Chairs, one from each branch of state government.

4. Suggested State Legislation (SSL) Committee: With the goal of sharing innovations in state governance, the SSL Committee will identify, review and disseminate state legislation on topics of major interest. The consideration or dissemination of such legislation will not constitute an endorsement nor will CSG advocate for the enactment of any such legislation in any member jurisdictions. The SSL Committee's membership will include public-sector members only and will include one member from each legislative chamber in each member jurisdiction; or two legislative members from a unicameral legislature; and one legislative staff member from each member jurisdiction appointed by the CSG National Chair from recommendations of the appropriate legislative appointing authorities in the member jurisdictions. The CSG National Chair and CSG National Chair-Elect will appoint the SSL Committee Co-Chairs or one Chair and Vice Chair. The Chair or Co-Chairs will be legislators and the Vice Chair will be legislative staff. Five members present and voting will constitute a quorum for conducting business of the SSL Committee. Any replacement of a SSL Committee member by a member jurisdictions legislative appointing authority or the appointment of a proxy will be made no later than two weeks prior to the date of any SSL Committee meeting for that member to be eligible to participate at that meeting.

5. National Meetings Committee: The National Meetings Committee will coordinate and recommend the dates and locations for CSG’s national meetings. The National Meetings Committee will seek bids from member jurisdictions to host a meeting at least one year, and preferably two to three years, in advance and make recommendations to the CSG Executive Committee
for future sites and dates of CSG national meetings. The membership of the National Meetings Committee will be appointed by the CSG National Chair and will include, but is not limited to, the CSG National President and CSG National Chair, representatives of the three past host jurisdictions, one representative from each of CSG’s four regions and non-voting representation from CSG’s Associates Program. The CSG National Chair, in consultation with the CSG National Chair-Elect, will appoint the National Meetings Committee Co-Chairs or Chair and Vice Chair. Committee members representing a member jurisdiction competing for selection will not be eligible to vote on any question arising in the course of such consideration.

6. International Committee: The International Committee will be responsible for coordination and development of activities in the international arena of importance to U.S. states. Those activities will include, as appropriate, coordination of exchanges and discussions between U.S. state and foreign government officials; development and oversight of research and other projects involving international issues and concerns; coordination of international activities involving more than one CSG region or affiliate; and development of special meetings and symposia on appropriate international issues of importance to state governments. Membership of the International Committee will consist of legislators and other elected and appointed state officials from all areas of the United States, appointed by the CSG National Chair and to include members from all CSG regions. Membership may also include non-voting representatives from CSG’s Associates Program. All CSG International Partners designated by the CSG Executive Committee will be entitled to one voting member on the International Committee as appointed by the highest elected official of that subnational government and subject to approval by the CSG National Chair. The CSG National Chair, in consultation with the CSG National Chair-Elect, will appoint the International Committee Co-Chairs or Chair and Vice Chair. Members of the CSG Global Associates Program will serve as non-voting members.

7. CSG Associates Advisory Committee: The CSG Associates Advisory Committee will work to marshal private-sector support of CSG’s mission of service to the states. It will cultivate meaningful partnerships between CSG and private-sector entities and promote excellence in state government and sound public policy. The Committee will be chaired by the CSG National Chair-Elect and the CSG Immediate Past National Chair will serve as Vice Chair. The CSG National Chair, in consultation with the CSG National Chair-Elect, will appoint the members of the committee. All members of the committee will be entitled to one vote on matters coming before the committee. A majority of the committee members will be public-sector representatives of member jurisdictions.

B. Standing Committee Membership: Unless otherwise noted or provided for by the CSG Executive Committee, only representatives from CSG member jurisdictions will be eligible to serve on CSG Standing Committees. Appointments to CSG Standing Committees will be made biennially for a two-year term beginning January 1, and, provided all appointees serve at the pleasure of their appointing authority. Appointments to a CSG Standing Committee made during the two-year term will expire at the conclusion of the biennium. A proxy may be recognized upon written authorization from the appropriate state appointing authority. In order to be valid, such proxy must be presented to the appropriate Standing Committee Chair or Co-Chairs prior to the call to order of any meeting. CSG does not recognize proxies granted solely by Standing Committee members. CSG’s National Officers, Past National Chairs and CSG Past National Presidents will be ex officio, voting members of all CSG Standing Committees so long as they remain a state official. CSG’s National Officers, CSG Past National Chairs and CSG Past National Presidents not in attendance at a CSG Standing Committee meeting will not be included when counting to determine the presence of a quorum.

C. Standing Committee Voting and Quorum: Except as otherwise noted in this Article, each member of a CSG Standing Committee will be entitled to one vote. No vote may be cast by a proxy. At any meeting of a CSG Standing Committee the presence (either physical or through sanctioned electronic means) of Committee members representing greater than one-fourth of the total CSG member jurisdictions with appointments to the Committee will constitute a quorum.

D. Standing Committee Meetings and Notice: CSG Standing Committees will meet on the call of the Standing Committee Chair or Co-Chairs or the CSG National Chair. All Standing Committee members will be provided two-weeks notice of any proposed policy positions or resolutions to be considered at a meeting of the committee. No Standing Committee may waive the two week prior notification rule.

SECTION 2
Public Policy Committees
The CSG Leadership Council, subject to the review of the CSG Executive Committee, will create such Public Policy Committees and designate such members to committees as may be necessary to advance the mission of CSG. Public Policy Committees will exist for the biennium, unless renewed.

A. Public Policy Committee Membership: CSG Public Policy Committee membership may include both public-sector representatives from CSG’s member jurisdictions, non-voting representatives from CSG’s International Partners and private-sector, non-voting representatives from CSG’s Associates Program. Public-sector appointments to CSG Public Policy Committees will be made biennially for a two-year term provided all appointees serve at the pleasure of the appropriate state appointing authority. Appointments to a CSG Public Policy Committee made during the two-year term will expire at the conclusion of the biennium. Terms of private-sector members will be for one-year. Private-sector membership on any Public Policy Committee may not exceed twenty-five percent of the total committee membership roster. A public-sector member’s proxy may be recognized upon written authorization from the appropriate state appointing authority. In order to be valid, such a proxy must be presented to the appropriate Public Policy
Committee Chair or Co-Chairs prior to the call to order of any meeting. CSG does not recognize proxies granted solely by Public Policy Committee members. Private-sector non-voting representatives to Public Policy Committees will be appointed by the CSG National Chair from among the members in good standing of CSG's Associates Program. CSG's National Officers, Past National Chairs and CSG Past National Presidents will be ex officio, voting members of all CSG Standing Committees so long as they remain a state official. CSG's National Officers, CSG Past National Chairs and CSG Past National Presidents not in attendance at a CSG Standing Committee meeting will not be included when counting to determine the presence of a quorum.

B. Policy Committee Voting and Quorum: Except as otherwise noted in this Article, each public-sector member of a CSG Public Policy Committee will be entitled to one vote. At any meeting of a CSG Public Policy Committee the presence (either physical or through sanctioned electronic means) of public-sector committee members representing greater than one-fourth of the total CSG member jurisdictions with appointments to the committee will constitute a quorum.

C. Public Policy Committee Meetings and Notice: CSG Public Policy Committees will meet at the call of the Public Policy Committee Chair or Co-Chairs or the CSG National Chair. All Public Policy Committee members will be provided two-weeks notice of any proposed policy positions or resolutions to be considered at a meeting of the committee. No Public Policy Committee may waive the two week notification rule.

ARTICLE VII

REGIONAL ORGANIZATION

SECTION 1

CSG Regions

CSG will have four regions to foster a greater understanding of issues unique to each region and to provide a regionally based forum for state officials. Each region will be governed by a governing authority established pursuant to that region's enacted governing documents. A region may exercise such duties and powers not in conflict with or otherwise prohibited in these Articles.

SECTION 2

Regional Rules

A. Each CSG region will adopt governing rules including:
   1. Purpose Statement
   2. Membership
   3. Officers and Elections
   4. Executive Committee
   5. National Leadership Nomination Process
   6. Committees
   7. Policy Resolution Process
   8. Meetings

   9. Regional Director, Staff and Annual Evaluations
   10. Amendment Process

B. Each CSG regional governing authority will annually approve a budget for the region which will be timely submitted to the CSG Executive Director.

SECTION 3

Regional Director

The Regional Director is an at-will employee of CSG and serves at the pleasure of the regional governing authority as specified in that region's governing documents.

A. Responsibilities: Each region's Regional Director:
   1. Is responsible for directing regional activities and programs, including day-to-day operations of that region.
   2. Will serve as a Deputy Executive Director of CSG.
   3. Employs and discharges other CSG employees of that region.

B. Appointment, Compensation and Review: Each CSG region will, pursuant to that region's governing documents:
   1. Appoint and assign responsibilities to a Regional Director.
   2. Annually review the performance of a Regional Director and provide its written review to CSG's human resources director.
   3. Establish compensation for a Regional Director pursuant to CSG's human resource policies.

SECTION 4

Regional Composition

Regions of CSG will comprise the following member jurisdictions:


B. CSG Midwest: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin.

C. CSG South: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, West Virginia.


SECTION 5

Amendments to Regional Structure

The regional structure defined in Article VII, Section 4 will not be amended except by the affirmative vote of two-thirds of the members present and voting at a meeting of the CSG Executive Committee, as specified in Article IV, Section 5. A motion to reassign a member jurisdiction from one region to another will be in order only if endorsed in writing by that member jurisdiction’s...
Governor, and the highest legislative leader elected by each legislative chamber. Written notice of any proposed amendment to Article VII, Section 4 will be provided to all CSG Executive Committee members at least thirty days prior to the meeting during which the amendment is to be considered. The proposed amendment may not thereafter be further amended without similar written notice and endorsements, except by a vote of two-thirds of the members present and voting.

SECTION 6
Regional Organization and Services
The regions may render assistance to regionally focused organizations in partnership with CSG, be of assistance to individual member jurisdictions comprising the regions, and perform such other duties to advance the mission of CSG. The enumeration of member jurisdictions by regions in Article VII, Section 4 will not preclude cooperation among member jurisdictions in different regions, and regional office support to such groups of member jurisdictions will be allowed.

SECTION 7
Regional Annual Meetings
With the goal of avoiding conflicting regional annual meeting dates, the dates of each regional annual meeting will be coordinated in advance with the CSG Executive Director.

ARTICLE VIII
CSG JUSTICE CENTER

SECTION 1
Purpose
CSG will have a Justice Center whose purpose is to provide information and assistance to member jurisdictions on criminal justice and public safety matters and to advance the mission of CSG. The CSG Justice Center will be governed by a governing authority established pursuant to governing documents enacted by the CSG Justice Center with the approval of CSG’s Executive Committee. The CSG Justice Center may exercise such duties and powers not otherwise in conflict with or prohibited herein.

ARTICLE IX
RELATED ORGANIZATIONS

SECTION 1
Affiliated Organizations
Upon the approval of the CSG Executive Committee, CSG is authorized to grant affiliate status to qualified petitioning organizations and may, as agreed, provide financial assistance, secretariat and other staff services to such affiliated organizations. CSG’s relationships with such affiliated organizations will be defined, established and terminated by the CSG Executive Committee.

ARTICLE X
CSG ASSOCIATES PROGRAM

SECTION 1
Associates Program
CSG will have an Associates Program. The purpose of the program will be to establish meaningful partnerships between CSG and private-sector or non-governmental entities. Members of the Associates Program will pay dues in an amount established by the CSG Leadership Council to support the non-profit mission of CSG and may participate in CSG activities as provided herein or as approved by the CSG Executive Committee, so long as such approval is not in conflict with these Articles.

ARTICLE XI
CSG 21ST CENTURY FOUNDATION

SECTION 1
21st Century Foundation
The 21st Century Foundation provides funding for CSG initiatives and priorities overseen by a Board of Trustees. The 21st Century Foundation will be governed by a Board of Trustees and administered by CSG staff. The Board of Trustees will be composed of not less than thirty-five, but no more than fifty members and will include both public- and private-sector participants of which the majority will be public-sector officials. Private-sector members making qualifying contributions to the 21st Century Foundation as established by the Board of Trustees will be entitled to serve as trustees for a five-year term. The Chair of the Board of Trustees will be the CSG National Chair-Elect. The Vice Chair of the Board of Trustees will be the CSG National Vice Chair. The CSG Executive Director will act as president and chief executive officer of the 21st Century Foundation. The 21st Century Foundation will submit an annual report of its activities to the CSG Leadership Council and the CSG Executive Committee.

ARTICLE XII
CSG LEGAL TASK FORCE

SECTION 1
Legal Task Force
CSG will have an independent Legal Task Force to review litigation in federal courts that may potentially impact the states and/or impact the fundamental tenets of the American federalism system. In this role the Legal Task Force will, subject to a majority vote of its members, approve CSG’s participation on amicus curiae briefs to the courts and/or join such briefs as may be submitted by other organizations. The Legal Task Force will, upon the submission or endorsement of an amicus brief, provide written notice to the CSG Leadership Council and will provide a regular written update to the CSG Leadership Council. The membership of the Legal Task Force will consist of three public-sector
members designated by each region. The CSG National Chair will appoint a chair of the Legal Task Force from among the group’s membership. All appointments to the Legal Task Force will be for a two-year term beginning on January 1 of odd-numbered years. CSG, excluding CSG affiliates acting in their own name, will not approve or endorse any amicus briefs without the prior approval of the CSG Legal Task Force.

**ARTICLE XIII**

**DISSOLUTION**

**SECTION 1**

**Distribution of Assets**

In the event of the dissolution of The Council of State Governments, and following the satisfaction of all debts and liabilities in accordance with CSG’s Rules for Financial Management as established by the CSG Executive Committee, any assets managed by CSG will be distributed to the member jurisdictions in the proportion to which each member jurisdiction contributed to the support of CSG during the five-year period immediately preceding dissolution. Any assets so distributed to a member jurisdiction will be used for a qualified, tax-exempt, public purpose.

**ARTICLE XIV**

**AMENDMENTS**

**SECTION 1**

**Method**

The CSG Executive Committee at any meeting may amend these Articles, unless otherwise provided herein, by a majority vote of those present, but at least one affirmative vote must be cast from not less than twenty-six member jurisdictions. Article VII, Section 4 may only be amended as provided in Article VII, Section 5. Written notice of any proposed amendment, including an explanatory statement, will be provided to all CSG Executive Committee members at least thirty days prior to the meeting at which the amendment is to be submitted to a vote. The proposed amendment may not thereafter be further amended without similar written notice, except by a vote of two-thirds of the members present and voting.

**SECTION 2**

**Suspension**

The provisions of Section 1 of this Article may only be suspended by unanimous consent of those present and voting.
CSG STANDING COMMITTEES

21st Century Foundation
The 21st Century Foundation supports diverse programs conducted by and through The Council of State Governments to strengthen the performance of member jurisdictions by encouraging multi-jurisdictional ventures, enhancing state leadership and decision-making, establishing international cooperation and promoting innovative models of collaboration among the public, private and nongovernmental sectors.

CSG’s 21st Century Foundation gives high priority to granting funds for public policy research and education that address the following areas:

- Increase CSG’s policy and programming capacity, as well as on-staff expertise;
- Expand CSG’s policy reach into under-developed issue areas;
- Focus on challenges present in CSG’s member jurisdictions;
- Foster collaborations/partnerships with external groups, including public, private and NGOs;
- Emphasize multi-jurisdictional problem solving and/or participation;
- Facilitate national/regional policy dialogues on current and pressing issues with an emphasis on member education, information exchange and the creation of innovative policy options for member jurisdictions; and
- Create sustainable programming that lasts beyond the Foundation’s initial investment.

Associates Advisory Committee
The committee consists of public and private representatives who assist CSG in identifying and recruiting potential associate members, provide advice on development and marketing techniques for the program, and make recommendations to the CSG Executive Committee for promising new public/private partnership opportunities. The committee also assists CSG in identifying key policy issues and state trends.

Committee on Suggested State Legislation
The committee oversees the Suggested State Legislation Program (SSL). Operating for more than 60 years, SSL highlights innovative legislation from one state that may be beneficial to other states, and particularly in response to trends. Recent issues addressed by SSL drafts include anti-terrorism, biometric technology, financial literacy and self-directed in-home care. The committee meets three times a year to review about 240 bills, and selects 30 to 40 of them to be included in annual Suggested State Legislation volumes. Membership on this committee generally consists of one legislator from each legislative body in the state (Nebraska – two) and one legislative staff person from each state.

Finance Committee
The goals of the committee are to maximize the value of financial resources, to develop efficiencies in operations, to determine the financial implications of proposed plans prior to implementation, and to qualify program priorities relating service levels to available funding.

Interbranch Affairs Committee
CSG’s Interbranch Affairs Committee reviews and monitors major interbranch issues and seeks to foster collaboration and understanding among and between the branches of state government. Members of the committee focus on emerging trends, innovative and effective solutions, and viable policy positions and response projects. During meetings, committee members may introduce and consider policy resolutions. The committee is designed to encourage multi-state problem solving and sharing of best practices, and to facilitate networking among state officials and between the public and private sectors. Committee priorities are established by CSG’s national leaders in concert with the committee’s membership.
Intergovernmental Affairs Committee
The Intergovernmental Affairs Committee is the primary policy body for CSG and the primary body setting the federal-state relations agenda for CSG. It is particularly concerned about federalism issues and other issues impacting states' rights. The bipartisan committee is comprised of officials from all branches of state government, as well as CSG Associate members. The mission of the Intergovernmental Affairs Committee is to serve as CSG's monitoring and advisory arm on major federal issues before Congress and the Administration. The committee strives to interpret changing national conditions and to prepare states for the future, and to promote the sovereignty of the states and their role in the American federal system.

The committee:
- monitors and acts on critical intergovernmental matters pertaining to all three federal branches of government;
- seeks intergovernmental partnerships, particularly with former CSG members now serving in the federal government or Congress;
- coordinates with other state and local government associations on intergovernmental issues where states have a vested interest.

International Committee
In the face of global competition, states have opened more than 200 export promotion offices worldwide and increasingly conduct a wide variety of exchange programs and other activities. The mission of CSG's International Committee is to track and interpret international trends of importance to state governments. These trends include broad developments in the global economy that impact state governments as well as trends involving specific state international initiatives in trade, education and other key sectors. The committee promotes dialogue on important trends to identify best practices among state international programs. In addition, the committee oversees CSG's wide portfolio of exchange programs, research projects and other international initiatives. The committee is made up of officials from all branches of state government as well as International Partner representatives and CSG Associate members.

Legal Task Force
CSG's Legal Task Force reviews litigation in federal courts that may potentially impact the states and/or impact the fundamental tenets of the American federalism system. In this role the Legal Task Force approves CSG's participation on amicus curiae briefs to the courts and/or join such briefs as may be submitted by other organizations. The membership of the Legal Task Force consists of three public-sector members designated by each of CSG's four regions.

National Conference Committee
This committee identifies states as possible sites for CSG National Conferences. After bids are presented, the committee selects the state to host the annual meeting and forwards its selection to the CSG Governing Board for approval. The committee also makes recommendations to incoming CSG chairmen regarding sites for the Spring National Committee and Task Force Meeting.
CSG AFFILIATE ORGANIZATIONS

- American Probation and Parole Association (APPA)
- Emergency Management Accreditation Program (EMAP)
- Interstate Commission for Adult Offender Supervision (ICAOS)
- Interstate Commission for Juveniles (ICJ)
- Interstate Commission on Educational Opportunities for Military Children (MIC3)
- National Association of State Facilities Administrators (NASFA)
- National Association of State Personnel Executives (NASPE)
- National Association of State Technology Directors (NASTD)
- National Association of State Treasurers (NAST)
- National Emergency Management Association (NEMA)
- National Hispanic Caucus of State Legislators (NHCSL)
- State International Development Organizations (SIDO)
The Criminal Justice/Mental Health Consensus Project is an unprecedented, national effort to help local, state, and federal policymakers and criminal justice and mental health professionals improve the response to people with mental illnesses who come into contact with the criminal justice system. The landmark Consensus Project Report, which was written by CSG staff and representatives of leading criminal justice and mental health organizations, was released in June 2002. Since then, Justice Center staff working on the Consensus Project have supported the implementation of practical, flexible criminal justice/mental health strategies through on-site technical assistance; the dissemination of information about programs, research, and policy developments in the field; continued development of policy recommendations; and educational presentations.

http://consensusproject.org/

Justice Reinvestment Initiative
In every state, there are a handful of “high-stakes” communities to which most people released from prison return; these are also the communities where taxpayer-funded programs are disproportionately focused. Justice reinvestment is a strategy that makes the most of opportunities presented when helping the increasing numbers of people returning from prison and jail to break the cycle of recidivism—making these communities safer, stronger, and healthier. To assist state policymakers, Justice Center staff working on the Justice Reinvestment Initiative is providing technical assistance to a limited number of states that demonstrate a bipartisan interest in this strategy. www.justicereinvestment.org

National Reentry Resource Center
The National Reentry Resource Center, established by the Second Chance Act (Public Law 110-199) and administered by the Bureau of Justice Assistance, U.S. Department of Justice, provides education, training, and technical assistance to states, tribes, territories, local governments, service providers, non-profit organizations, and corrections institutions working on prisoner reentry. http://www.nationalreentryresourcecenter.org/

Reentry Policy Council
The Reentry Policy Council (RPC) assists state government officials and others grappling with the increasing number of people leaving prisons and jails to return to their communities. The RPC was formed in 2001 with two specific goals: develop bipartisan policies and principles to help elected officials and other policymakers improve the likelihood that adults released from prison or jail will avoid crime and become productive, healthy members of families and communities; and facilitate coordination and information sharing among organizations implementing reentry initiatives, researching state policy trends, communicating about related issues, or funding reentry programs. http://www.reentrypolicy.org/

Additional Services
The Council of State Governments (CSG) Justice Center provides a range of services to its members and other policymakers across the country. Staff also offers support to front-line professionals from a wide range of disciplines and to other “change agents” in the community. The types of assistance the Justice Center can make available are highlighted below. The examples of services listed below are not exhaustive, but rather illustrate the range of activities the Justice Center undertake.

- Consensus Building/Problem Solving
- Learning Sites
- Legislative Affairs
- Media Affairs
- Web-Based Learning
- Presentations
- Publications

To learn more about the services offered in each of these areas please visit http://www.justicecenter.csg.org.
TAB - H
Nonprofit Board
Roles & Responsibilities

Section 1 – Overview of Board Service
Section 2 – The Board’s Legal Responsibilities
Section 3 – The Board’s Role
Section 4 – Final Tips and Additional Resources
What is Governance?

Nonprofit organizations are governed by a volunteer board of directors

Purpose is to steer, set direction

Board Responsibilities

Boards = Legal Guardians of the Organization

- Granted the AUTHORITY to make decisions on behalf of the organization
- Must be ACCOUNTABLE for organizational performance
According to the Law

**Duty of Care: using your best judgment**

- **How?**
  - Ask questions
  - Attend meetings
  - Read materials as requested
  - Keep up to date on organization's activities

**According to the Law**

**Duty of Loyalty: putting personal/professional interests aside**

- **How?**
  - Approve board conflict of interest policy
  - Require that board members sign a conflict of interest disclosure statement annually
Duty of Obedience: being true to the organization’s mission

How?
- Ensure that funds are used for what contributors intend
- Ensure that the organization is following the law and complying with regulations

Duty of Transparency: being open and making certain information available to the public

How?
- Annual Reports
- IRS Form 990
- Annual Audit
Board Responsibilities

Fiduciary – financial accountability

- Stay:
  - Objective
  - Unselfish
  - Responsible
  - Honest & Trustworthy
  - Efficient

➤ Always acting in the best interest of the organization – stewards of the public trust.

Kentucky Statutory Standards of Conduct for Officers and Directors

- in good faith
- on an informed basis
- in the best interests of the organization
- "ordinary prudent person" standard
- reliance on committees and experts
- what happens if the standards are not met?

(KRS 273.215 and 273.229)
Legislation passed in 2002 in response to a large number of for-profit scandals involving Enron, Arthur Anderson, and others. Extreme fraud, conflicts of interest on boards, unethical executive compensation practices, and improper auditing led to the failure of these companies.

In response, Sarbanes-Oxley set in place a number of required processes for publicly held corporations.

Only two aspects of Sarbanes-Oxley are applicable to nonprofits:
- Strengthened whistleblower protection
- Retention of documents related to lawsuits

The current Form 990 also asks whether you have policies related to these and other areas, making it more important to get them adopted.
Nonprofits and Sarbanes-Oxley

Other Good Governance Practices:

- Prohibit loans from the organization to board members (some states' corporate laws prohibit this)
- If you have a financial consulting firm, choose one that is different from your auditing firm
- Have the full board approve compensation for the executive director and ensure a process for ensuring reasonable and competitive salaries for top management
- Adopt an Ethics and Conflict of Interest Policy

Protecting your Organization

- Directors and Officers Insurance
- Financial Audit
- Legal Audit
- Policies
  - Conflict of Interest Policy & Annual Disclosure
  - Whistleblower Policy
  - Document Retention Policy
- Process for Determining Reasonable, Yet Competitive Compensation
A Word About Audits

- The Auditor Works for the Board
- Who Needs One?
- Other Options?
- Sarbanes-Oxley & Audits - nonprofits are NOT required to have them, but some principles are helpful:
  - Audit committees
  - External auditors do not provide other services
  - Rotate individual auditors — not necessarily the firm — every five years
- Take Advantage of the Expertise!
  - Executive session with full board and auditor — no staff.
  - Provides an opportunity for open discussion without distrust

Key Roles of the Board

1. Articulate the Mission & Set Organizational Direction

- Strategic Planning
Key Roles of the Board

Participate in Strategic Planning

Why?

- Governance
- Stewardship
- Objectivity

2. Provide Oversight

- Finances
- Supervision and Support of the Executive Director
Key Roles of the Board

3. Ensure Necessary Resources

- Financial
- Human

Individual Board Member Responsibilities

1. Attend board and committee meetings and functions
2. Be informed about the organization’s mission, services, policies & programs
3. Review agenda, financial statements and other materials before board and committee meetings
4. Serve on committees and take on special assignments when needed
Individual Board Member Responsibilities

5. Inform others about the organization
6. Suggest possible nominees to the board who can make contributions to the work of the board and the organization
7. Keep updated on developments in the organization’s field
8. Follow confidentiality and conflict of interest policies
9. Allow staff to do their jobs – support, but don’t micromanage

12 Questions a Board Should Ask & Understand

1. Where do our revenues come from?
2. What is our cash flow?
3. What could really hurt – or kill – our organization in the next few years?
4. How are we doing relative to other organizations similar to ours?
5. If our chief executive were hit by a bus or won the lottery tomorrow, who could run the organization?
6. How are we going to improve, grow and move forward?
12 Questions a Board Should Ask & Understand

7. Are we living within our means?
8. How much does our staff (and others) get paid?
9. How does bad news get to the top?
10. What are our internal controls?
11. Do we understand what our auditors are telling us?
12. Do I really understand the answers to questions 1-11?

Caution: Reasons That Boards to Not Engage

- The board is too large – not enough work for members to do
- The board is too small – members feel overwhelmed or suffer from limited perspectives
- The executive committee is too active – meets too often and the rest of the board feels useless
- Members receive insufficient or ineffective orientation
- Agendas are weak – lack substance and relevant discussion
- Members do not feel their skills are being used
- There is little or no opportunity for discussion – bored or frustrated
- The board lacks social glue – members have little in common except board service
Ongoing Education and Board Development

- Education built into each board meeting agenda
- A facilitated board self-assessment process
- A periodic review of the mission statement
- Presentations by outside consultants or staff experts on trends in the organization’s mission area
- Well-planned and carefully scheduled board retreat

Keep the Board Fresh

- Use staggered term limits
  - Refreshes the board
  - Encourages diversity
  - Rotates off those members who are ineffective, burnt out or troublesome
- Evaluate
  - Board meetings
  - Board effectiveness
Shake Things Up

- Use nameplates and change where board members sit
- Restructure the agenda
- Meet in a different location
- Give everyone an index card at the end of the meeting and ask “How could this meeting have been better?”
- Have lunch before a board meeting to build social glue

Characteristics of Effective Boards

- Know and fulfill their roles and responsibilities
- Focus time and attention on important issues
- Restructures board work to get important things done
- Views board composition as strategic
- Uses evaluation as a learning tool, rather than to criticize
- Has the confidence to take risks
- Has constructive relationships with staff
- Work together as a team
- Communicate openly and honestly
- Respect one another’s time – keep meetings on task
Board Responsibilities

Questions?
THE COUNCIL OF STATE GOVERNMENTS
NATIONAL CHAIR

ESSENTIAL FUNCTIONS

• Provides leadership and direction to The Council of State Governments.
• Enables other CSG leaders and members to fulfill their responsibilities for the governance and strategic direction of the organization.
• In cooperation with the CEO / executive director, ensures that CSG is run in accordance with its Articles of Organization, adopted rules/guidelines and that the organization adheres to the highest ethical standards.
• Provide outreach to member jurisdictions and funders or potential funders to help secure the resources needed to fund CSG.

DUTIES & RESPONSIBILITIES

• Prepare for, attend and preside at meetings of the CSG Executive Committee and Leadership Council.
• Ensure that discretions and decisions, whether taken between meetings or at meetings, are properly executed.
• At the direction of the CSG Leadership Council, create such public policy committees as may be necessary to execute the policy program and services of the organization and in consultation with the Chair-Elect, appoint such members as may be necessary to lead CSG’s standing and public policy committees.
• Ensure that CSG standing committees and public policy committees carry out their work in accordance with their established goals and priorities, including reporting progress to the CSG Executive Committee and Leadership Council.
• In cooperation with other CSG national leaders and the CEO / executive director, take responsibility for the preparation and development of CSG’s public policy and business priorities.
• Ensure that the CSG Executive Committee and Leadership Council have considered the views of all the stakeholders of CSG, including its members, partners and sponsors.
• Ensure that plans for suitable communications with members, partners, sponsors and other parties are in place.
• Ensure that CSG is compliant with relevant federal, state and local laws, codes and regulations and that CSG is adhering to its adopted guidelines and codes of practice.
• Ensure that positive relationships with advisers, partners and sponsors are maintained and, where appropriate, enhanced.
• Conduct outreach to current and potential partners and sponsors for the purpose of securing financial support for CSG initiatives and activities.
• Work to zealously guard CSG’s status as a valued, neutral, non-partisan convener/facilitator of state officials so that all state leaders, regardless of party or political ideology, may have the opportunity to fully participate in CSG programs and meetings.
• Serve as an ambassador for CSG with other elected state officials and work to garner support for and participation in CSG.
• Work to recruit talented individuals to participate as leaders in CSG and for selection as CSG Henry Toll Fellows.
• Liaise with the CEO / executive director, general counsel and chief financial officer to ensure that:
  o CSG’s annual accounts, returns and financial audit are completed in a timely fashion.
  o Any complaints in relation to CSG are appropriately handled in a timely fashion.
  o Any potentially significant adverse events relating to CSG are reported to the relevant authority in accordance with the Articles of Organization or other organizational rules or guidelines.
  o Ensure that annual CSG budgets are appropriately estimated and monitored.
  o Ensure that copies of CSG Governing Board, Executive Committee and Leadership Council papers and records of meetings are stored in secure facilities for the period determined by such organizational governance bodies.
• Ensure that the performance of the CSG Executive Committee and Leadership Council is regularly evaluated and that the CEO / executive director receives an annual performance review.
• Convene members of the CSG Executive Committee and Leadership Council to evaluate and establish an appropriate schedule of dues for member jurisdictions.
• Provide guidance and advice to the CEO / executive director and CSG Executive Committee and Leadership Council as appropriate.
• Execute resolutions duly approved by CSG and have such resolutions presented to the appropriate parties and institutions.
• Represent the views of the CSG Governing Board, Executive Committee and Leadership Council in meetings and correspondence.
• Represent the National Headquarters at meetings of CSG’s regions and affiliates as needed.
• Underwrite travel expenses and incidental costs of serving as a CSG leader, as needed.
ESSENTIAL FUNCTIONS

- Provides leadership and direction to The Council of State Governments.
- Enables other CSG leaders and members to fulfill their responsibilities for the governance and strategic direction of the organization.
- In cooperation with the Chair and CEO / executive director, ensures that CSG is run in accordance with its Articles of Organization, adopted rules/guidelines and that the organization adheres to the highest ethical standards.
- Provide outreach to member jurisdictions and funders or potential funders to help secure the resources needed to fund CSG.

DUTIES & RESPONSIBILITIES

- Prepare for, attend and preside at meetings of the CSG Governing Board.
- Ensure that discretions and decisions, whether taken between meetings or at meetings, are properly executed.
- Prepare for and attend meetings of the CSG Executive Committee and Leadership Council.
- In cooperation with the CEO / executive director advise the programming of CSG’s national meetings and conferences.
- In cooperation with other CSG national leaders and the CEO / executive director, take responsibility for the preparation and development of CSG’s public policy and business priorities.
- Ensure that the CSG Executive Committee and Leadership Council have considered the views of all the stakeholders of CSG, including its members, partners and sponsors.
- Ensure that positive relationships with advisers, partners and sponsors are maintained and, where appropriate, enhanced.
- Conduct outreach to current and potential partners and sponsors for the purpose of securing financial support for CSG initiatives and activities.
- Work to zealously guard CSG’s status as a valued, neutral, non-partisan convener/facilitator of state officials so that all state leaders, regardless of party or political ideology, may have the opportunity to fully participate in CSG programs and meetings.
• Serve as an ambassador for CSG with other elected state officials, work to garner support for and participation in CSG and represent CSG as a spokesperson when appropriate.

• Work to recruit talented individuals to participate as leaders in CSG and for selection as CSG Henry Toll Fellows.

• Provide guidance and advice to the CEO / executive director and CSG Executive Committee and Leadership Council as appropriate.

• Execute resolutions duly approved by CSG and have such resolutions presented to the appropriate parties and institutions.

• Represent the views of the CSG Governing Board, Executive Committee and Leadership Council in meetings and correspondence.

• Underwrite travel expenses and incidental costs of serving as a CSG leader, as needed.
THE COUNCIL OF STATE GOVERNMENTS
NATIONAL CHAIR-ELECT

ESSENTIAL FUNCTIONS

• In consultation and cooperation with the Chair, provides leadership and direction to The Council of State Governments.
• Provides leadership and direction to CSG’s 21st Century Foundation.
• Provides leadership and direction to CSG’s Associates Advisory Committee.
• In support of, and working cooperatively with the Chair and the CEO / executive director, ensures that CSG is run in accordance with its Articles of Organization, adopted rules/guidelines and that the organization adheres to the highest ethical standards.
• Provide outreach to member jurisdictions and funders or potential funders to help secure the resources needed to fund CSG.

DUTIES & RESPONSIBILITIES

• Prepare for, attend and in the absence of the Chair preside at meetings of the CSG Executive Committee and Leadership Council.
• Prepare for, attend and preside at meetings of the Board of Trustees of CSG’s 21st Century Foundation.
• Ensure that discretions and decisions pertaining to CSG’s 21st Century Foundation, whether taken between meetings or at meetings, are properly executed.
• Prepare for, attend and preside at meetings of the CSG Associates Advisory Committee.
• Ensure that discretions and decisions pertaining to CSG’s Associates Advisory Committee, whether taken between meetings or at meetings, are properly executed.
• In consultation with the Chair, appoint such members as may be necessary to lead CSG’s standing and public policy committees.
• Ensure that positive relationships with advisers, partners and sponsors are maintained and, where appropriate, enhanced.
• Conduct outreach to current and potential partners and sponsors for the purpose of securing financial support for CSG initiatives and activities.
• Work to zealously guard CSG’s status as a valued, neutral, non-partisan convener/facilitator of state officials so that all state leaders, regardless of party or political ideology, may have the opportunity to fully participate in CSG programs and meetings.
• Serve as an ambassador for CSG with other elected state officials and work to garner support for and participation in CSG.

• Work to recruit talented individuals to participate as leaders in CSG and for selection as CSG Henry Toll Fellows.

• Provide guidance and advice to the CEO / executive director and CSG Executive Committee and Leadership Council as appropriate.

• Represent the views of the CSG Governing Board, Executive Committee and Leadership Council in meetings and correspondence.

• Underwrite travel expenses and incidental costs of serving as a CSG leader, as needed.
ESSENTIAL FUNCTIONS

• In consultation and cooperation with the President, provides leadership and direction to The Council of State Governments.

• In support of, and working cooperatively with the President and the CEO / executive director, ensures that CSG is run in accordance with its Articles of Organization, adopted rules/guidelines and that the organization adheres to the highest ethical standards.

• Provide outreach to member jurisdictions and funders or potential funders to help secure the resources needed to fund CSG.

DUTIES & RESPONSIBILITIES

• Prepare for, attend and in the absence of the President preside at meetings of the CSG Governing Board.

• Ensure that positive relationships with advisers, partners and sponsors are maintained and, where appropriate, enhanced.

• Conduct outreach to current and potential partners and sponsors for the purpose of securing financial support for CSG initiatives and activities.

• Work to zealously guard CSG’s status as a valued, neutral, non-partisan convener/facilitator of state officials so that all state leaders, regardless of party or political ideology, may have the opportunity to fully participate in CSG programs and meetings.

• Serve as an ambassador for CSG with other elected state officials and work to garner support for and participation in CSG.

• Work to recruit talented individuals to participate as leaders in CSG and for selection as CSG Henry Toll Fellows.

• Provide guidance and advice to the CEO / executive director and CSG Executive Committee and Leadership Council as appropriate.

• Represent the views of the CSG Governing Board, Executive Committee and Leadership Council in meetings and correspondence.

• Underwrite travel expenses and incidental costs of serving as a CSG leader, as needed.
ESSENTIAL FUNCTIONS

- In consultation and cooperation with the Chair and Chair-Elect, provides leadership and direction to The Council of State Governments.

- In consultation and cooperation with the Chair-Elect, provides leadership and direction to CSG’s 21st Century Foundation.

- In support of, and working cooperatively with the Chair, Chair-Elect and the CEO / executive director, ensures that CSG is run in accordance with its Articles of Organization, adopted rules/guidelines and that the organization adheres to the highest ethical standards.

- Provide outreach to member jurisdictions and funders or potential funders to help secure the resources needed to fund CSG.

DUTIES & RESPONSIBILITIES

- Prepare for, attend and in the absence of the Chair and Chair-Elect preside at meetings of the CSG Executive Committee and Leadership Council.

- Prepare for, attend and in the absence of the Chair-Elect preside at meetings of the Board of Trustees of CSG’s 21st Century Foundation.

- Ensure that positive relationships with advisers, partners and sponsors are maintained and, where appropriate, enhanced.

- Conduct outreach to current and potential partners and sponsors for the purpose of securing financial support for CSG initiatives and activities.

- Work to zealously guard CSG’s status as a valued, neutral, non-partisan convener/facilitator of state officials so that all state leaders, regardless of party or political ideology, may have the opportunity to fully participate in CSG programs and meetings.

- Serve as an ambassador for CSG with other elected state officials and work to garner support for and participation in CSG.

- Work to recruit talented individuals to participate as leaders in CSG and for selection as CSG Henry Toll Fellows.

- Provide guidance and advice to the CEO / executive director and CSG Executive Committee and Leadership Council as appropriate.
• Represent the views of the CSG Governing Board, Executive Committee and Leadership Council in meetings and correspondence.
• Underwrite travel expenses and incidental costs of serving as a CSG leader, as needed.
ESSENTIAL FUNCTIONS

• In consultation and cooperation with the President and President-Elect, provides leadership and direction to The Council of State Governments.

• In support of, and working cooperatively with the President, President-Elect and the CEO / executive director, ensures that CSG is run in accordance with its Articles of Organization, adopted rules/guidelines and that the organization adheres to the highest ethical standards.

• Provide outreach to member jurisdictions and funders or potential funders to help secure the resources needed to fund CSG.

DUTIES & RESPONSIBILITIES

• Prepare for, attend and in the absence of the President and President-Elect preside at meetings of the CSG Governing Board.

• Ensure that positive relationships with advisers, partners and sponsors are maintained and, where appropriate, enhanced.

• Conduct outreach to current and potential partners and sponsors for the purpose of securing financial support for CSG initiatives and activities.

• Work to zealously guard CSG’s status as a valued, neutral, non-partisan convener/facilitator of state officials so that all state leaders, regardless of party or political ideology, may have the opportunity to fully participate in CSG programs and meetings.

• Serve as an ambassador for CSG with other elected state officials and work to garner support for and participation in CSG.

• Work to recruit talented individuals to participate as leaders in CSG and for selection as CSG Henry Toll Fellows.

• Provide guidance and advice to the CEO / executive director and CSG Executive Committee and Leadership Council as appropriate.

• Represent the views of the CSG Governing Board, Executive Committee and Leadership Council in meetings and correspondence.

• Underwrite travel expenses and incidental costs of serving as a CSG leader, as needed.
THE COUNCIL OF STATE GOVERNMENTS
IMMEDIATE PAST NATIONAL CHAIR

ESSENTIAL FUNCTIONS

• Provides leadership and direction to The Council of State Governments.
• Enables other CSG leaders and members to fulfill their responsibilities for the governance and strategic direction of the organization.
• In consultation and cooperation with the Chair-Elect, provides leadership and direction to CSG’s Associates Advisory Committee.
• Provides advice and counsel to the Chair and the CEO / executive director as they seek to ensure that CSG is run in accordance with its Articles of Organization, adopted rules/guidelines and that the organization adheres to the highest ethical standards.
• Provide outreach to member jurisdictions and funders or potential funders to help secure the resources needed to fund CSG.

DUTIES & RESPONSIBILITIES

• Prepare for, attend and in the absence of the Chair-Elect preside at meetings of the CSG Associates Advisory Committee.
• Ensure that positive relationships with advisers, partners and sponsors are maintained and, where appropriate, enhanced.
• Conduct outreach to current and potential partners and sponsors for the purpose of securing financial support for CSG initiatives and activities.
• Work to zealously guard CSG’s status as a valued, neutral, non-partisan convener/facilitator of state officials so that all state leaders, regardless of party or political ideology, may have the opportunity to fully participate in CSG programs and meetings.
• Serve as an ambassador for CSG with other elected state officials and work to garner support for and participation in CSG.
• Work to recruit talented individuals to participate as leaders in CSG and for selection as CSG Henry Toll Fellows.
• Provide guidance and advice to the CEO / executive director and CSG Executive Committee and Leadership Council as appropriate.
• Represent the views of the CSG Governing Board, Executive Committee and Leadership Council in meetings and correspondence.
• Underwrite travel expenses and incidental costs of serving as a CSG leader, as needed.
ESSENTIAL FUNCTIONS

• Provides leadership and direction to The Council of State Governments.
• Enables other CSG leaders and members to fulfill their responsibilities for the governance and strategic direction of the organization.
• Provides advice and counsel to the President and the CEO / executive director as they seek to ensure that CSG is run in accordance with its Articles of Organization, adopted rules/guidelines and that the organization adheres to the highest ethical standards.
• Provide outreach to member jurisdictions and funders or potential funders to help secure the resources needed to fund CSG.

DUTIES & RESPONSIBILITIES

• Ensure that positive relationships with advisers, partners and sponsors are maintained and, where appropriate, enhanced.
• Conduct outreach to current and potential partners and sponsors for the purpose of securing financial support for CSG initiatives and activities.
• Work to zealously guard CSG’s status as a valued, neutral, non-partisan convener/facilitator of state officials so that all state leaders, regardless of party or political ideology, may have the opportunity to fully participate in CSG programs and meetings.
• Serve as an ambassador for CSG with other elected state officials and work to garner support for and participation in CSG.
• Work to recruit talented individuals to participate as leaders in CSG and for selection as CSG Henry Toll Fellows.
• Provide guidance and advice to the CEO / executive director and CSG Executive Committee and Leadership Council as appropriate.
• Represent the views of the CSG Governing Board, Executive Committee and Leadership Council in meetings and correspondence.
• Underwrite travel expenses and incidental costs of serving as a CSG leader, as needed.
THE COUNCIL OF STATE GOVERNMENTS
COMMITTEE LEADERSHIP

ESSENTIAL FUNCTIONS

• Provides leadership and direction to The Council of State Governments and to the standing or public policy committee to which they’ve been appointed.
• Enables others to fulfill their committee membership responsibilities.
• In cooperation with the national leadership, CEO / executive director, and other staff ensures that their committee is run in accordance with CSG’s Articles of Organization, adopted rules/guidelines and that they and their committee adheres to the highest ethical standards.

DUTIES & RESPONSIBILITIES

• Prepare for, attend and preside at meetings of the CSG committee to which they’ve been appointed.
• Ensure that discretions and decisions, whether taken between meetings or at meetings, are properly executed.
• Establish a biennial workplan with clear and attainable goals. Such a workplan should include guidance from the CSG Leadership Council, committee membership, and CSG staff.
• Ensure that their appointed committee carries out their work in accordance with the established goals, priorities and guidelines as established by the CSG Executive Committee and Leadership Council.
• Provide updates and progress reports as needed to the CSG Executive Committee and Leadership Council.
• Ensure that their committee has, when appropriate, considered the views of all the stakeholders of CSG, including its members, partners and sponsors.
• Work to zealously guard CSG’s status as a valued, neutral, non-partisan convener/facilitator of state officials so that all state leaders, regardless of party or political ideology, may have the opportunity to fully participate in CSG programs and meetings.
• Ensure that plans for suitable communications with members, partners, sponsors and other parties are in place.
• Conduct outreach to current and potential partners and sponsors for the purpose of securing financial support for CSG initiatives and activities.

• Provide guidance and advice to the CEO / executive director and CSG Executive Committee and Leadership Council as appropriate.

• Represent the views of their committee before the CSG Governing Board, Executive Committee and Leadership Council, in other meetings and through official correspondence.
TAB - I
Structure of CSG
CSG is an unincorporated nonprofit organization. The initial decision not to incorporate likely stemmed from the manner of CSG’s creation. At one time, all member states and territories passed legislation recognizing CSG as a “joint governmental agency”. Over time, states have repealed those statutes and now only 13 states and territories retain that language.

(1) Colorado- Colo. Rev. Stat. §2-3-311
(3) Florida- Fla. Stat. ch. 13.09
(4) Georgia- Ga. Code Ann. §28-6-7
(5) Illinois- 25 Ill. Comp. Stat. 130/4-8
(6) Indiana- Ind. Code §2-5-2-1
(9) Nebraska- Neb. Rev. Stat. §81-824
(11) Oklahoma- Okla. Stat. tit. 74 § 429
(12) Oregon- Or. Rev. Stat. §190.470
(13) Virgin Islands- V.I. Code Ann. Tit. 1, §139

Recent analysis of the incorporation issue led to the conclusion that remaining unincorporated was preferable. CSG’s nonprofit status and interaction with federal granting agencies has been based on CSG’s unincorporated status. To incorporate now would require reapplication to the IRS and all granting agencies. Acceptance of a newly incorporated CSG status is not guaranteed.

Kentucky Employee Retirement System (KERS) participation
• CSG requested and was granted entrance in KERS in 2003. Only Kentucky-based staff participate in the system.
• Over time, as funding problems developed, the employer contribution to KERS rose. As of 2014, the required employer contribution is now 26.79% of the participating employee’s salary
• During Kentucky’s 2013 legislative session, KERS statutes were amended so that employees hired after January 1, 2014 now participate in a defined contribution plan rather than the previous defined benefit plan.

Risk Management
a. Contracts and Grants Management
The Legal Center works with the Accounting and Grants Management groups to insure that incoming contracts and grants have terms and conditions compatible with CSG’s operations. Similarly, the Legal Center then drafts agreements for all outgoing contracts and grants to insure that all applicable state and federal laws are complied with.

b. Insurance coverage
In addition to CSG’s other insurance coverage, CSG maintains Directors and Officers coverage for all members in leadership positions with CSG, including the Leadership Council. Directors and Officers coverage limits are currently $5 million.

c. Current litigation or disputes
• While there are occasional contract disputes or personnel issues, there is not any current litigation.
• What litigation we do have is generally related to operations of the interstate compacts. This typically involves actions of member states and the interstate compact is named as a party to the action.
**CSG’s Status in Kentucky**
- In 2010, the Kentucky Attorney General opined that CSG was not a “public agency” for open records purposes.
- As other states’ open records/open meetings laws vary, CSG continues to comply with those requirements as we operate in those states.

**Services to Regional Offices and Affiliates**
CSG’s Legal Center provides legal services to CSG’s four regional and District of Columbia offices as well as to CSG’s affiliate organizations:

- American Probation and Parole Association
- Emergency Management Accreditation Program
- Interstate Commission for Adult Offender Supervision
- Interstate Commission for Juveniles
- Interstate Commission on Educational Opportunities for Military Children
- National Association of Facilities Administrators
- National Association of State Personnel Executives
- National Association of State Technology Directors
- National Association of State Treasurers
- National Emergency Management Association
- National Hispanic Caucus of State Legislators
- State International Development Organizations
THE COUNCIL OF
STATE GOVERNMENTS

LEXINGTON, KENTUCKY

COMMUNICATION WITH THOSE
CHARGED WITH GOVERNANCE

June 30, 2013
To the Governing Board
The Council of State Governments
Lexington, Kentucky

We have audited the financial statements of The Council of State Governments (the Council) for the year ended June 30, 2013 and have issued our report thereon dated December 5, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, Government Auditing Standards and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you in our planning letter to governance dated September 28, 2013. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Council are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2013. We noted no transactions entered into by the Council during the year for which there is a lack of authoritative guidance or consensus. We noted no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management’s estimate of the future useful lives of property and equipment, primarily office equipment and buildings, is based on a reasonable life expectancy that is consistent with other not-for-profit organizations. We evaluated the factors and assumptions used to develop the reasonable lives of property and equipment in determining that they are reasonable and that depreciation expense and net property and equipment are presented fairly in relation to the financial statements taken as a whole.

Management’s estimate of the reserve for bad debts is based on past collection experience. We evaluated the factors and assumptions used to develop the reserve for bad debts in determining that they are reasonable and that net accounts receivable is presented fairly in relation to the financial statements taken as a whole.
Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For the purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated as of the date of this letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves the application of an accounting principle to the Council’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all of the relevant facts. To our knowledge, there were no such consultations.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Council’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
To the Governing Board  
The Council of State Governments  
Lexington, Kentucky  

Page Three  

**Other Information in Documents Containing Audited Financial Statements**  

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.  

<table>
<thead>
<tr>
<th>INTERNAL CONTROL MATTERS</th>
</tr>
</thead>
</table>
| In planning and performing our audit of the financial statements of the Council as of and for the year ended June 30, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the Council’s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Council’s internal control.  

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. This letter summarizes our comments and suggestions regarding these matters. We previously reported on the Council’s internal control in our report dated December 5, 2013. This letter does not affect our report dated December 5, 2013 on the financial statements of the Council. 

* * * * * |

**Progress Reports**  

During our compliance testing for grants, we noted an instance where a progress report was not filed timely. The grant was National Reentry Resource Center. The grant requires progress reports to be submitted within 30 days of the end of the reporting period and final progress reports to be submitted within 90 days of the end of the reporting period.
To the Governing Board  
The Council of State Governments  
Lexington, Kentucky

Page Four

* * * * * * *

It was a pleasure to work with the staff at the Council on this engagement. We believe the above recommendations will further enhance the Council’s ability to comply with the regulations, safeguard assets, and report financial data. We have already discussed many of these comments and suggestions with various Council personnel, and we will be pleased to discuss them in further detail at your convenience, or to assist you in implementing the recommendations. We will review the status of these comments during our next audit engagement.

This information is intended solely for the use of the Governing Board and management of The Council of State Governments and is not intended and should not be used by anyone other than these specified parties.

Very truly yours,

Blue & Co., LLC

December 5, 2013
### Waived adjustments
As of and for the year ended June 30, 2013

<table>
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<tr>
<th>Description</th>
<th>Account</th>
<th>Dr.</th>
<th>Cr.</th>
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</thead>
<tbody>
<tr>
<td>Various expenses</td>
<td>Various</td>
<td>$7,000</td>
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<tr>
<td>Liability for credit card payable</td>
<td>20010</td>
<td>$7,000</td>
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</tr>
</tbody>
</table>

To record liability for credit card payable at June 30, 2013. Not accrued due to immateriality, amount of time required to allocate expenses, and partial reimbursement from grants which would offset the net effect on the financials. Amount rounded.

<table>
<thead>
<tr>
<th>Description</th>
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<th>Dr.</th>
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<td>Grant funds expended</td>
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<tr>
<td>Deferred revenue</td>
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<td>$11,000</td>
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</tbody>
</table>

To record liability for amounts which may be deemed unallowable per grantor audit. CSG is continuing to pursue approval of the majority of these amounts.

### Waived adjustments
As of and for the year ended June 30, 2012

<table>
<thead>
<tr>
<th>Description</th>
<th>Account</th>
<th>Dr.</th>
<th>Cr.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various expenses</td>
<td>Various</td>
<td>$19,000</td>
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<tr>
<td>Liability for credit card payable</td>
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<td>$19,000</td>
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</tr>
</tbody>
</table>

To record liability for credit card payable at June 30, 2012. Not accrued due to immateriality, amount of time required to allocate expenses, and partial reimbursement from grants which would offset the net effect on the financials. Amount rounded.
# THE COUNCIL OF STATE GOVERNMENTS

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REPORT OF INDEPENDENT AUDITORS

To the Governing Board
The Council of State Governments
Lexington, Kentucky

Report on the Financial Statements

We have audited the accompanying financial statements of The Council of State Governments (a nonprofit organization, the Council), which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
To the Governing Board  
The Council of State Governments  
Lexington, Kentucky  

Opinion  
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Council as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.  

Report on Supplementary Information  
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations is presented for purposes of additional analysis and is not a required part of the financial statements. The combining statements of financial position and activities, and the schedules of amounts due to and due from managed organizations are presented for purposes of additional analysis and are not a required part of the financial statements. The combining information on pages 15 through 18 is presented for purposes of additional analysis rather than to present the financial position, results of operations, and cash flows of the individual departments the Council. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.  

Other Reporting Required by Government Auditing Standards  
In accordance with Government Auditing Standards, we have also issued our report dated [date of report] on our consideration of the Council’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Council’s internal control over financial reporting and compliance.  


Lexington, Kentucky  
December 5, 2013
## Assets

### Current assets:

- **Cash and cash equivalents**: $8,389,733, $6,322,560
- **Grants and contracts**: 2,358,668, 3,188,453
- **Publications, net of allowance for uncollectible accounts of $20,000 for 2013 and 2012**: 200,241, 179,507
- **Appropriations**: 126,000, 287,856
- **Interest receivable**: 55,027, 52,028
- **Due from managed organizations**: 101,178, 116,928
- **Prepaid expenses**: 209,092, 247,914

**Total current assets**: $11,439,939, $10,395,246

### Noncurrent assets:

- **Investments**: 18,753,766, 18,426,016
- **Property and equipment, net**: 688,953, 771,277

**Total noncurrent assets**: $19,442,719, $19,197,293

**Total assets**: $30,882,658, $29,592,539

## Liabilities and Net Assets

### Current liabilities:

- **Accounts payable**: $1,314,447, $1,329,486
- **Accrued salaries**: 673,285, 706,941
- **Accrued compensated absences**: 1,428,784, 1,252,394
- **Due to managed organizations**: 15,176,440, 15,388,687
- **Deferred revenue**: 2,657,746, 2,453,152
- **Other accrued expenses**: 386,239, 571,367

**Total current liabilities**: $21,636,941, $21,702,027

### Unrestricted net assets:

- **Undesignated**: 8,256,764, 6,819,235
- **Board designated**: 300,000, 300,000
- **Investment in property and equipment, net**: 688,953, 771,277

**Total net assets**: $9,245,717, $7,890,512

**Total liabilities and net assets**: $30,882,658, $29,592,539

See accompanying notes to the financial statements.
Revenues:

<table>
<thead>
<tr>
<th>Source</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants and contracts</td>
<td>$15,809,776</td>
<td>$13,555,785</td>
</tr>
<tr>
<td>Appropriations and membership dues</td>
<td>6,755,124</td>
<td>6,304,540</td>
</tr>
<tr>
<td>Foundation and project revenue</td>
<td>5,457,025</td>
<td>4,220,285</td>
</tr>
<tr>
<td>Contributions</td>
<td>1,002,805</td>
<td>1,200,494</td>
</tr>
<tr>
<td>Corporate associates</td>
<td>817,000</td>
<td>812,000</td>
</tr>
<tr>
<td>Service recovery</td>
<td>696,285</td>
<td>724,751</td>
</tr>
<tr>
<td>Sales of publications</td>
<td>294,732</td>
<td>264,666</td>
</tr>
<tr>
<td>Interest and dividends</td>
<td>288,308</td>
<td>352,687</td>
</tr>
<tr>
<td>Conference center rental</td>
<td>165,093</td>
<td>164,113</td>
</tr>
<tr>
<td>Meeting and conference registrations</td>
<td>163,340</td>
<td>179,050</td>
</tr>
<tr>
<td>Net realized and unrealized gains on investments</td>
<td>115,374</td>
<td>48,387</td>
</tr>
<tr>
<td>Other</td>
<td>22,642</td>
<td>78,886</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td><strong>31,587,504</strong></td>
<td><strong>27,905,644</strong></td>
</tr>
</tbody>
</table>

Expenses:

<table>
<thead>
<tr>
<th>Source</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>13,487,612</td>
<td>11,807,448</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>3,859,983</td>
<td>3,461,327</td>
</tr>
<tr>
<td>Consultant and contract services</td>
<td>4,684,175</td>
<td>4,353,455</td>
</tr>
<tr>
<td>Travel and conferences</td>
<td>4,258,274</td>
<td>4,523,585</td>
</tr>
<tr>
<td>Rent and property maintenance</td>
<td>1,464,833</td>
<td>1,294,013</td>
</tr>
<tr>
<td>Office expenses</td>
<td>1,394,258</td>
<td>1,358,540</td>
</tr>
<tr>
<td>Printing and publications</td>
<td>371,062</td>
<td>360,082</td>
</tr>
<tr>
<td>Equipment maintenance</td>
<td>325,878</td>
<td>357,990</td>
</tr>
<tr>
<td>Depreciation</td>
<td>198,036</td>
<td>199,203</td>
</tr>
<tr>
<td>Contributions to managed organizations</td>
<td>188,188</td>
<td>241,448</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>30,232,299</strong></td>
<td><strong>27,957,091</strong></td>
</tr>
</tbody>
</table>

Change in net assets 

<table>
<thead>
<tr>
<th>Source</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets, beginning of year</td>
<td>$7,890,512</td>
<td>$7,941,959</td>
</tr>
<tr>
<td><strong>Net assets, end of year</strong></td>
<td><strong>$9,245,717</strong></td>
<td><strong>$7,890,512</strong></td>
</tr>
</tbody>
</table>
THE COUNCIL OF STATE GOVERNMENTS
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2013 AND 2012

<table>
<thead>
<tr>
<th>Item</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$1,355,205</td>
<td>$(51,447)</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash flows from</td>
<td></td>
<td></td>
</tr>
<tr>
<td>operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>198,036</td>
<td>199,203</td>
</tr>
<tr>
<td>Realized and unrealized gains on investments</td>
<td>(115,374)</td>
<td>(48,387)</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable - publications</td>
<td>(20,734)</td>
<td>75,462</td>
</tr>
<tr>
<td>Accounts receivable - grants and contracts</td>
<td>829,785</td>
<td>(1,211,223)</td>
</tr>
<tr>
<td>Accounts receivable - appropriations</td>
<td>161,856</td>
<td>205,257</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>(2,999)</td>
<td>148,505</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>38,822</td>
<td>(46,310)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(15,039)</td>
<td>32,572</td>
</tr>
<tr>
<td>Accrued salaries</td>
<td>(33,656)</td>
<td>107,741</td>
</tr>
<tr>
<td>Accrued vacation and sick pay</td>
<td>176,390</td>
<td>127,145</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>204,594</td>
<td>(144,485)</td>
</tr>
<tr>
<td>Other accrued expenses</td>
<td>(185,128)</td>
<td>(16,491)</td>
</tr>
<tr>
<td>Net cash flows from operating activities</td>
<td>2,591,758</td>
<td>(622,458)</td>
</tr>
</tbody>
</table>

Cash flows from investing activities:

<table>
<thead>
<tr>
<th>Item</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from sales of investments</td>
<td>25,649,923</td>
<td>63,169,144</td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(25,862,299)</td>
<td>(63,819,672)</td>
</tr>
<tr>
<td>Change in due from managed organizations</td>
<td>15,750</td>
<td>(68,049)</td>
</tr>
<tr>
<td>Proceeds from sales of equipment</td>
<td>14,000</td>
<td></td>
</tr>
<tr>
<td>Purchases of property and equipment</td>
<td>(129,712)</td>
<td>(128,851)</td>
</tr>
<tr>
<td>Net cash flows from investing activities</td>
<td>(312,338)</td>
<td>(847,428)</td>
</tr>
</tbody>
</table>

Cash flows from financing activities:

<table>
<thead>
<tr>
<th>Item</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in due to managed organizations</td>
<td>(212,247)</td>
<td>1,644,784</td>
</tr>
<tr>
<td>Change in cash and cash equivalents</td>
<td>2,067,173</td>
<td>174,898</td>
</tr>
<tr>
<td>Cash and cash equivalents, beginning of year</td>
<td>6,322,560</td>
<td>6,147,662</td>
</tr>
<tr>
<td>Cash and cash equivalents, end of year</td>
<td>$8,389,733</td>
<td>$6,322,560</td>
</tr>
</tbody>
</table>

See accompanying notes to the financial statements.
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of The Council of State Governments (the Council) is presented to assist in understanding the Council’s financial statements. The financial statements and notes are representations of the Council's management who are responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Description of Organization and Basis of Presentation:

The Council is an unincorporated non-profit, multi-branch organization that serves the states and U.S. territories for the purpose of championing excellence in state government. The Council conducts research on state programs and problems, maintains an information service available to state officials and legislators, issues a variety of publications, acts as a state-federal liaison, promotes regional and state-local cooperation, organizes informative forums and conferences, and provides management services and staff for managed organizations.

The financial statements of the Council have been prepared on the accrual method of accounting. Accordingly, revenues are recognized when they are earned and expenses are recognized when they are incurred.

Governmental grant awards are deemed to be earned and reported as grant revenues when the Council has incurred expenses in compliance with the specific restrictions of the applicable grants. Expenses incurred for which grant funds have not been received are reported as grants receivable, while grant funds received but not yet earned are reported as deferred grant revenue.

Financial Statement Presentation:

The financial statements of the Council have been prepared following the recommendations of Accounting Standards Codification (ASC) 958-205 - Nonprofit Organization Entities, Presentation of Financial Statements. Under the provisions set forth therein, net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions as follows:

- Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations, and used for various program expenses and general operating functions.
- Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that can be fulfilled by actions of the Council pursuant to those stipulations or that expire by the passage of time.
- Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Council.
Use of Estimates:

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents:

For purposes of the statements of cash flows, cash and cash equivalents include cash on hand, cash on deposit, and temporary investments.

Accounts Receivable:

Accounts receivable includes sales of publications and other receivables. Accounts receivable for sales of publications are stated at unpaid balances less allowance for doubtful accounts. Management estimates an allowance for bad debts based on previous collection experience. Specific accounts are written off when internal collection procedures have ended. Receivables are considered past due based on contractual terms and are recorded at net invoice amounts.

Investments and Investment Income:

Investments are reported at fair value and bear interest at various rates depending on the market. Investments are adjusted to market value at reporting dates, and realized and unrealized gains and losses are recorded in the statements of activities.

Property and Equipment:

Property and equipment acquisitions are stated at cost. Depreciation is provided for using the straight-line method over the estimated useful lives of the respective assets, which range from 2 to 20 years. Acquisitions of property and equipment in excess of $2,000 are capitalized. The cost of repairs and maintenance is expensed as incurred.

Management Services:

The Council provides management services to certain other organizations including cash management and accounting services. Revenue from these arrangements is included in service recovery in the accompanying statements of activities. The Council has included the balances due to or due from the Council on the accompanying statements of financial position.

Under the Council's cash management policies, organizations with amounts due to them are paid interest from investment income at a rate of .75% less than the average return earned by the Council on money market funds and long-term investments if the managed organization participates in the long-term investment pool.
Organizations with amounts due from them are charged at a rate of .75% more than the average return earned by the Council on short-term investments. Net interest income allocated to these organizations in 2013 and 2012 was approximately $76,000 and $137,000, respectively.

Appropriations and Memberships:

The Council is a member-driven association of state elected officials. Appropriations are the dues paid by member states. Each state’s dues are based on a flat rate plus a population factor. In addition, there are Canadian provinces that are regional members.

Project Revenue:

Project revenue consists primarily of contracts and similar arrangements with private foundations for various programs and other objectives within the overall mission of the Council.

Corporate Associates:

The Council administers a program which allows representatives of the private sector to participate and offer their perspectives to public sector members. Corporate associates are eligible for appointment to the Council’s standing and public policy committees. Corporate associates have the opportunity to interact with state policymakers through national and regional conferences, program and policy work and international exchanges.

Contributions:

Contributions, including unconditional promises to give, are recognized as revenues in the period received and are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and nature of any donor restrictions. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Restricted contributions whose restrictions are satisfied in the period the contributions are received are reported as unrestricted contributions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restriction.

The Council did not have any donor-restricted contributions during the years ended June 30, 2013 and 2012.

Other Revenue:

All other revenue is recognized when earned.
Compensated Absences:

It is the Council's policy to permit employees to accumulate earned but unused personal leave and sick pay benefits. Personal leave is accrued when earned. Accrued personal leave totaling approximately $1,400,000 and $1,220,000, respectively, as of June 30, 2013 and 2012 is included in the accompanying Statements of Financial Position.

Accrued sick leave totaling approximately $30,000 and $33,000 as of June 30, 2013 and 2012, respectively, relates to sick leave earned prior to June 30, 1995 and represents 20% of the unused sick leave at the current rate of pay. Sick leave earned July 1, 1995 and thereafter is not accrued by the Council.

Deferred Revenue:

Deferred revenue at June 30, 2013 and 2012 consists of appropriations, fees for future meetings, deferred lease amounts, and deferred grant income.

Reclassifications:

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year.

Subsequent Events:

The Council evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through December 5, 2013, which is the date the financial statements were available to be issued.

2. INVESTMENTS

The composition of investments consisted of the following at June 30:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity mutual funds:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large cap</td>
<td>$662,110</td>
<td>$627,967</td>
</tr>
<tr>
<td>Medium cap</td>
<td>98,378</td>
<td>89,972</td>
</tr>
<tr>
<td>Small cap</td>
<td>43,735</td>
<td>39,998</td>
</tr>
<tr>
<td>Fixed income mutual funds:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Treasury and Agency</td>
<td>263,599</td>
<td>241,076</td>
</tr>
<tr>
<td>U.S. Corporate</td>
<td>211,567</td>
<td>193,491</td>
</tr>
<tr>
<td>Other</td>
<td>25,230</td>
<td>23,074</td>
</tr>
<tr>
<td>Certificates of deposit</td>
<td>17,449,147</td>
<td>17,210,438</td>
</tr>
<tr>
<td></td>
<td>$18,753,766</td>
<td>$18,426,016</td>
</tr>
</tbody>
</table>

THE COUNCIL OF STATE GOVERNMENTS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012
3. PROPERTY AND EQUIPMENT

Property and equipment is summarized as follows at June 30:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$173,337</td>
<td>$173,337</td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>504,991</td>
<td>489,468</td>
</tr>
<tr>
<td>Equipment</td>
<td>1,641,257</td>
<td>1,551,861</td>
</tr>
<tr>
<td>Automobiles</td>
<td></td>
<td>40,748</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>2,319,585</td>
<td>2,255,414</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>$1,630,632</td>
<td>$1,484,137</td>
</tr>
</tbody>
</table>

4. RETIREMENT PLANS

The Kentucky employees of the Council who work more than 100 hours per month participate in a defined benefit plan administered by the Kentucky Employees Retirement Systems (KERS) of the Commonwealth of Kentucky, a multiple-employer public employee retirement system. All payroll for the Council employees covered by KERS for the years ended June 30, 2013 and 2012 totaled approximately $5,100,000 and $4,945,000, respectively.

Covered employees hired before September 1, 2008 who retire at or after age 65, with 48 months of credited service, are entitled to an annual retirement benefit equal to 1.97% to 2.00% of their final-average salary multiplied by their years of service. Final-average salary is the employee’s average of the five fiscal years during which the employee had the highest average monthly salary.

KERS participants have a fully vested interest after completion of 60 months of service, twelve months of which are current service. At a minimum, terminated employees are refunded their contributions with credited interest of 2.50% less contributions to the KERS Insurance Fund. Vested employees may retire after 27 years of service and receive full benefits or retire after age 55 or after 25 years of service and receive reduced retirement benefits. The KERS also provides death and disability benefits. Benefits are established by state statute.

Covered employees hired after September 1, 2008 who retire, at or after age 65 with a minimum of 60 months of credited service or when the employee’s age plus their years of service credit equal 87 and they are at least 57 years of age, are entitled to an annual retirement benefit equal to 1.10% to 2.00% of their final-average salary multiplied by their years of service. Final-average salary is the employee’s highest salaried five years. The employee may also be eligible for a reduced retirement benefit at 60 years of age and a minimum of 120 months of credited service. The KERS also provides death and disability benefits. Benefits are established by state statute.
Covered employees hired before September 1, 2008 are required by state statute to contribute 5.00% of their salaries to the plan. Covered employees hired after September 1, 2008 are required to contribute 5.00% of their salaries to the plan and 1.00% to the KERS Insurance Fund. The Council is required by the same statute to contribute 23.61% and 19.82% of the covered employee's salary for the years ended June 30, 2013 and 2012, respectively. The contribution requirement for the years ended June 30, 2013 and 2012 was approximately $1,470,000 and $1,240,000, respectively, which is equal to 100% of the required contributions for each year. The Council's required annual contributions represent less than five percent of total net contributions to the KERS plan.

Benefits under the KERS plan will vary based on final compensation, years of service, and other factors as fully described in the KERS plan documents.

The "pension benefit obligation" is a standardized disclosure measurement of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measurement, which is the actuarial present value of credited projected benefits, is intended to help users assess the pensions' funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among the plans and employers.

KERS does not make separate measurements of assets and pension benefit obligation for individual employers. The following table presents certain information regarding the plans' status as a whole, derived from actuarial valuations performed as of the dates indicated:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets available for plan benefits, at fair value</td>
<td>$3,101,316,738</td>
<td>$3,726,986,087</td>
</tr>
<tr>
<td>Pension benefit obligation</td>
<td>(11,361,048,136)</td>
<td>(11,182,142,032)</td>
</tr>
<tr>
<td>Funded ratio on actuarial value of assets</td>
<td>27.30%</td>
<td>33.33%</td>
</tr>
</tbody>
</table>
Ten-year historical trend information showing KERS's progress in accumulating assets to pay benefits when due is presented in its June 30, 2012 and June 30, 2011 comprehensive annual financial reports at https://kyret.ky.gov/governance/Pages/transparency.aspx.

As the Council is only one of several employers participating in the KERS program, it is not practicable to determine the Council's portion of the unfunded past service cost or the vested benefits of the Council's portion of the Plan assets. The taxpayer ID number for KERS is 61-6027950.

In addition to the above defined benefit pension plan, a voluntary defined contribution plan is offered to all employees. Employees who participate in TIAA-CREF may contribute either 2.00% or 5.00% of their salary into a Tax-Deferred Annuity Plan. Employees who elect to contribute 2.00% to TIAA-CREF shall receive a matching contribution by the Council of 4.00%. Employees who elect to contribute 5.00% to TIAA-CREF shall receive a matching contribution by the Council of 10.00%. Employees who elect to participate in both KERS and TIAA-CREF will not receive a matching contribution from the Council to their TIAA-CREF Plan when the KERS mandated employer contribution meets or exceeds 10.00%.

Upon completion of 20 years of service, the Council will make an additional 10.00% contribution for no more than 5 years provided the amount does not exceed the limits imposed by I.R.C. §415 and 403(b). The Council reserves the right to extend this period for certain employees. The Council reserves the right to make additional Council plan contributions for the Executive Director provided the amount does not exceed the limits imposed by I.R.C. §415 and 403(b). The Council’s contributions to the voluntary defined contribution plan amounted to approximately $900,000 and $805,000 in 2013 and 2012, respectively.

5. LEASE COMMITMENTS

The Council is obligated under various operating leases for offices and equipment rentals, which expire on various dates through 2022. Rent expense was approximately $1,465,000 and $1,294,000 in 2013 and 2012, respectively. Amounts for rent and property maintenance on the accompanying financials are net of recoveries from managed organizations.

Future gross minimum lease payments (assuming there are no managed organizations sharing in future rent expenses) as of June 30, 2013 are as follows (amounts rounded):

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$1,285,000</td>
</tr>
<tr>
<td>2015</td>
<td>$1,280,000</td>
</tr>
<tr>
<td>2016</td>
<td>$1,255,000</td>
</tr>
<tr>
<td>2017</td>
<td>$1,090,000</td>
</tr>
<tr>
<td>2018</td>
<td>$1,100,000</td>
</tr>
<tr>
<td>Thereafter</td>
<td>$3,460,000</td>
</tr>
<tr>
<td>Total</td>
<td>$9,470,000</td>
</tr>
</tbody>
</table>
Rental income associated with subleased office space was approximately $165,000 and $164,000, respectively, for the years ended June 30, 2013 and 2012. The future minimum sublease rental revenue for non-cancelable sublease agreements are as follows: year ending 2014, approximately $140,000.

6. GRANTS AND CONTRACTS

The Council has entered into agreements with various agencies of the United States Government and other organizations. The purpose of the agreements is to perform research and related projects, or assist in defraying expenses for projects undertaken by the Council. The grants and contracts are subject to various expenditure restrictions and are subject to examination by the granting agency to determine compliance with the related agreements.

Should any expenditure be disallowed, the Council would be required to refund disallowed amounts. For purposes of the accompanying financial statements, a provisional rate for indirect costs has been used as prescribed by the appropriate grantors. The proposal for final indirect cost rate for fiscal year 2013 is currently in process. As such, no provision for refund has been accrued in the accompanying financial statements.

Some grants contain provisions which require the Council and its grantees to contribute matching funds or in-kind services to the grant sponsored project. Matching funds and in-kind services were approximately $170,000 and $2,500,000 for the years ended June 30, 2013 and 2012, respectively.

7. FUNCTIONAL CLASSIFICATION

Following are expenses by functional classifications for the years ended June 30:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program expenses</td>
<td>$28,479,946</td>
<td>$26,085,977</td>
</tr>
<tr>
<td>Support expenses</td>
<td>1,627,587</td>
<td>1,636,910</td>
</tr>
<tr>
<td>Fundraising expenses</td>
<td>124,766</td>
<td>234,204</td>
</tr>
<tr>
<td></td>
<td>$30,232,299</td>
<td>$27,957,091</td>
</tr>
</tbody>
</table>

8. CONCENTRATIONS

The Council maintains its cash accounts with federally insured banks primarily in Lexington, Kentucky. The Council maintained approximately $9,260,000 and $6,400,000 in an overnight repurchase agreement collateralized by securities at June 30, 2013 and 2012, respectively. Also, see Note 2 regarding investments in CDs. The Council maintained additional amounts in non-interest bearing accounts at June 30, 2013 and 2012, respectively. From December 31, 2010 through December 31, 2012, at all FDIC-insured institutions, deposits held in noninterest-bearing transaction accounts are fully insured regardless of the amount in the account. As of June 30, 2013 and 2012 all amounts were either insured or collateralized.
For the year ended June 30, 2013, approximately 50 percent of all revenues were from federal grants. For the year ended June 30, 2012, approximately 49 percent of all revenues were from federal grants.

9. INCOME TAXES

The Council is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code). However, income from certain activities not directly related to the Council’s tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Council has been determined by the Internal Revenue Service not to be a private foundation within the context of Section 509(a) of the Code.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Council and recognize a tax liability if the Council has taken an uncertain position that more likely than not would not be sustained upon examination by various federal and state taxing authorities. Management has analyzed the tax positions taken by the Council, and has concluded that as of June 30, 2013 and 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the accompanying financial statements. The Council is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

The Council has filed its federal income tax returns for periods through June 30, 2012. These income tax returns are generally open to examination by the relevant taxing authorities for a period of three years from the later of the date the return was filed or its due date (including approved extensions).

10. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described as follows:

- **Level 1:** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Council has the ability to access.

- **Level 2:** Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

- **Level 3:** Inputs to the valuation methodology are unobservable and significant to the fair value measurement.
The asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2013 and 2012.

- **Mutual Funds:** Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Council are deemed to be actively traded.

The Council accounts for transfers between the levels within the fair value hierarchy at the end of the reporting period. There were no changes in the valuation methods used during 2013 or 2012, and there were no transfers between classes reported.

All assets measured at fair value on a recurring basis were classified as Level 1 at June 30, 2013 and 2012. Following is a summary. Desegregated information regarding these items is included in Note 2.

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity mutual funds</td>
<td>$804,223</td>
<td>$757,937</td>
</tr>
<tr>
<td>Fixed income mutual funds</td>
<td>500,396</td>
<td>457,641</td>
</tr>
<tr>
<td></td>
<td>$1,304,619</td>
<td>$1,215,578</td>
</tr>
</tbody>
</table>
**THE COUNCIL OF STATE GOVERNMENTS**  
COMBINING STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2013

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>CSG</th>
<th>Grants</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$8,389,733</td>
<td>$</td>
<td>$</td>
<td>$8,389,733</td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants and contracts</td>
<td>2,358,668</td>
<td>2,358,668</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Publications, net</td>
<td>200,241</td>
<td>200,241</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriations</td>
<td>126,000</td>
<td>126,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest receivable</td>
<td>55,027</td>
<td>55,027</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due from managed organizations</td>
<td>101,178</td>
<td>101,178</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due from CSG/Grants</td>
<td>(441,359)</td>
<td>441,359</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>209,092</td>
<td>209,092</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>9,081,271</td>
<td>1,917,309</td>
<td>441,359</td>
<td>11,439,939</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>18,753,766</td>
<td>18,753,766</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>688,953</td>
<td>688,953</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>19,442,719</td>
<td>0</td>
<td>0</td>
<td>19,442,719</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$28,523,990</td>
<td>$1,917,309</td>
<td>$441,359</td>
<td>$30,882,658</td>
</tr>
</tbody>
</table>

| LIABILITIES AND NET ASSETS |     |        |              |       |
| Current liabilities: |     |        |              |       |
| Accounts payable | $1,314,447 | $ | $ | $1,314,447 |
| Accrued salaries | 673,285 | 673,285 |              |       |
| Accrued vacation and sick pay | 1,428,784 | 1,428,784 |              |       |
| Due to CSG/Grants | (441,359) | 441,359 | 0 |       |
| Due to managed organizations | 15,176,440 | 15,176,440 |              |       |
| Deferred revenue | 740,437 | 1,917,309 | 2,657,746 |       |
| Other accrued expenses | 386,239 | 386,239 |              |       |
| **Total current liabilities** | 19,278,273 | 1,917,309 | 441,359 | 21,636,941 |
| Unrestricted net assets: |     |        |              |       |
| Undesignated | 8,256,764 | 8,256,764 |              |       |
| Board designated | 300,000 | 300,000 |              |       |
| Investment in property and equipment, net | 688,953 | 688,953 |              |       |
| **Total net assets** | 9,245,717 | 0 | 0 | 9,245,717 |
| **Total liabilities and net assets** | $28,523,990 | $1,917,309 | $441,359 | $30,882,658 |

See report of independent auditors on pages 1 and 2.  16
## Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>CSG</th>
<th>Grants</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash and cash equivalents</strong></td>
<td>$6,322,560</td>
<td>$</td>
<td>$</td>
<td>$6,322,560</td>
</tr>
<tr>
<td><strong>Receivables:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants and contracts</td>
<td>3,188,453</td>
<td>3,188,453</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Publications, net</td>
<td>179,507</td>
<td>179,507</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriations</td>
<td>287,856</td>
<td>287,856</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest receivable</td>
<td>52,028</td>
<td>52,028</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due from managed organizations</td>
<td>116,928</td>
<td>116,928</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due from CSG/Grants</td>
<td>(1,337,977)</td>
<td>1,337,977</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>247,914</td>
<td>247,914</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>7,206,793</td>
<td>1,850,476</td>
<td>1,337,977</td>
<td>10,395,246</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>18,426,016</td>
<td>18,426,016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>771,277</td>
<td>771,277</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>19,197,293</td>
<td>0</td>
<td>0</td>
<td>19,197,293</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$26,404,086</td>
<td>$1,850,476</td>
<td>$1,337,977</td>
<td>$29,592,539</td>
</tr>
</tbody>
</table>

## Liabilities and Net Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>CSG</th>
<th>Grants</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$1,329,486</td>
<td>$</td>
<td>$</td>
<td>$1,329,486</td>
</tr>
<tr>
<td>Accrued salaries</td>
<td>706,941</td>
<td>706,941</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued vacation and sick pay</td>
<td>1,252,394</td>
<td>1,252,394</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due to CSG/Grants</td>
<td>(1,337,977)</td>
<td>1,337,977</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Due to managed organizations</td>
<td>15,388,687</td>
<td>15,388,687</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>602,676</td>
<td>1,850,476</td>
<td>2,453,152</td>
<td></td>
</tr>
<tr>
<td>Other accrued expenses</td>
<td>571,367</td>
<td>571,367</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>18,513,574</td>
<td>1,850,476</td>
<td>1,337,977</td>
<td>21,702,027</td>
</tr>
<tr>
<td><strong>Unrestricted net assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undesignated</td>
<td>6,819,235</td>
<td>6,819,235</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board designated</td>
<td>300,000</td>
<td>300,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment in property and equipment, net</td>
<td>771,277</td>
<td>771,277</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>7,890,512</td>
<td>0</td>
<td>0</td>
<td>7,890,512</td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>$26,404,086</td>
<td>$1,850,476</td>
<td>$1,337,977</td>
<td>$29,592,539</td>
</tr>
</tbody>
</table>

See report of independent auditors on pages 1 and 2.
## THE COUNCIL OF STATE GOVERNMENTS
### COMBINING STATEMENT OF ACTIVITIES
#### YEAR ENDED JUNE 30, 2013

<table>
<thead>
<tr>
<th></th>
<th>CSG</th>
<th>Grants</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants and contracts</td>
<td>$6,733,457</td>
<td>$5,457,025</td>
<td>$889,223</td>
<td>$15,809,776</td>
</tr>
<tr>
<td>Appropriations and membership dues</td>
<td>$21,667</td>
<td>$113,582</td>
<td>$1,002,805</td>
<td>$6,755,124</td>
</tr>
<tr>
<td>Foundation and project revenue</td>
<td>$5,457,025</td>
<td>$5,457,025</td>
<td>$817,000</td>
<td>$6,733,457</td>
</tr>
<tr>
<td>Contributions</td>
<td>$288,255</td>
<td>$53</td>
<td>$165,093</td>
<td>$288,308</td>
</tr>
<tr>
<td>Corporate associates</td>
<td>$294,732</td>
<td>$294,732</td>
<td>$165,093</td>
<td>$165,093</td>
</tr>
<tr>
<td>Service recovery</td>
<td>$566,686</td>
<td>$129,599</td>
<td>$696,285</td>
<td>$566,686</td>
</tr>
<tr>
<td>Sales of publications</td>
<td>$115,374</td>
<td>$115,374</td>
<td>$22,642</td>
<td>$115,374</td>
</tr>
<tr>
<td>Interest and dividends</td>
<td>$514,889</td>
<td>$4,169,286</td>
<td>$4,684,175</td>
<td>$514,889</td>
</tr>
<tr>
<td>Conference center rental</td>
<td>$165,093</td>
<td>$165,093</td>
<td>$165,093</td>
<td>$165,093</td>
</tr>
<tr>
<td>Meeting and conference registrations</td>
<td>$162,190</td>
<td>$1,150</td>
<td>$163,340</td>
<td>$162,190</td>
</tr>
<tr>
<td>Net realized and unrealized gains on investments</td>
<td>$115,374</td>
<td>$115,374</td>
<td>$22,642</td>
<td>$115,374</td>
</tr>
<tr>
<td>Other</td>
<td>$19,224</td>
<td>$3,418</td>
<td>$22,642</td>
<td>$22,642</td>
</tr>
<tr>
<td>Grantee matching contributions</td>
<td>$170,218</td>
<td>$(170,218)</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>$10,051,234</td>
<td>$21,576,889</td>
<td>$(40,619)</td>
<td>$31,587,504</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>$6,364,309</td>
<td>$7,123,303</td>
<td>$13,487,612</td>
<td>$13,487,612</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>$2,082,240</td>
<td>$1,777,743</td>
<td>$3,859,983</td>
<td>$3,859,983</td>
</tr>
<tr>
<td>Travel and conferences</td>
<td>$1,307,646</td>
<td>$2,950,628</td>
<td>$4,258,274</td>
<td>$4,258,274</td>
</tr>
<tr>
<td>Consultant and contract services</td>
<td>$514,889</td>
<td>$4,169,286</td>
<td>$4,684,175</td>
<td>$514,889</td>
</tr>
<tr>
<td>Office expenses</td>
<td>$687,625</td>
<td>$706,633</td>
<td>$1,394,258</td>
<td>$1,394,258</td>
</tr>
<tr>
<td>Rent and property maintenance</td>
<td>$605,086</td>
<td>$859,747</td>
<td>$1,464,833</td>
<td>$1,464,833</td>
</tr>
<tr>
<td>Contributions to managed organizations</td>
<td>$188,188</td>
<td>$188,188</td>
<td>$188,188</td>
<td>$188,188</td>
</tr>
<tr>
<td>Printing and publications</td>
<td>$297,027</td>
<td>$74,035</td>
<td>$371,062</td>
<td>$371,062</td>
</tr>
<tr>
<td>Equipment maintenance</td>
<td>$223,967</td>
<td>$101,911</td>
<td>$325,878</td>
<td>$325,878</td>
</tr>
<tr>
<td>Depreciation</td>
<td>$198,036</td>
<td>$198,036</td>
<td>$198,036</td>
<td>$198,036</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>$12,469,013</td>
<td>$17,763,286</td>
<td>$(40,619)</td>
<td>$30,232,299</td>
</tr>
<tr>
<td>Grantee contributions</td>
<td>$170,218</td>
<td>$(170,218)</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>CSG contribution</td>
<td>$(273,207)</td>
<td>$273,207</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Indirect costs recovered:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants</td>
<td>$(3,370,178)</td>
<td>$3,370,178</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Allocated</td>
<td>$(414,522)</td>
<td>$(414,522)</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>Managed organizations</td>
<td>$(544,121)</td>
<td>$544,121</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td><strong>Total expenses</strong></td>
<td>$(6,696,029)</td>
<td>$21,576,889</td>
<td>$(40,619)</td>
<td>$30,232,299</td>
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<tr>
<td><strong>Change in net assets</strong></td>
<td>$1,355,205</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td><strong>Net assets, beginning of year</strong></td>
<td>$7,890,512</td>
<td>$0</td>
<td>$0</td>
<td>$7,890,512</td>
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<tr>
<td><strong>Net assets, end of year</strong></td>
<td>$9,245,717</td>
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</tbody>
</table>

See report of independent auditors on pages 1 and 2.
# THE COUNCIL OF STATE GOVERNMENTS
## COMBINING STATEMENT OF ACTIVITIES
### YEAR ENDED JUNE 30, 2012

### Revenues:

<table>
<thead>
<tr>
<th>Source</th>
<th>CSG</th>
<th>Grants</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants and contracts</td>
<td>$</td>
<td>$13,555,785</td>
<td>$</td>
<td>$13,555,785</td>
</tr>
<tr>
<td>Appropriations and</td>
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<td></td>
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<tr>
<td>membership dues</td>
<td>6,289,540</td>
<td>15,000</td>
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<td>6,304,540</td>
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<td>229,022</td>
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<td>1,200,494</td>
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<td>Contributions</td>
<td>812,000</td>
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<td>812,000</td>
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<td>Corporate associates</td>
<td>364,868</td>
<td></td>
<td>359,883</td>
<td>724,751</td>
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<tr>
<td>Service recovery</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Interest and dividends</td>
<td>351,458</td>
<td>1,229</td>
<td></td>
<td>352,687</td>
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<tr>
<td>Sales of publications</td>
<td>264,666</td>
<td></td>
<td></td>
<td>264,666</td>
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<tr>
<td>Meeting and conference registrations</td>
<td>179,375</td>
<td>(325)</td>
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<td>179,050</td>
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<tr>
<td>Conference center rental</td>
<td>164,113</td>
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<td>164,113</td>
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<tr>
<td>Net realized and unrealized</td>
<td>77,812</td>
<td>1,074</td>
<td></td>
<td>78,886</td>
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<tr>
<td>gains on investments</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>48,387</td>
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<td></td>
<td>48,387</td>
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<tr>
<td>Grantee matching contributions</td>
<td>2,500,218</td>
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<td>(2,500,218)</td>
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<tr>
<td>Total revenues</td>
<td>9,523,691</td>
<td>20,522,288</td>
<td>(2,140,335)</td>
<td>27,905,644</td>
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### Expenses:

<table>
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<tr>
<th>Item</th>
<th>CSG</th>
<th>Grants</th>
<th>Eliminations</th>
<th>Total</th>
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<tbody>
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<td>Salaries and wages</td>
<td>6,484,335</td>
<td>5,323,113</td>
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<td>11,807,448</td>
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<td>Employee benefits</td>
<td>2,115,823</td>
<td>1,345,504</td>
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<td>3,461,327</td>
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<td>Travel and conferences</td>
<td>1,404,250</td>
<td>3,119,335</td>
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<td>4,523,585</td>
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<tr>
<td>Consultant and contract services</td>
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<td>3,918,523</td>
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<td>4,353,455</td>
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<td>Office expenses</td>
<td>733,997</td>
<td>624,543</td>
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<td>1,358,540</td>
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<td>Rent and property maintenance</td>
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<td>640,247</td>
<td></td>
<td>1,294,013</td>
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<td>Contributions to managed organizations</td>
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<td>241,448</td>
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<td>Printing and publications</td>
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<td>73,710</td>
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<td>360,082</td>
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<td>99,544</td>
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<td>357,990</td>
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<td>Depreciation</td>
<td>199,203</td>
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<td>199,203</td>
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<tr>
<td></td>
<td>12,812,572</td>
<td>15,144,519</td>
<td></td>
<td>27,957,091</td>
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<td>2,500,218</td>
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<td>CSG contribution</td>
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<td>Indirect costs recovered:</td>
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<tr>
<td>Grants</td>
<td>(2,738,283)</td>
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<tr>
<td>Allocated</td>
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<td>(154,897)</td>
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<tr>
<td>Managed organizations</td>
<td>(514,780)</td>
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<tr>
<td>Total expenses</td>
<td>9,575,138</td>
<td>20,522,288</td>
<td>(2,140,335)</td>
<td>27,957,091</td>
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### Change in net assets

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<th>(51,447)</th>
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### Net assets, beginning of year

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### Net assets, end of year

<table>
<thead>
<tr>
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<th>$7,890,512</th>
<th>$7,890,512</th>
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</table>

See report of independent auditors on pages 1 and 2.
<table>
<thead>
<tr>
<th>Organization</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Association of State Treasurers Foundation, Inc.</td>
<td>$96,180</td>
<td>$116,928</td>
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<tr>
<td>Eastern Regional Conference</td>
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<tr>
<td><strong>Total due from managed organizations</strong></td>
<td><strong>$101,178</strong></td>
<td><strong>$116,928</strong></td>
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See report of independent auditors on pages 1 and 2.
THE COUNCIL OF STATE GOVERNMENTS  
SCHEDULE OF DUE TO MANAGED ORGANIZATIONS  
JUNE 30, 2013 AND 2012

<table>
<thead>
<tr>
<th>Organization</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>21st Century Fund</td>
<td>$233,393</td>
<td>$170,061</td>
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<tr>
<td>American Probation and Parole Association</td>
<td>228,533</td>
<td>46,465</td>
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<tr>
<td>American Probation and Parole Association - Restricted Fund</td>
<td>13,829</td>
<td>24,664</td>
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<tr>
<td>American Probation and Parole Association - Services Account</td>
<td>67,407</td>
<td>87,931</td>
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<tr>
<td>Bowhay Institute of Legislative Leadership Development</td>
<td>228,795</td>
<td>246,576</td>
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<tr>
<td>Council of State Governments - West</td>
<td>254,034</td>
<td>303,399</td>
</tr>
<tr>
<td>Council of State Governments West Meetings</td>
<td>78,683</td>
<td>66,784</td>
</tr>
<tr>
<td>Eastern Regional Conference</td>
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<td>59,323</td>
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<tr>
<td>Eastern Trade Council</td>
<td>212,465</td>
<td>182,193</td>
</tr>
<tr>
<td>Emergency Management Accreditation Program</td>
<td>712,347</td>
<td>641,325</td>
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<tr>
<td>Interstate Commission for Juveniles</td>
<td>1,311,091</td>
<td>1,208,286</td>
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<tr>
<td>Interstate Commission on Adult Offender Supervision</td>
<td>2,319,707</td>
<td>2,656,603</td>
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<tr>
<td>Interstate Commission on Educational Opportunity for Military Children</td>
<td>743,212</td>
<td>647,994</td>
</tr>
<tr>
<td>Legislative Service Agency Directors of Southern Legislative Conference</td>
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<td>8,394</td>
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<tr>
<td>Midwest Legislative Conference</td>
<td>749,089</td>
<td>849,391</td>
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<tr>
<td>Midwest Passenger Rail Commission</td>
<td>138,063</td>
<td>111,040</td>
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<tr>
<td>Minds Against Crime</td>
<td>17,966</td>
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<tr>
<td>National Association of State Facilities Admin. - Eastern Region</td>
<td>3,216</td>
<td>3,203</td>
</tr>
<tr>
<td>National Association of State Facilities Admin. - Great Plains</td>
<td>7,788</td>
<td>9,248</td>
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<tr>
<td>National Association of State Facilities Admin. - Southeast Region</td>
<td>4,929</td>
<td>5,178</td>
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<tr>
<td>National Association of State Facilities Admin. - Western Region</td>
<td>8,216</td>
<td>17,350</td>
</tr>
<tr>
<td>National Association of State Facilities Administrators</td>
<td>473,670</td>
<td>491,196</td>
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<tr>
<td>National Association of State Personnel Executives, Inc.</td>
<td>397,278</td>
<td>343,275</td>
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<tr>
<td>National Association of State Technology Directors</td>
<td>719,285</td>
<td>718,482</td>
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<tr>
<td>National Association of State Technology Directors - Eastern Region</td>
<td>82,699</td>
<td>69,166</td>
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<tr>
<td>National Association of State Technology Directors - Midwest Region</td>
<td>39,064</td>
<td>38,492</td>
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<tr>
<td>National Association of State Technology Directors - Southern Region</td>
<td>59,655</td>
<td>30,732</td>
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<tr>
<td>National Association of State Technology Directors - Western Region</td>
<td>89,779</td>
<td>61,962</td>
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<td>National Association of State Treasurers</td>
<td>844,610</td>
<td>1,011,459</td>
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<tr>
<td>National Association of State Treasurers - College Savings Plan</td>
<td>350,579</td>
<td>350,579</td>
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<tr>
<td>National Association of State Treasurers - State Debt Management Network</td>
<td>83,019</td>
<td>83,019</td>
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<tr>
<td>National Association of State Treasurers - Restricted</td>
<td>595</td>
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<tr>
<td>National Emergency Management Association</td>
<td>1,339,576</td>
<td>1,303,111</td>
</tr>
<tr>
<td>National Hispanic Caucus of State Legislators</td>
<td>1,068,290</td>
<td>794,907</td>
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<tr>
<td>National Hispanic Caucus of State Legislators - Restricted Fund</td>
<td>442,383</td>
<td>149,680</td>
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<tr>
<td>National Lieutenant Governors Association</td>
<td>57,123</td>
<td>1,041,643</td>
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<td>Northeast States Association for Agriculture Stewardship</td>
<td>33,075</td>
<td>67,961</td>
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<td>Southern Legislative Conference</td>
<td>600,959</td>
<td>524,846</td>
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<tr>
<td>Southern Legislative Conference - Host State Accounts</td>
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<td>474,218</td>
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<td>State International Development Organization</td>
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<td>196,362</td>
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<tr>
<td>Western Designated Fund</td>
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<td>160,000</td>
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<tr>
<td>Western Legislative Academy</td>
<td>161,228</td>
<td>132,189</td>
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Total due to managed organizations                                             $15,176,440  $15,388,687
### THE COUNCIL OF STATE GOVERNMENTS
### SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
### YEAR ENDED JUNE 30, 2013

<table>
<thead>
<tr>
<th>Federal Agency</th>
<th>CSG identifier</th>
<th>CFDA or other identifying number</th>
<th>Amount</th>
<th>Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Major Programs:</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>U.S. Agency for International Development</strong></td>
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<tr>
<td>US/Mexico State Alliance Partnership</td>
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<td>523-A-00-08-00010-00</td>
<td>$16,900,000</td>
<td>$1,143,481</td>
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<td><strong>U.S. Department of Justice</strong></td>
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<tr>
<td>Bureau of Justice Assistance - Technical Assistance</td>
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<td>16.580</td>
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<td>4,920</td>
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<td>16.580</td>
<td>$249,982</td>
<td>12,151</td>
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<tr>
<td>Justice and Mental Health Collaboration Program</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Training and Technical Assistance</td>
<td>150-161-70-11460</td>
<td>16.580</td>
<td>$499,441</td>
<td>(348)</td>
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<tr>
<td>Tribal Correctional Options</td>
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<td>16.580</td>
<td>$400,000</td>
<td>28,999</td>
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<td>Improving Criminal Justice Info Sharing</td>
<td>150-161-70-11456</td>
<td>16.580</td>
<td>$300,000</td>
<td>34,165</td>
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<td>150-085-70-11594</td>
<td>16.580</td>
<td>$400,000</td>
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<td>Supporting Effective Responses</td>
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<td>16.580</td>
<td>$1,516,405</td>
<td>498,692</td>
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<td>Tribal Probation Training</td>
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<td>Tribal Probation Academy</td>
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<td>16.580</td>
<td>$44,829</td>
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<td>$12,388,562</td>
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<td>Project Safe Neighborhoods - Technology Technical Assistance Program</td>
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<td>$200,000</td>
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<td>Tribal Probation Academy - III</td>
<td>150-085-70-11869</td>
<td>16.580</td>
<td>$30,000</td>
<td>305</td>
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<td>Responses to Those with Mental Illness</td>
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<td>16.751</td>
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<td>19,168</td>
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<td>Discovering Corrections Website Project</td>
<td>150-085-70-11455</td>
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<td>Correction Information Sharing</td>
<td>150-085-70-11587</td>
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<td>139,800</td>
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<td>Justice Reinvestment Technology Assistance for States</td>
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<td>Mental Health Curriculum</td>
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<td>16.751</td>
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<td>Bringing Network for the Improvement of Addiction Treatment to Corrections</td>
<td>150-161-70-11716</td>
<td>16.751</td>
<td>$348,691</td>
<td>159,827</td>
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<td>Law &amp; Mental Health Data Collection</td>
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<td>16.751</td>
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| | | | | |
| | | | | |

| | | | | |

See report of independent auditors and accompanying notes to the schedule of expenditures of federal awards. 22
THE COUNCIL OF STATE GOVERNMENTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2013  

<table>
<thead>
<tr>
<th>CFDA or other</th>
<th>Federal Agency</th>
<th>CSG identifier</th>
<th>Amount</th>
<th>Expenses</th>
</tr>
</thead>
<tbody>
<tr>
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<tr>
<td></td>
<td>U.S. Department of Homeland Security</td>
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<tr>
<td></td>
<td>Homeland Technical Assistance Program</td>
<td>415-090-70-11610</td>
<td>1,800,000</td>
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<td></td>
<td>National Incident Management Systems</td>
<td>415-090-70-11609</td>
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<td>Nonmajor programs:</td>
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<td></td>
<td>U.S. Department of Defense</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Passed through from U.S. Army Corps of Engineers:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>US Army Corps of Engineering</td>
<td>330-146-70-11453</td>
<td>248,090</td>
<td>117,690</td>
</tr>
<tr>
<td></td>
<td>U.S. Department of Energy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Radioactive Waste Transportation Project</td>
<td>10373/10348</td>
<td>2,625,733</td>
<td>273,486</td>
</tr>
<tr>
<td></td>
<td>Radioactive Waste Transportation Project</td>
<td>10369</td>
<td>(562)</td>
<td>(562)</td>
</tr>
<tr>
<td></td>
<td>Radioactive Waste Transportation Project</td>
<td>11792</td>
<td>300,511</td>
<td>89,389</td>
</tr>
<tr>
<td></td>
<td>Radioactive Waste Transportation Project</td>
<td>11850</td>
<td>110,000</td>
<td>18,058</td>
</tr>
<tr>
<td></td>
<td>Radioactive Waste Transportation Project</td>
<td>11856</td>
<td>30,000</td>
<td>13,501</td>
</tr>
<tr>
<td></td>
<td>Radioactive Waste Transportation Project</td>
<td>11793</td>
<td>425,000</td>
<td>181,050</td>
</tr>
<tr>
<td></td>
<td>Radioactive Waste Transportation Project</td>
<td>11794</td>
<td>375,000</td>
<td>112,002</td>
</tr>
<tr>
<td></td>
<td>Total major programs</td>
<td></td>
<td>58,283,383</td>
<td>12,095,266</td>
</tr>
</tbody>
</table>

See report of independent auditors and accompanying notes to the schedule of expenditures of federal awards.
<table>
<thead>
<tr>
<th>Federal Agency</th>
<th>CSG identifier</th>
<th>CFDA or other identifying number</th>
<th>Amount</th>
<th>Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Department of Homeland Security</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emergency Management Assistance Compact - Mutual Aid</td>
<td>415-090-70-11044</td>
<td>97.001</td>
<td>5,100,896</td>
<td>372,323</td>
</tr>
<tr>
<td>National Homeland Security Consortium</td>
<td>415-090-70-11720</td>
<td>97.999</td>
<td>23,536</td>
<td>21,343</td>
</tr>
<tr>
<td>National Mitigation Alliance</td>
<td>415-090-70-11721</td>
<td>97.999</td>
<td>250,000</td>
<td>131,952</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>5,374,432</strong></td>
<td><strong>525,618</strong></td>
</tr>
<tr>
<td>U.S. Department of Justice</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supervision of Partner Abuse</td>
<td>150-085-70-10630</td>
<td>16.008</td>
<td>781,894</td>
<td>77,666</td>
</tr>
<tr>
<td>Offender is a Victim - Office on Violence Against Women</td>
<td>150-085-70-11825</td>
<td>16.526</td>
<td>225,000</td>
<td>5,179</td>
</tr>
<tr>
<td>Office of Juvenile Justice and Delinquency Prevention Workgroup</td>
<td>150-085-70-11797</td>
<td>16.540</td>
<td>10,000</td>
<td>1,977</td>
</tr>
<tr>
<td>Training</td>
<td>150-085-70-11777</td>
<td>16.590</td>
<td>5,000</td>
<td>3,775</td>
</tr>
<tr>
<td>Working With Mental Illness</td>
<td>150-161-70-11591</td>
<td>16.601</td>
<td>130,001</td>
<td>(162)</td>
</tr>
<tr>
<td>Training Curriculum Development</td>
<td>150-085-70-11821</td>
<td>16.601</td>
<td>90,264</td>
<td>16,929</td>
</tr>
<tr>
<td>Intermediate Training on Effective Case Management</td>
<td>150-085-70-11463</td>
<td>16.608</td>
<td>417,802</td>
<td>71,557</td>
</tr>
<tr>
<td>Tribal Court</td>
<td>150-085-70-11816</td>
<td>16.608</td>
<td>326,511</td>
<td>21,494</td>
</tr>
<tr>
<td>Community Strategic Planning</td>
<td>150-085-70-11859</td>
<td>16.608</td>
<td>60,206</td>
<td>12,195</td>
</tr>
<tr>
<td>Project safe neighborhood</td>
<td>150-085-70-11593</td>
<td>16.609</td>
<td>150,000</td>
<td>80,565</td>
</tr>
<tr>
<td>Indian Alcohol and Substance Abuse</td>
<td>150-085-70-11647</td>
<td>16.616</td>
<td>44,829</td>
<td>12,189</td>
</tr>
<tr>
<td>Re-entry Implementation Guidance</td>
<td>150-161-70-10676</td>
<td>16.710</td>
<td>250,000</td>
<td>7,011</td>
</tr>
<tr>
<td>Enhancing Re-entry Initiatives</td>
<td>150-161-70-11741</td>
<td>16.710</td>
<td>10,450</td>
<td>1,966</td>
</tr>
<tr>
<td>Citizens Against Physical and Sexual Abuse</td>
<td>150-085-70-11783</td>
<td>16.734</td>
<td>20,000</td>
<td>3,761</td>
</tr>
<tr>
<td>Resource Center for the Elimination of Prison Rape</td>
<td>150-085-70-11813</td>
<td>16.735</td>
<td>104,230</td>
<td>45,320</td>
</tr>
<tr>
<td>Community Corrections Problem Solving</td>
<td>150-085-70-11435</td>
<td>16.738</td>
<td>669,677</td>
<td>132,903</td>
</tr>
<tr>
<td>Corrections Study for the New Hampshire</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Justice</td>
<td>150-161-70-11541</td>
<td>16.738</td>
<td>70,000</td>
<td>39,616</td>
</tr>
<tr>
<td>Supporting Effective Responses</td>
<td>145-161-70-11818</td>
<td>16.745</td>
<td>538,195</td>
<td>403,802</td>
</tr>
<tr>
<td>State based Capacity Building</td>
<td>145-161-70-11819</td>
<td>16.745</td>
<td>969,318</td>
<td>455,901</td>
</tr>
<tr>
<td>Training for Community Corrections, ARRA</td>
<td>150-085-70-11434</td>
<td>16.807</td>
<td>360,791</td>
<td>153,534</td>
</tr>
<tr>
<td>Tribal Civil and Criminal Assistance</td>
<td>150-085-70-11815</td>
<td>16.815</td>
<td>489,559</td>
<td>50,063</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>6,363,727</strong></td>
<td><strong>2,068,283</strong></td>
</tr>
</tbody>
</table>

See report of independent auditors and accompanying notes to the schedule of expenditures of federal awards.
<table>
<thead>
<tr>
<th>Federal Agency</th>
<th>CSG identifier</th>
<th>CFDA or other Award identifying number</th>
<th>Amount</th>
<th>Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Department of Transportation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Driving While Intoxicated Risk Assessment Tools,</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Curriculum and Training</td>
<td>150-085-70-10636</td>
<td>20.216</td>
<td>493,133</td>
<td>103,255</td>
</tr>
<tr>
<td>National Highway Traffic Safety Administration</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Probation Fellow</td>
<td>150-085-70-11429</td>
<td>20.614</td>
<td>435,000</td>
<td>50,935</td>
</tr>
<tr>
<td>Total nonmajor programs</td>
<td></td>
<td></td>
<td>928,133</td>
<td>154,190</td>
</tr>
<tr>
<td>Total all programs</td>
<td></td>
<td></td>
<td>17,155,473</td>
<td>3,714,510</td>
</tr>
<tr>
<td>ARRRA - American Recovery and Reinvestment Act</td>
<td></td>
<td></td>
<td>$ 75,438,856</td>
<td>$ 15,809,776</td>
</tr>
</tbody>
</table>

See report of independent auditors and accompanying notes to the schedule of expenditures of federal awards.
1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Council of State Governments (the Council). The Council's reporting entity is defined in Note 1 to the Council's financial statements. All federal financial assistance was received directly from federal agencies unless specifically noted on the schedule.

The grant revenue amounts received and expensed are subject to audit and adjustment. If any expenditures are disallowed by the grantor as a result of such an audit, any claim for reimbursement to the grantor would become a liability of the Council. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal laws and regulations.

2. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Council and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some of the amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.
3. SUBRECIPIENTS

Of the federal expenditures presented in the schedule, the Council provided federal awards to subrecipients as follows:

<table>
<thead>
<tr>
<th>Subrecipient</th>
<th>CFDA Number or Other Identifying Number</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safer Foundation</td>
<td>16.580</td>
<td>312,377</td>
</tr>
<tr>
<td>Urban Institute</td>
<td>16.580</td>
<td>149,126</td>
</tr>
<tr>
<td>Legal Action Center</td>
<td>16.580</td>
<td>48,150</td>
</tr>
<tr>
<td>Center for Employment</td>
<td>16.580</td>
<td>33,466</td>
</tr>
<tr>
<td>American Jail Association</td>
<td>16.580</td>
<td>20,438</td>
</tr>
<tr>
<td>North Carolina Department of Public Safety</td>
<td>16.751</td>
<td>438,452</td>
</tr>
<tr>
<td>University of Wisconsin - Madison</td>
<td>16.751</td>
<td>90,280</td>
</tr>
<tr>
<td>New Hampshire Department of Corrections</td>
<td>16.751</td>
<td>72,000</td>
</tr>
<tr>
<td>Center for Social Innovation</td>
<td>16.751</td>
<td>45,409</td>
</tr>
<tr>
<td>Ohio Department of Rehabilitation</td>
<td>16.751</td>
<td>42,110</td>
</tr>
<tr>
<td>National Consortium</td>
<td>16.751</td>
<td>14,441</td>
</tr>
<tr>
<td>National Center for State Courts</td>
<td>16.751</td>
<td>12,141</td>
</tr>
<tr>
<td>University of North Dakota</td>
<td>16.815</td>
<td>23,496</td>
</tr>
<tr>
<td>Iowa Department of Public Health</td>
<td>81.106</td>
<td>59,895</td>
</tr>
<tr>
<td>Illinois Emergency Management</td>
<td>93.069</td>
<td>18,025</td>
</tr>
<tr>
<td>Illinois Emergency Management</td>
<td>97.107</td>
<td>149,125</td>
</tr>
<tr>
<td>Governors Office of Louisiana</td>
<td>97.107</td>
<td>50,000</td>
</tr>
<tr>
<td>State of Idaho</td>
<td>97.107</td>
<td>49,793</td>
</tr>
<tr>
<td>Arizona Department of Emergency</td>
<td>97.107</td>
<td>30,322</td>
</tr>
<tr>
<td>Missouri Office of Homeland Security</td>
<td>97.107</td>
<td>25,907</td>
</tr>
<tr>
<td>Arizona Division of Emergency</td>
<td>97.107</td>
<td>20,661</td>
</tr>
<tr>
<td>Utah Department of Public Safety</td>
<td>97.107</td>
<td>14,174</td>
</tr>
<tr>
<td>State of Michigan Emergency and Homeland Security</td>
<td>97.107</td>
<td>12,139</td>
</tr>
<tr>
<td>Utah Division of Emergency</td>
<td>97.107</td>
<td>11,835</td>
</tr>
<tr>
<td>University of Illinois</td>
<td>16.751 &amp; 16.738</td>
<td>57,030</td>
</tr>
<tr>
<td>Arizona State University</td>
<td>523-A-00-08-000010-00</td>
<td>161,852</td>
</tr>
<tr>
<td>Conference of Western Attorneys General</td>
<td>523-A-00-08-000010-00</td>
<td>140,000</td>
</tr>
<tr>
<td>Paso Del Norte Group</td>
<td>523-A-00-08-000010-00</td>
<td>93,078</td>
</tr>
<tr>
<td>Woodrow Wilson International Center for Scholars</td>
<td>523-A-00-08-000010-00</td>
<td>88,601</td>
</tr>
<tr>
<td>The Borderplex Bi-National Economic Alliance</td>
<td>523-A-00-08-000010-00</td>
<td>55,101</td>
</tr>
<tr>
<td>National Lieutenant Governors Association</td>
<td>523-A-00-08-000010-00</td>
<td>36,346</td>
</tr>
<tr>
<td>National Association of State Treasurers</td>
<td>523-A-00-08-000010-00</td>
<td>33,288</td>
</tr>
<tr>
<td>Iowa Department of Public Health</td>
<td>DE-FC30-07CC00031</td>
<td>89,119</td>
</tr>
<tr>
<td>New York State Division of Homeland Security and Emergency Services</td>
<td>DE-FC30-07CC00031</td>
<td>63,418</td>
</tr>
<tr>
<td>Commonwealth of Pennsylvania</td>
<td>DE-FC30-07CC00031</td>
<td>11,299</td>
</tr>
<tr>
<td>Other</td>
<td>Various</td>
<td>136,973</td>
</tr>
</tbody>
</table>

Total federal awards passed through to subrecipients $2,709,867
REPORT OF INDEPENDENT AUDITORS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Governing Board
The Council of State Governments
Lexington, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of The Council of State Governments (a nonprofit organization, the Council) which comprise the statement of financial position as of June 30, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 5, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Council’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.
To the Governing Board  
The Council of State Governments  
Lexington, Kentucky

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Council’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Blue & Co., LLC

Lexington, Kentucky  
December 5, 2013
REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

To the Governing Board
The Council of State Governments
Lexington, Kentucky

Report on Compliance for Each Federal Program

We have audited The Council of State Governments (a nonprofit organization, the Council) compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the Council’s major federal programs for the year ended June 30, 2013. The Council’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the Council’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Council’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Council’s compliance.
To the Governing Board  
The Council of State Governments  
Lexington, Kentucky

Opinion on Each Major Federal Program

In our opinion, the Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the Council is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred above. In planning and performing our audit of compliance, we considered the Council's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council’s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Blue & Co., LLC

Lexington, Kentucky  
December 5, 2013
## Section I - Summary of Auditor’s Results

### Financial Statements

Type of auditor’s report issued: unmodified

Internal Control over financial reporting:

<table>
<thead>
<tr>
<th>Material weakness(es) identified?</th>
<th>_____ yes</th>
<th>____ no</th>
</tr>
</thead>
<tbody>
<tr>
<td>Significant deficiency(s) identified that are not considered to be material weaknesses?</td>
<td>_____ yes</td>
<td>____ none reported</td>
</tr>
</tbody>
</table>

Noncompliance material to financial statements noted?  

| _____ yes | ____ no |

### Federal Awards

Internal control over major programs:

<table>
<thead>
<tr>
<th>Material weakness(es) identified?</th>
<th>_____ yes</th>
<th>____ no</th>
</tr>
</thead>
<tbody>
<tr>
<td>Significant deficiency(s) identified that are not considered to be material weaknesses?</td>
<td>_____ yes</td>
<td>____ none reported</td>
</tr>
</tbody>
</table>

Type of auditor’s report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A - 133?  

| _____ yes | ____ no |
The Council’s major federal programs for the year ended June 30, 2013 were:

Other Identifying No. 02-523-A-00-08-00010-00
U.S. Agency for International Development - US/Mexico State Alliance Partnership

CFDA No. 16.580:
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program - See individual grant descriptions on Schedule of Expenditures of Federal Awards.

CFDA No. 16.751:
Edward Byrne Memorial Competitive Grant Program - See individual grant descriptions on Schedule of Expenditures of Federal Awards.

CFDA No. 16.803:
Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories - Public Safety

CFDA No. 16.812:
Second Chance Act Prisoner Reentry Initiative - National Re-entry Resource Center

CFDA No. 97.007:
Homeland Security Preparedness Technical Assistance Program

CFDA No. 97.107:
National Incident Management Systems

The dollar threshold used to distinguish between Type A and Type B programs was $474,293.

The Council qualified as a low-risk auditee under the provisions of OMB Circular A-133.

Section II - Findings - Financial Statement Audit

None reported.

Section III - Findings and Questioned Costs - Major Federal Awards Program Audit

None reported.
No findings or questioned costs were reported for the year ended June 30, 2012.
TAB - K
HUMAN RESOURCES

Workforce Overview

- Total employees: 229
- Offices in 8 States and District of Columbia as follows:
  - KY-CSG National HQ and Affiliated Organizations
  - GA-CSG South
  - IL-CSG Midwest
  - CA-CSG West
  - NY-CSG East and Justice Center
  - DC-CSG Washington, DC office
  - MD-Justice Center
  - TX-Justice Center
  - WA-Justice Center

- Employees in 15 states and DC (includes telecommuters)
- HR staff of 2 located in HQ offices

Benefits Overview

- All CSG locations share common HR Policies and medical, dental, vision, disability, and life insurance benefits plans.

- Kentucky based employees are required to participate in the Kentucky Retirement System. Regional employees may participate in a TIAA-CREF defined contribution plan and supplemental retirement plan.

- HR range of services to HQ, Regions, Justice Center and Affiliates:
  - Employment law compliance (for all States with CSG presence)-EEO, Affirmative Action, FLSA, FMLA, etc.
  - HR Policy development and administration
  - Compensation administration
  - Benefits Administration (includes plan design, annual renewal negotiation, cost containment)
  - Workers’ Compensation administration
  - Recruiting and staffing
  - Assisting supervisors with personnel actions through coaching and counseling, policy interpretation
  - Assisting employees with work related issues
  - Recruiting and staffing (including new hire orientation)
  - Organizational development and training
2014 EMPLOYEE GUIDE TO
THE COUNCIL OF STATE GOVERNMENTS

HEADQUARTERS

QUICK REFERENCE Contact Information on back cover.
As the executive director of The Council of State Governments, I am excited you have chosen to join a team of employees dedicated and passionate about serving those who lead our states. CSG was created in 1933 by the states to fill a need. Since that time, we have been the place state leaders come together to empower themselves to achieve excellence.

You are now part of a unique team that is committed to sharing capitol ideas. One that works hard every day in many ways to honor our vital role the states have entrusted to us. At The Council of State Governments, we serve all three branches of state government and relish our status as a regionally-based organization. No other association does what we do. No other organization can.

I encourage you, as a valued member of our CSG family, to take full advantage of the many benefits CSG provides its staff. You will find the pages of this handbook full of valuable material, including important information on health, vision and dental benefits, retirement benefits, and leave policies.

As you review this information, please keep in mind we have an outstanding human resources team available to answer any questions you may have regarding your employment and benefits. I encourage you to get to know your co-workers, regional colleagues and CSG management team members, who also can serve as a valuable resource as you start your journey here.

CSG values the time, talents, and commitment of each of its employees. If there is any way we can assist you as you begin your tenure, please let us know. Your success is our success and we want to do everything possible to help you succeed.

CSG Executive Director/CEO
WASHINGTON, D.C.

CSG’s Washington, D.C., office provides state leaders a voice in Congress. The Washington office monitors federal developments and trends and evaluates the impact of federal activities, including U.S. Supreme Court decisions, on states. The CSG Washington office is well positioned to continue growing the partnerships between the states and the federal government.

» www.csgdc.org
Through affiliation with CSG, national organizations of state officials can share ideas and combine efforts to accomplish mutual goals. Affiliates contribute specialized expertise, information, resources and issues to the overall mission of CSG. In turn, CSG offers a mechanism by which affiliates may tap into CSG’s products and services, and a forum for bringing issues to a broader, collective audience of state leaders.
CSG convenes states to work together collaboratively to address problems that span state boundaries. CSG’s National Center for Interstate Compacts serves as an information clearinghouse, provides training and technical assistance, and assists states in the review, revision and creation of new interstate compacts to solve multi-state problems.

CSG has long believed private sector involvement is critical to formulate sound solutions to public policy challenges. The CSG Associates Program facilitates this interaction by engaging government affairs professionals in CSG’s program and policy work, its national and regional conferences, and its information network. CSG Associates bring their perspectives to CSG’s programs and make significant contributions in support of its meetings and international exchanges.

Today’s state government leaders don’t have time to weed through a stack of hundreds of policy documents. They aren’t interested in another white paper buried on their desk. That’s why CSG created the Knowledge Center, an interactive website that serves as a one-stop shop for more than 600 tagged and indexed policy reports, blogs and other policy items. State government officials can browse by topic and, most importantly, quickly find what they’re looking for. They can subscribe to RSS feeds on only the topics in which they’re interested. Within the Knowledge Center, you can find: Capitol Research | Capitol Comments | Policy Webinars | Access to CSG Regions & Affiliates | Data Center | Suggested State Legislation | Innovations

CSG provides state leaders a variety of regional and national opportunities to actively engage on issues of importance to their jurisdictions and constituents – predominantly through CSG’s diverse regional/national committee and task force system. These forums, composed of delegates appointed by each state’s individual appointing authority, enable state leaders to collaboratively address emerging challenges and issues arising from dynamic conditions in the states on both a regional and national level. CSG’s committees and task forces are designed to encourage multi-state problem solving, the sharing of best practices, and to facilitate networking among state officials and between the public and private sectors. In addition, CSG’s regional and national standing committees gain the expertise of state officials in the governance of CSG activities, including mission focus, strategic planning, programming priorities and financial oversight.

CSG services are designed to encourage multi-state problem solving, the sharing of best practices, and to facilitate networking among state officials and between the public and private sectors. In addition, CSG’s regional and national standing committees gain the expertise of state officials in the governance of CSG activities, including mission focus, strategic planning, programming priorities and financial oversight.
CSG EXPERT GUIDE

CSG is dedicated to getting members what they need, when they need it. Our dedicated staff of experts is always here to get them the latest information on the topics of importance to them and their state*. You can visit www.csg.org/expertguide for a complete listing of experts throughout the organization.

*www.csg.org/expertguide

POLICY AREAS

EDUCATION
www.csg.org/education

ENERGY & ENVIRONMENT
www.csg.org/energy
www.csg.org/environment

FEDERAL AFFAIRS
www.csgdc.org

FISCAL/ ECONOMIC ISSUES
www.csg.org/fiscal

HEALTH
www.csg.org/health

INTERNATIONAL AFFAIRS
www.csgdc.org/internationalaffairs

PUBLIC SAFETY & JUSTICE
www.justicecenter.csg.org

TRANSPORTATION
www.csg.org/transportation

*Note: Throughout this brochure, the term "state" also includes the six U.S. territories: American Samoa, District of Columbia, Guam, Northern Mariana Islands, Puerto Rico and U.S. Virgin Islands.
The flagship publication of CSG is a news magazine that shares the best of the best ideas in state government. Its advantageous bimonthly reach of 20,000 state leaders offers unparalleled access to the community of state government. With colorful graphics, lively articles, expert commentary and fact-based reporting, Capitol Ideas keeps decision-makers in all the states in the know.

The States Perform website provides access to interactive information on how states are performing across six key policy areas: education, public safety and justice, energy and environment, economic and fiscal policy, health and human services, and transportation. In a world where states are expected to do more with less, States Perform offers access to interactive, customizable and up-to-date comparative performance measurement data from all 50 states.

Recognizing the new ways social media is driving modern policy dialogue, CSG is actively engaged on a number of social media platforms: Facebook, Twitter and YouTube. These unique tools allow CSG’s expert policy staff to alert state officials to breaking policy information, events and impacts.

CSG’s National Center for Interstate Compacts maintains the best single resource for state interstate compact statutory information. Search by state, compact name or year of joinder to learn which compacts your state is a member of. Also included is key contact information for each compact in the states, as well as relevant information on national groups which administer interstate compacts. More than 200 different interstate compacts exist today and each state is, on average, a member of more than two dozen agreements.
LEADERSHIP DEVELOPMENT

www.csg.org/leadershipcenter

CSG provides members with the opportunity to participate in leadership training at both the national and regional levels. From the premiere Henry Toll Fellowship Program, which offers an intensive weeklong program for selected officials from all three branches of state government, to regional programs focused on legislators, CSG helps empower leaders to accomplish even more.

NATIONAL & REGIONAL CONFERENCES

www.csg.org/events

CSG’s national and regional meetings convene state leaders, private sector partners and staff together to experience world class content and programming that provides information, insights and solutions. Each conference focuses on issues state leaders are facing today, with an eye toward problem-solving for the future.
Eligibility
Regular employees who are scheduled for and actually work 20 hours a week or more are eligible for all benefits outlined in this summary. Eligible employees may elect to cover a spouse, domestic partner and/or dependent children up to the age limitations specified by each insurance carrier. Benefits are effective on the first day of the month following your date of hire.

Medical Benefits
Medical plans offered by CSG provide flexibility for you to manage care for you and your family. These plans are administered through Anthem Blue Cross Blue Shield, a provider of exceptional healthcare services with an extensive network of participating health care providers. Once enrolled you may visit Anthem’s website at www.anthem.com to access claims payments, provider directories, request ID cards and inquire about eligibility. Eligible employees may elect to cover a spouse/domestic partner and/or dependent children. Children are eligible to age 26 regardless of student, marital or financial dependency status. CSG pays 80% of employee only premium or 66% of the employee/spouse, employee/children or family premium.

Health Savings Account (HSA)
Employees who are enrolled in the High Deductible Health Plan (HDHP) Medical Plan 2 and satisfy IRS determined guidelines are eligible to contribute funds to a health savings account on a pre-tax basis to pay for reimbursable health care expenses not fully covered or ineligible for payment under your health care, dental and vision plans such as deductibles, coinsurance, and copays. The maximum amount that can be contributed to your HSA for 2014 is $3,300 for single HDHP coverage and $6,550 for family HDHP coverage. For individuals ages 55+ an additional ”catch up” contribution of $1,000 per year is allowed.

Eligible individual means an individual who: (1) is covered by an HDHP; (2) is not also covered by any other health plan that is not an HDHP, including a spouse’s Health FSA (with certain exceptions for plans providing certain types of limited coverage); (3) is not enrolled in Medicare; and (4) may not be claimed as a dependent on another person’s tax return. See § 223(c)(1).

Funds deposited into the HSA remain yours from year to year and there are no “use it or lose it” rules.
Flexible Spending Account (FSA)

Employees may contribute funds to a flexible spending account on a pre-tax basis to pay for:

» Reimbursable dependent care assistance such as daycare expenses for a child, disabled spouse or dependent that makes it possible for you or your spouse, if applicable, to work. The maximum amount you can contribute to the dependent care account per year is $5,000. Unused funds in a dependent care account at the end of the 2014 plan year will be forfeited.

» Health care expenses not fully covered or ineligible for payment under your health care, dental, or vision plans such as deductibles, coinsurance, and copays. The maximum amount you can contribute to the health care expense account per year is $2,500. Up to $500 of unused funds in a healthcare flexible spending account may be rolled over at the end of the 2014 plan year, and may be used in subsequent plan years.

How do I pay my physician or network facility at time of service with my HSA dollars?

You may request that the network provider submit your claim to your health plan. You should make sure that your provider has your most up-to-date insurance information. Once the medical claim has been processed, if applicable, out-of-pocket expenses will be billed. At this time you may choose to use your HSA debit card to pay for any out-of-pocket expenses, or you may choose to pay with your own money and receive reimbursement from your HSA at a later date. You should always ask that your medical claim be submitted to the health plan before you seek reimbursement from your HSA. This procedure will ensure that provider discounts are applied. It is important to keep all medical receipts and Explanation of Benefits (EOB) documents. McGregor & Associates, the HSA administrator, has a secure, user friendly website with a “claims vault” feature that allows employees to store receipts and EOB documents with easy access to them at any time.
Dental Benefits

Staying healthy includes obtaining quality dental care for you and your family. The dental plan offered by CSG is provided through Delta Dental, which includes an extensive network of providers and offers flexibility based upon where you choose to access care. Once enrolled, you may visit Delta Dental’s website at www.deltadental.com or call 800-955-2030 to locate a provider. Eligible employees may elect to cover a spouse/domestic partner and/or dependent children. Children are eligible to age 26 regardless of student, marital or financial dependency status. CSG pays 100% of employee only premium or 66% of the employee + one or family premium.

<table>
<thead>
<tr>
<th></th>
<th>In Network</th>
<th>Out of Network</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Annual Deductible</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Family</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Annual Maximum</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>per individual</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(In and Out of Network Combined)</td>
<td>$1500</td>
<td>$1500</td>
</tr>
<tr>
<td><strong>Preventive Care</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(cleanings, x-rays)</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Basic Treatment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(fillings, extractions, root canals)</td>
<td>80%</td>
<td>80%</td>
</tr>
<tr>
<td><strong>Major Treatment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(crowns, dentures, implants)</td>
<td>80%</td>
<td>80%</td>
</tr>
<tr>
<td>Orthodontics*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(children to age 19 - $1,000 lifetime max)</td>
<td>60%</td>
<td>50%</td>
</tr>
</tbody>
</table>

**Payroll Deductions – 24 pay periods**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee</td>
<td>$0.00</td>
</tr>
<tr>
<td>Employee + One</td>
<td>$11.57</td>
</tr>
<tr>
<td>Family</td>
<td>$20.79</td>
</tr>
</tbody>
</table>

All health premiums are based on full-time, regular employees. Part time, regular employees who work at least 20 hours per week will receive premiums pro rata based with respect to the percentage of time worked based on a 40 hours week.

*Major and Orthodontic Services have a 12 month waiting period

Did You Know...?

Periodontal disease is the most common chronic infection affecting Americans. These infections present significant health risks. For example, dentists are often the first to diagnose osteoporosis and oral cancers in patients.

Did You Know...?

Poor oral health can lead to many seemingly unrelated medical conditions. In fact, oral bacteria and oral disease have been linked to a variety of serious and potentially life-threatening illnesses, including heat disease, diabetes, stroke and pregnancy complications.

Did You Know...?

By age 17, 78 percent of American children have experienced tooth decay, and more than 51 million school hours are lost each year due to dental-related illness.
Vision Benefits
The vision plan offered by CSG is provided through EyeMed. The amount you pay for vision services depends on whether you visit a network or non-network provider. The plan utilizes the EyeMed Access network of providers which can be found at www.eyemedvisioncare.com. Eligible employees may elect to cover a spouse/domestic partner and/or dependent children. Children are eligible to age 26 regardless of student, marital or financial dependency status. CSG pays 100% of employee only premium or 66% of the employee+ one or family premium.

<table>
<thead>
<tr>
<th>Service</th>
<th>In Network Member Cost</th>
<th>Out of Network Member Reimbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eye Exam (once per 12 months)</td>
<td>$10 Copay</td>
<td>Up to $35</td>
</tr>
<tr>
<td>Contact Lens Fitting (Standard)</td>
<td>Up to $55</td>
<td>N/A</td>
</tr>
<tr>
<td>Frames (once per 24 months)</td>
<td>$120 Allowance then 20% discount off balance</td>
<td>$48</td>
</tr>
<tr>
<td>Lenses— (once per 12 months)</td>
<td>Single Vision $25 Up to $25</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>Bifocal</td>
<td>$25 Up to $40</td>
</tr>
<tr>
<td></td>
<td>Trifocal</td>
<td>$25 Up to $60</td>
</tr>
<tr>
<td></td>
<td>Standard Progressive</td>
<td>$90 Up to $40</td>
</tr>
<tr>
<td></td>
<td>Premium Progressive</td>
<td>$90 copay + 80% of charge after $120 allowance</td>
</tr>
<tr>
<td>Lens Options (including UV treat- ment, Tint, Scratch Resistance, Anti-Reflective, Polycarbonate)</td>
<td>Varying Copay Schedule; other add-ons at 20% discount</td>
<td>Not Covered</td>
</tr>
<tr>
<td>Contact Lenses—conventional</td>
<td>$135 Allowance then 15% discount off balance</td>
<td>$95</td>
</tr>
<tr>
<td>Contact Lenses—disposable</td>
<td>$135 Allowance</td>
<td>$95</td>
</tr>
</tbody>
</table>

Payroll Deductions – 24 pay periods

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee</td>
<td>$0.00</td>
</tr>
<tr>
<td>Employee + One</td>
<td>$1.89</td>
</tr>
<tr>
<td>Family</td>
<td>$2.77</td>
</tr>
</tbody>
</table>

Did You Know...?
According to the American Optometric Association, many child behavioral problems stem from impaired vision. To support overall health, have your child’s vision checked prior to entering first grade and every two years thereafter.

Did You Know...?
Termed the "sneak thief of sight," glaucoma gradually steals a person’s sight without warning, and often without symptoms. In fact, at least half of the people who have glaucoma do not know it. Unfortunately, untreated glaucoma is the second-leading cause of irreversible blindness.

All health premiums are based on full-time, regular employees. Part time, regular employees who work at least 20 hours per week will receive premiums pro rata based with respect to the percentage of time worked based on a 40 hours week.

EYEMED VISION CARE® is a registered trademark of EYEMED VISION CARE LLC.
Basic Life/AD&D
Life insurance is an important part of your financial well being, especially if others depend on you for support. CSG provides basic life/AD&D benefit through CIGNA of 2 x your annual earnings rounded to the next $1,000 to a maximum of $500,000.

CSG provides the first $50,000 of this coverage at no cost to you. You may elect to enroll in the additional coverage above $50,000 and your premium cost will be payroll deducted.

Voluntary Life/AD&D
You may also purchase additional life insurance coverage beyond the Basic benefit in increments of $10,000 not to exceed the lesser of $500,000 or 5 times your annual earnings. Your guarantee issue amount at initial eligibility is the lesser of 2 times your annual earnings or $200,000. Rates are based on your age.

Voluntary Spouse Life/AD&D
You may also purchase Life/AD&D coverage on your spouse in increments of $5,000 not to exceed the lesser of $250,000 or 50% of the employee’s enrolled amount (not including the basic life/AD&D amount). The guarantee issue amount at initial eligibility is $25,000 and cost is based on the employee’s age. Spouses are covered to age 75 for the Life benefit and to age 70 for the AD&D benefit.

Voluntary Child Life/AD&D
You may also purchase Life/AD&D coverage for your children. Your election can be made for $5,000 or $10,000, not to exceed 50% of the employee’s voluntary life/AD&D election amount. The entire benefit amount is guarantee issue. The cost is per unit, regardless of number of children covered.

Option: $5,000 Per Pay Period Cost $0.67
Option: $10,000 Per Pay Period Cost $1.34

Dependents are eligible for above options from 6 months to 19, or age 25 if full time student. From birth to 6 months, benefit amount is $500.

Benefit reductions apply beginning at age 65. Guarantee Issue is only available to newly eligible employees and/or their dependents.

Disability Benefits
The financial consequences of not being able to work due to a disabling accident or illness can be devastating. CSG certainly recognizes this risk and is pleased to provide you with comprehensive disability benefits.

Short Term Disability
Employee paid voluntary short-term disability coverage through CIGNA provides a benefit of 60% of your covered weekly earnings up to a $1,200 maximum weekly benefit. This coverage is available on a guaranteed issue basis as a new hire. The plan includes a 3-12 pre-existing condition exclusion.

If a covered disability occurs, benefits will begin on the 15th day for accident or illness and may pay for up to 11 weeks, at which time company paid long-term disability benefits would begin.

Rates are based upon age and weekly benefit and are available from Human Resources.

Long Term Disability
Employer paid long-term disability coverage through CIGNA provides a benefit of 66.67% of pre-disability earnings up to a $11,000 maximum monthly benefit (less the sum of benefits from other sources). Benefits are payable after a 90 day elimination period. The plan includes a 3-3-12 pre-existing condition exclusion. Benefit duration is to Social Security Normal Retirement Age.
Employee Assistance Program (EAP)
CIGNA’s Life Assistance Program helps all covered employees and their immediate family members to better balance their work and personal lives with access to online tools, in-person behavioral health assistance and live telephonic counseling. As part of the CIGNA policies, you and your family members are eligible for the Employee Life Assistance Program or EAP. CIGNA’s Master-level staff provides answers, information and support for many issues you face in your day-to-day life. All services are free, confidential and accessible 24 hours a day, 365 days a year. The services include:

» 24 hour crisis intervention

» 3 free face-to-face counseling visits for behavioral issues

» Referrals to community resources for localized support

» Online resource library

» Healthy Rewards program (discounts on a range of complementary and alternative care services and products)

CIGNA Identity Theft Program:
Cigna’s identity theft program provides Identity Theft Resolution Services which includes access to personal case managers who will work with employees and their covered family members to resolve identity theft issues.

Support is available 24 hours a day seven days a week and the program includes all types of identity theft.

CIGNA Secure Travel:
Cigna provides a travel assistance program for trips more than 100 miles from home. The program includes medical evacuation and repatriation with no maximum limits.

CIGNA Will Preparation Service:
Online, interactive tools help you and your spouse create a simple will, financial power of attorney and other legal documents at no cost to you.

(KRS) Retirement Plan
Regular employees who are scheduled for and actually work at least 20 hours a week who are based out of CSG Headquarters are required to participate in the State Retirement Plan (Kentucky Retirement System) or KRS. Employees hired after September 1, 2008 are subject to contribute five percent of annual salary to KRS and a one percent annual salary health insurance contribution.

The State plan is a defined benefit plan, and the employee contribution rate is set by the General Assembly. Rates are determined by the Board of Trustees for the actuarial soundness of the systems required by Kentucky Revised Statute 61.565.

TIAA-CREF Retirement Plan
Regular employees who are scheduled for and actually work at least 20 hours a week are eligible to participate in a tax deferred annuity plan administered by TIAA/CREF. Employees may participate at 2% or 5% of the employee’s salary. Employees are fully and immediately vested in the benefits arising from their contributions and such amounts are non-forfeitable.

Supplemental Retirement
Regular employees who are scheduled for and actually work at least 20 hours a week are eligible to participate in a supplemental retirement plan administered by TIAA/CREF. This plan is for employees who want to contribute more than five percent of their salary. Participation is 100% employee sponsored and the employee is fully vested in these funds at all times. Maximum contribution limits are set by federal law and a calculation will be performed by TIAA/CREF to show individual limits.
Paid Personal Time (PPT)
CSG provides paid personal time (PPT) to all eligible employees. Eligible employees are encouraged to use their earned allowance each year. Earned, unused PPT up to a maximum of 360 hours may be carried over from year to year. Once an employee reaches the accumulation cap of 360 hours the employee will cease to accrue additional PPT until the employee reduces his/her PPT accumulation through ordinary use of PPT. Full time, regular employees will accrue PPT on the following basis:

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>PPT Hours Accured Per Semi-Monthly Pay Period</th>
<th>PPT Days Per Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1</td>
<td>4</td>
<td>12</td>
</tr>
<tr>
<td>1 but less than 5</td>
<td>5.6667</td>
<td>17</td>
</tr>
<tr>
<td>5 but less than 10</td>
<td>6.6667</td>
<td>20</td>
</tr>
<tr>
<td>10 or more</td>
<td>7.3334</td>
<td>22</td>
</tr>
</tbody>
</table>

Part-time, regular employees who work at least 20 hours per week will accrue PPT on a pro rata basis with respect to the percentage of time worked based on a 40 hour week.

Paid Sick Time
CSG provides paid sick time to all eligible employees. Paid sick time provides time off to employees who must be absent for personal or medical reasons. Full time, regular employees will be credited with paid sick time at the rate of 4 hours per semi-monthly pay period. Part-time, regular employees who work at least 20 hours per week will be credited with sick leave on a pro rata basis with respect to the percentage of time worked based on a 40 hour week.

Paid Holidays
The following holidays are observed by CSG for 2014:

<table>
<thead>
<tr>
<th>Holiday</th>
<th>Observed Day/Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Year’s Day</td>
<td>Wednesday, January 1, 2014</td>
</tr>
<tr>
<td>Martin Luther King, Jr. Day</td>
<td>Monday, January 20, 2014</td>
</tr>
<tr>
<td>Presidents Day</td>
<td>Monday, February 17, 2014</td>
</tr>
<tr>
<td>Memorial Day</td>
<td>Monday, May 26, 2014</td>
</tr>
<tr>
<td>Independence Day</td>
<td>Friday, July 4, 2014</td>
</tr>
<tr>
<td>Labor Day</td>
<td>Monday, September 1, 2014</td>
</tr>
<tr>
<td>Thanksgiving Day</td>
<td>Thursday, November 27, 2014</td>
</tr>
<tr>
<td>Day after Thanksgiving Day</td>
<td>Friday, November 28, 2014</td>
</tr>
<tr>
<td>Christmas Eve</td>
<td>Wednesday, December 24, 2014</td>
</tr>
<tr>
<td>Christmas Day</td>
<td>Thursday, December 25, 2014</td>
</tr>
<tr>
<td>Day after Christmas</td>
<td>Friday, December 26, 2014</td>
</tr>
</tbody>
</table>

Computer Purchases
CSG offers employees payroll deduction for purchase of a home computer and software not to exceed $1,500. The interest-free loan will be repaid in no more than 12 months and upon termination of employment with CSG, any unpaid amount will be deducted from the employee’s final paycheck. A promissory note must be signed by the employee at the time the reimbursement is requested.

Professional Development and Educational Assistance
CSG supports professional growth and development of its employees. At the discretion of the appropriate supervisor, and subject to the availability of sufficient budgetary resources, employees may participate in professional development activities (i.e., leadership programs, conferences, seminars, training courses). Regular employees who have completed at least one year of continuous service with CSG and who work at least 20 hours per week are eligible to receive educational assistance from CSG in accordance with CSG policy.

Travel Accident Policy
Accidental death and dismemberment insurance is provided to employees under age 70 while traveling on CSG business. The total premium is paid by CSG. The principal sum of the benefit is $100,000 for loss of life with a limit per accident of $1,000,000 in case of multiple deaths.

This Guide is only intended to offer an outline of benefits. All details and contract obligations of benefit plans are stated in the group contract/insurance documents, including any disclosures required by the new health reform law, the Patient Protection and Affordable Care Act (PPACA). In the event of conflict between this guide and the group contract/insurance documents, the group contract/insurance documents will prevail. Please contact your Human Resources Department for further information.
TAB - L
The Toll Fellowship Program, named for CSG founder Henry Wolcott Toll, is one of the nation’s premier leadership development programs for state government officials. Each year Toll Fellows brings 48 of the nation’s top state government officials from all three branches to Lexington, Ky., for an intensive six-day, five-night “intellectual boot camp.” The program’s agenda includes a lineup of dynamic speakers and sessions designed to stimulate personal assessment and growth, while providing priceless networking and relationship-building opportunities. While each year’s program is unique, previous programs have included sessions on leadership personality assessment, media training, crisis management, appreciative inquiry, adaptive leadership and much more.

2014 Program Dates: Sept. 5-10, 2014
Location: Hyatt Regency in downtown Lexington, Ky

All applications must be submitted online at www.csg.org/TollFellows. The class of 48 Toll Fellows, 12 from each region, will be selected by a committee of 8-12 Toll Alumni, plus the CSG 2014 National Chair.

Application requirements:

- One letter of nomination from a member of the applicant's state government
- Two letters of recommendation; these letters may be written by anyone the applicant has served with in state government, anyone who has been impacted by the applicant's leadership or anyone in a position to evaluate the applicant's leadership skills (letters from Toll Alumni are recommended)
- Current resume (limit to 2 pages front and back)
- Completed online application questionnaire

Those selected to the 2014 Toll Program are required to participate in activities beginning on Sept. 5 at 5 p.m. EDT until 10 a.m. EDT on Sept. 10.

Questions about the program or suggested candidate names can be sent to:
Kelley Arnold
Director
Membership, Marketing & Media
(859) 244-8258
tolls@csg.org
Dear Associate Members,

This year marks The Council of State Governments’ 80th anniversary. For 2014, The Council of State Governments looks to have an incredible year, with a combined CSG National and CSG West Annual Conference in Alaska, robust schedule of policy programming offerings, and strong leadership at both the national and regional levels of CSG.

Over the past year, CSG’s national leaders and executive management have explored how our Associates program can become an even better investment for our private sector, national trade association, and nonprofit stakeholders.

We met with current CSG 21st Century Foundation trustees, Associates, and even past members of our organization to gather advice and feedback to improve our membership and offerings for you, our private sector partners.

In December 2012, the CSG Executive Committee voted to establish a new governance structure, including the newly created CSG Leadership Council, which functions as our board of directors. The CSG Leadership Council meets a minimum of three times per year including at the CSG Leadership Forum held in Washington, D.C., each June and the annual CSG National Conference.

In June, the CSG Leadership Council adopted a new three-tier system for CSG’s Associates program, enabling our private sector members to engage with CSG at a level that best aligns with your priorities, time, and resources; streamlines your engagement at both the national and regional levels of CSG; and provides better packaging of benefits for members.

We’re thrilled to offer our new levels of membership: Associate, Senior Associate, and Leadership Circle. I’m also proud of the popular CSG Policy Academy series which has proven to be a great point of engagement for both state leaders and our Associate members. To see the exciting plans for CSG’s 2014 Policy Academy Series, please see page four of this brochure.

We realize that successful change often requires time and reflection. We want this transition to be as easy as possible and respectful of current, valued engagement with CSG. I encourage you to review the details of each level of participation in this new brochure. For 2014, you can opt to remain at your current level in our Associates program and receive your current benefits. We hope you choose to opt-in at one of the three new levels and we are happy to discuss the new options with you at any time.

I look forward to seeing you at a CSG event in 2014. I hope you will continue to contact me directly with how CSG can connect you with the products and services you need to achieve your goals. When you succeed, we succeed.

Thanks for your continued support of and participation with CSG. We couldn’t do what we do without you!

David Adkins
Executive Director | CEO

A Note From

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2014 CSG National and Regional Leadership

CSG WEST
Chair
Rep. Craig Johnson
Alaska

CSG MIDWEST
Chair
Sen. Beau McCoy
Nebraska

CSG SOUTH
Chair
Sen. Keith Ingram
Arkansas

CSG EAST
Co-Chair
Rep. Michael Busch
Maryland

CSG EAST
Co-Chair
Sen. Mike Miller
Maryland

Chair
Sen. Mark Norris
Tennessee

Chair-Elect
Sen. Carl Marcellino
New York

Immediate Past Chair
Sen. Gary Stevens
Alaska

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2014 BROCHURE
ABOUT CSG ASSOCIATE MEMBERSHIP

With its national headquarters in Lexington, Ky., The Council of State Governments is a nonpartisan, not-for-profit organization. CSG serves as our nation’s only organization serving all three branches of state government. CSG is a region-based forum that fosters the exchange of insights and ideas to help state officials shape public policy.

Many Fortune 500 companies and national associations know CSG offers unparalleled regional, national and international opportunities to network, develop leaders, collaborate and create problem-solving partnerships. CSG has regional offices in New York City, Atlanta, Lombard, Ill., and Sacramento, Calif. CSG also has a federal office in Washington, D.C. CSG is the only national organization that opens doors to all three branches of state government.

Through CSG’s Associates program, you will have an opportunity to build and strengthen relationships with key decision-makers in state government. You can customize your involvement through program and policy work, print and electronic publications, or networking at CSG’s national conferences and regional annual meetings.

CSG Associate Membership | $8,500

» One complimentary registration to the CSG National Conference, discounted rate for any additional company/organization representative

» One complimentary registration to the CSG Leadership Forum each June in Washington, D.C., discounted rate for any additional company/organization representative

» One complimentary registration for one regional annual meeting of your choice, discounted rate for additional representative(s) at regional annual meetings

» Eligibility for appointment to CSG’s national standing and policy committees as non-voting private sector members

» Opportunity to participate in the Associates biannual survey where members are able to suggest ideas for National Conference agendas, policy academies, policy briefs, articles for Capitol Ideas magazine and e-newsletter

» Eligibility to sponsor CSG policy forums or academies offered throughout the year

» Eligibility to sponsor CSG’s national and regional leadership development programs — The Henry Toll Fellows Program, Western Legislative Academy or Bowhay Institute for Legislative Leadership Development (BILLD)

» Eligibility to submit suggested legislation for consideration by CSG’s Suggested State Legislation Committee

» Eligibility to become a Global Development Fund member*, which includes a three-year appointment to the CSG International Committee and eligibility for invitation on an international leadership mission

» Eligibility to be featured in Associates in Action spotlight article in a CSG communications product

» Access to complimentary mailing lists through the CSG Database (includes all elected and appointed officials in the states)

» Access to preliminary national meetings attendee registration list

» Receive complimentary subscriptions to Capitol Ideas magazine and e-newsletter, Capitol Research briefs, The Book of the States, Suggested State Legislation, and CSG’s State Directories

» Access to CSG’s Members Only section of www.csg.org

» Twenty percent discount on advertising rates in CSG’s award winning magazine Capitol Ideas

CSG Senior Associate Membership | $15,000

» Two complimentary registrations to CSG’s National Conference, discounted rate for any additional company/organization representative

» Two complimentary registrations to CSG’s Leadership Forum each June in Washington, D.C., discounted rate for any additional company/organization representative

» One complimentary registration for each of CSG’s four regional annual meetings, discounted rate for any additional company/organization representatives

» Eligibility for appointment to CSG national standing and policy committees as non-voting private sector members

» Opportunity to participate in the Associates biannual survey where members are able to suggest ideas for National Conference agendas, policy academies, policy briefs, articles for Capitol Ideas magazine and e-newsletter

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» Access to CSG’s Members Only section of www.csg.org

» Twenty percent discount on advertising rates in CSG’s award winning magazine Capitol Ideas

To join or renew your membership, please visit www.csg.org/associates
CSG National Leadership Circle Membership | $30,000

The Council of State Governments has established a top-tier membership for private sector corporations and trade associations. This membership includes participation and inclusion at CSG National's premier programs and events. The Leadership Circle Membership is by invitation only and has a 25 member maximum. Inquiries about the membership are welcome but invitation is made by CSG National Leadership. Annual Membership is $30,000.

Benefits of National Leadership Circle Membership:
Engage at the highest levels of CSG

» Appointment to the 21st Century Foundation Board of Trustees

CSG's 21st Century Foundation brings together 50 of CSG's public and private sector members to weigh in on policy priorities and make decisions on which projects are awarded funding.

» Two complimentary registrations to CSG's National Conference, discounted rate for any additional company/organization representative

» Two complimentary registrations to CSG's Leadership Forum each June, discounted rate for any additional company/organization representative

» One complimentary registration to each of CSG's four regional annual meetings, discounted rate for any additional company/organization representative

» Invitation for one representative from your company/organization to attend CSG's Leadership Council meeting each year over Presidents Day weekend in February

» Recognition of your Leadership Circle membership at CSG regional and national meetings

» One invitation to the Donors Dinner with CSG Leadership at the National Conference

» Invitation for one representative from your company/organization to attend as a sponsor of CSG's national leadership development program, The Henry Toll Fellowship Program, annually held in Lexington, Ky., and receive associated Toll sponsor benefits during the program and CSG's National Conference, including a VIP event and recognition at Toll Fellows graduation

Knowledge Access and Sharing Opportunities

» Priority consideration for appointment to CSG national standing and policy committees as non-voting private sector members

» Opportunity to participate in the Associates biannual survey where members are able to suggest ideas for National Conference agendas, policy academies, policy briefs, articles for Capitol Ideas magazine and e-newsletter

» Access to preliminary national meetings and regional annual meetings registration lists

» Access to the CSG Members Only section of www.csg.org

» Eligibility to be featured in Associates in Action spotlight article in CSG communications products

» Twenty percent discount on advertising rates in CSG's award winning magazine Capitol Ideas

» Acknowledgement of your Leadership Circle membership in each issue of Capitol Ideas magazine

» Eligibility to submit suggested legislation for consideration by CSG's Suggested State Legislation Committee

» Eligible to sponsor CSG policy forums or academies offered throughout the year

» Access to complimentary mailing lists through the CSG Database (includes all elected and appointed officials in the states)

» Receive complimentary subscriptions to Capitol Ideas magazine and e-newsletter, Capitol Research briefs, The Book of the States, Suggested State Legislation, and CSG's State Directories

Global Development Fund Membership | $15,000

The work of state government officials often stretches beyond state lines and, for many states, beyond international borders. CSG's International Program has a number of initiatives to increase cooperation between the U.S. states and territories, Canadian provinces, Mexican states, and nations overseas. CSG has developed a new elevated membership for CSG Associates who have an interest in supporting our international exchange missions.

The CSG Global Development Fund Membership is $15,000 for a three-year membership. Global Development Fund Members must be an Associate, Senior Associate or Leadership Circle Member.

As a Global Development Fund Member, you will receive the following benefits:

» Eligible* to receive one invitation to join a CSG Governor-led international exchange mission during the course of a three-year membership.**

* Eligible so long as membership dues are current.

** Costs included in the international program are ground transportation in the destination country, meals, room and board. Airfare to and from the destination will be the responsibility of the Global Development Fund Member.

» One representative from your company or organization appointed as a member of CSG's International Committee during three-year Global Development Fund membership.

International Exchange Missions

International travel and legislative exchanges expose state decision-makers to valuable best practices and provide opportunities to explore how global trends affect policymaking in the United States. Each year, at the pleasure of the current CSG President, the CSG-DC office coordinates a delegation of state leaders to travel abroad to explore a variety of policy topics such as energy, economic development, environment, research and development, healthcare, education, justice, transportation, and culture. Past destinations have included Switzerland, the Czech Republic, Germany, Iceland, the United Kingdom, Ireland, Canada, Australia, China, Thailand, Mexico, Brazil, South Africa, Poland, Belgium and France.
2014 CSG SPONSORSHIP MENU

CSG National and Regional Annual Meetings

CSG Leadership Forum
Washington, D.C. | June 20–22 | Sponsorship level: $5,000

CSG Midwestern Legislative Conference
Omaha, Neb. | July 13–16 | Sponsorship levels: $2,500–$40,000

CSG Southern Legislative Conference
Little Rock, Ark. | July 26–30 | Sponsorship levels: $2,500–$40,000

CSG Eastern Regional Conference
Baltimore, Md. | Aug. 3–6 | Sponsorship levels: $2,500–$40,000

CSG National and CSG West Annual Conference
Anchorage, Alaska | Aug. 9–13 | Sponsorship levels: $2,500–$40,000

CSG National Leadership Center

CSG-National: Henry Toll Fellowship Program
Lexington, Ky. | September 5–10 | Partnership levels: $10,000 & $25,000
The Toll Fellowship Program, named for CSG founder Henry Wolcott Toll, is the nation’s premier leadership development program for state government officials. Each year Toll Fellows brings 48 of the nation’s top state government officials from all three branches and all four regions for an intensive weeklong “intellectual boot camp.”

CSG-Midwest: Bowhay Institute for Legislative Leadership Development (BILLD)
Madison, Wis. | August 8–12

CSG-WEST: Western Legislative Academy (WLA)
Colo. Springs, Colo. | November 2014

Innovation Classroom Presenter
Anchorage, Alaska | August 9–14 | Partnership level: $15,000
CSG will provide three Associate members an opportunity in two conference sessions to educate state policymakers and other attendees on trends and discoveries in technology and how they impact states. Demonstration of the technology is encouraged. The Innovation Classroom is designed to be an engaging and interactive experience for conference attendees.

CSG Policy Academy Series
Since its launch in 2011, the CSG Policy Academy Series has been popular with both state policymakers and Associate members. CSG Policy Academies are standalone meetings focused on pertinent issues in a specific policy area convening between state officials, by invitation. To request a sponsorship form on a specific policy academy offering, please contact Maggie Mick.

2014 CSG Policy Academies include, but are not limited to:

Cybersecurity & Privacy Policy Academy
Washington, D.C. | May 29–31

Policy Academy for Newly Elected Legislators: Medicaid
Washington, D.C. | June 18–20

Insourcing Policy Academy
Washington, D.C. | June 18–20

Electric & Hybrid Vehicle Infrastructure & Smart Grid Implications Policy Academy
Seattle, Wash. | Aug. 7–8

Workforce Development & Higher Education Policy Academy
Anchorage, Alaska | Aug. 8–9

Future of the Federal Transportation Program Policy Academy
Washington, D.C. | Sept. 16–18

Medicaid Leadership Academy
Washington, D.C. | Sept. 16–18

Natural Gas Policy Academy
Denver, Colo. | Sept. 25–27

Veterans Reentry & Employability Policy Academy
Location TBD | Oct. 2–4

State Tax Reform Policy Academy
Location TBD | Dec. 2–4, 2014

CSG offers Associates numerous opportunities to increase their visibility through sponsorship of many of its key programs and events. Amenities and acknowledgement are included with sponsorships. CSG is a nonprofit, 501(c)(3) organization.

For more sponsorship information or details on any of the planned events and policy programming for CSG in 2014, please contact Maggie Mick.

Do you have a question or need assistance? Contact Maggie Mick, Director of Development
E: mmick@csg.org | O: 859.244.8113 | C: 859.339.8885 | F: 859.244.8001
To join or renew your membership, please visit www.csg.org/associates
TAB - N
January 2014

**Deeper Learning Focus Group:** CSG’s Deeper Learning Focus Group developed a framework that provides critical policy options to help create an educational system in which all students receive a rich education and complete high school with the skills they need to succeed in college and the workforce. Policy levers focus on curriculum and instruction, assessment systems, accountability, teacher and leader effectiveness and the use of time and technology.

In collaboration with the Hewlett Foundation, 10 states were identified to vet and discuss the preliminary policy framework. Those states include Alabama, Colorado, Florida, Hawaii, Idaho, Kentucky, Maine, North Dakota, Oregon, and Wisconsin. These introductory and exploratory meetings helped to determine the political will to move forward with specific policy change. Conversations occurred between CSG, the state department of education, legislators and their staff, postsecondary education councils and other stakeholders. State meetings allowed for engagement with policymakers where they were provided with the tools necessary to take their educational systems beyond the traditional setting and create those environments so students around the country have the opportunity to graduate ready for success with the ability to reach their full potential.

The focus group met for a final review of the framework in November 2013. Impact statements were developed for the policy levers and are currently being embedded into the framework. The final report will be completed and shared with CSG membership-at-large through the Knowledge Center.

**Digital Learning Policy Academy:** This academy was held in conjunction with the national conference in Kansas City. Approximately 30 policymakers met to discuss digital learning, data collection and analysis to information education and reduce barriers to digital access. National and state experts shared information on digital learning through online instruction, professional development, and building capacity to expand learning opportunities. Attendees were provided with a variety of strategic policy examples and programmatic solutions. Speakers also shared best practices and innovations through exemplary examples both regionally and nationally.

**National Association of State Boards of Education State Policy Action Group:** CSG Director of Education has been appointed to serve as a member to develop policy-focused guiding questions for state board members as they are striving for college- and career-readiness skills for all students. Through both virtual and in-person meetings the state policy action group will educate and deeply engage individual state board members on a given topic and inform their thinking around policy. Outcomes include well-crafted policies including key considerations at the state-level to influence innovation in local practice. This group also will collaborate with NASBE as they work intensely with 4-6 states to consider deeper learning policy at greater depth.

**Regional Collaboration:** Headquarter staff worked with ERC education staff to plan and convene policy sessions at the December meeting.

**Opportunities to Engage with Members and National Partners:**
- CSG Director of Education Policy made a presentation to the following committees on a variety of education-related policy topics:
  - Alaska Senate Education Committee, January 7, 2014
  - Idaho House Education Committee, January 30, 2014

**Policy Webinars**
- Overcoming Social Barriers to Postsecondary Education, October 25, 2013
- Job Growth and Innovation through STEM Education, December 5, 2013
**Upcoming Projects:** Discussions are being held with multiple philanthropic organizations to continue the education of CSG members in a variety of policy areas such as college- and career-readiness, rigorous academic standards and assessments, preparation and development of teachers and leaders, access to and success in postsecondary education, college attainment, workforce development and educational efficiency. Grant proposals are in development with the following funders:

- Lumina Foundation for Education: focus on higher education policy priorities
- Gates Foundation: focus on state implementation of college- and career-ready standards and assessments
- Walmart Foundation: focus on higher education and workforce capacity-building as well as veterans’ re-entry into the workforce *(as part of the Chairman’s Initiative)*
- Carnegie Foundation: focus on teacher preparation and professional development
- Ford Foundation: effective use of time in K-12 education as well as building connections between workforce and education *(latter as part of the Chairman’s Initiative)*
- Hewlett Foundation: focus on educating legislative staff, chiefs of staff and legislative research agency staff on key education policy topics

**Key Staff:**
Pam Goins, Director of Education Policy / 859.244.8142 / pgoins@csg.org
Association of Air Pollution Control Agencies

Beginning in July 2013, CSG has an 18-month contract with the new Association of Air Pollution Control Agencies (AAPCA) to help the organization create a technical forum to assist states with the application of various aspects of the Clean Air Act and associated regulations. CSG staff serves as the Interim Executive Director of the organization.

Significant work since the last September update has been undertaken by the Association. The group had many planning calls to help formulate and develop the 2013 Annual Meeting held in Columbus, Ohio on November 20-21. We received tremendous feedback on the content and format of the event from the states that attended. The Administrator of EPA’s Office of Air and Radiation, Janet McCabe and her Senior Counsel Joe Goffman were in attendance and conducted a round table on upcoming regulatory action expected this June on state implementation plans for greenhouse gas emissions from existing power plants. Other presenters included:

- Scott Nally, Director Ohio EPA
- Bob Hodanbosi, Chief, Division of Air Pollution Control, Ohio EPA
- Scott Mathias, Associate Director, EPA Air Quality Policy Division
- Chet Wayland, Director, EPA Air Quality Analysis Division
- Tim Profeta, Director of Nicholas Institute for Environmental Policy Solutions, Duke University
- Kevin Culligan, Acting Director, Sector Policies and Programs Division, EPA OAQPS
- Steve Hagle, Deputy Director, Office of Air, Texas Commission on Environmental Quality
- Terry O’Clair, Director Division of Air Quality, North Dakota Department of Health
- Andrew Williams, State Regulatory and Legislative Affairs Manager, Environmental Defense Fund
- Drew Bergman, Supervising Attorney, Ohio EPA

Other state air agencies in attendance included: Alabama, Florida, Georgia, Indiana, Kentucky, Louisiana, Mississippi, North Carolina, North Dakota, Ohio, Pennsylvania, South Carolina, Texas, Virginia, and West Virginia. The regional and municipal air agencies in attendance included: The Environmental Council of the States, CenSARA, LADCO, MARAMA Metro 4/SESARM, WESTAR, ARAQMD (city of Akron), Regional Air Pollution Control Agency, Southwest Ohio Air Quality Agency (Cincinnati), and Youngstown CHD.

During the first annual meeting AAPCA elected officers, established its dues structure, and selected committee chairs. CSG staff recruited two new member states to join the organization, Georgia and South Carolina, and have begun populating the Association committees with subject matter experts within state agencies so workplans can be implemented for 2014. Establishing those priorities requires frequent and regular phone calls with AAPCA officers and committee chairs, which is taking considerable time and resources. Fortunately, a new research and policy assistant has been hired and started work on January 2 to help in this important work, manage the details surrounding the newsletter and event planning work, and the updating of the website with new and more engaging content.

CSG staff are now working on the development of a half-day technical web conference for AAPCA in late March, most likely the 27th. The topics for the web conference will cover the proposed changes in EPA’s enforcement posture that seeks to switch to “NextGen” compliance which was included in its most recent strategic plan. This change in compliance protocols for states will be a major change as it seeks to utilize more technology to handle enforcement and inspection of power plants and large industrial facilities. The next segment of the conference will build upon the EPA enforcement discussion by having technical presentations on new technology like remote sensing, infrared cameras, and new GIS capabilities that many state agencies are employing to conduct monitoring and inspections with fewer personnel and greater capability.
Significant progress has been made in updating the CSG Guide to Sound Science since the last leadership update in September. CSG staff solicited input from the regional offices and developed a Sound Science Board to help provide guidance during the revision process. The Board Members are below:

**Board Members**

- John Lyons, Assistant Secretary for Climate Policy, Kentucky Energy and Environment Department
- Teresa Marks, Director of the Arkansas Department of Environmental Quality
- Rep. Phyllis Kahn, Minnesota
- Rep. Mike Fortner, Illinois
- Rep. Naida Kaen, New Hampshire
- Dr. Matt McKinney, Director, University of Montana Center for Natural Resources and Environmental Policy
- Dr. Steve Cohen, Executive Director- The Earth Institute, Columbia University
- Dr. Scott Heid, Toxicologist, Proctor and Gamble
- Al Kaufman, Senior Vice President, Technical Affairs, Toy Industries Association
- Sarah Brozena, Senior Director, Regulatory and Technical Affairs, American Chemistry Council

Two orientation calls were held with the Board Members to cover major issues involved in the revision process and discuss the logistics of an in-person drafting session that consequently was held at the Downtown Hilton in Lexington on November 4-5. From those pre-drafting calls, the Board determined there were three principal areas that needed to be discussed further in person:

**Major Issues/Observations**

- The Board needs to discuss the emerging debate on the changing perceptions of peer review/open access.
- A robust discussion must be included on the public perception of risk.
- Include distinctions and misunderstandings on the role and utilization of statistics to prove causality.
- All the policy vignettes should be updated with more current examples. One participant noted that the alar and apples vignette was outdated. Others suggested using the Robert Park study on Seven Signs of Bogus Science as a potential replacement for the portion on “junk food science” in the original text. Also, a suggestion was raised that the recent claims with MMR vaccinations and autism might prove to be a more useful and up to date vignette for consideration.
- Ensure references/documents used are updated.
- Questioning scientific evidence and underlying motives by advocacy groups/individuals, referencing a recent Economist article – “How Science Goes Wrong.”
- Include a discussion on the integration of knowledge – especially when dealing with the public, different cultures, and stakeholders. Further, flesh out the concepts of adaptive management and joint fact finding when opinions differ.
- Encourage readers to look beyond headlines and dig into the substance of a study to determine its accuracy.

**Areas of Minimal/Little Improvement**

- The portions on the scientific method and red flags/warning signs segments, overall, looked accurate.

**Gaps/Additions?**

- There was no consensus given on whether the group should consider straying outside the issues posed in the sound science guide such as the role of cost-benefit analysis studies, etc.

During the in-person Board Meeting, the group determined that the original guide needed to be reorganized but many of the concepts could be kept in the new formatting. We made substantial progress in devising a new organizational structure and finished an executive summary that will serve as an outline for providing more detailed information and updated policy vignettes to help explain technical concepts in the longer text of the document. The executive summary will revolve around four major themes for policymakers: “Assessing the Expert”, “Assessing the Methods”, “Assessing the Results”, and “Integrating the Knowledge.” The Board also determined at the drafting session that the title of the Guide to Sound Science should be changed. Since the
Guide’s last drafting, the term “sound-science” has taken on some negative connotations by the media and the NGO community and may not be the most accurate representation for the important work we are undertaking. They suggested a new title that will draw less potential criticism or skepticism, “CSG’s Guide to Science-Based Decision Making.”

Since the last drafting session, an additional conference call was held in December to build upon the momentum of the meeting and garner final approval of the text in the executive summary as well as develop additional policy vignettes. Another drafting call will be held in early February where the Board will be presented with a working draft of the entire guide.

SGAC Lunch Presentation
Energy and environment staff joined other CSG colleagues in Washington, D.C. on October 30th to meet with our Associates interested in our policy areas and share upcoming area priorities for 2014. While in Washington, CSG staff met with EPA officials from the Intergovernmental Affairs Office and the Office of Air and Radiation to explain more about the partnership that has been developed with AAPCA.

Suggested State Legislation
Staff are nearing completion of the drafting and compiling of the 2014 SSL Volume. Future dates for SSL submissions for the June DC Leadership meeting and annual meeting in Anchorage are tentatively set at April 23rd and June 16th respectively to comply with the 8-week rule to provide enough notice and time to draft the Committee dockets.

Policy Webinars

Policy Reports
- States Fill the Void to Run National Parks During Shutdown (Capitol Research)
- Top 5 Issues for 2014: Energy and Environment (Capitol Research)
- Uncertainty Abounds about Impact of New Greenhouse Gas Emission Rules (Capitol Ideas)
- SSL: A State Policymaker’s Cookbook for Legislation (Capitol Ideas)
- 7 AAPCA member newsletters
- Future Capitol Research briefs are planned in February and March 2014 on the implications for policymakers of the recent chemical spill in Charleston, WV and another report is planned on the new federal scrutiny and oversight of crude oil shipments by rail.

Policy Blogs
- Interior to Return $110 Million Withheld from States Over Sequester Royalty Dispute
- EPA Expected to Release Revised Emissions Regulations for New Power Plants
- Obama Administration Issues New Rule on Controversial "Waters of the US" Issue
- Net Metering Issues Continue in States
- California PUC Considers 1st in Nation Battery Storage Mandate
- EPA Proposes Rollback in Renewable Fuel Mandate
- North Dakota Announces New Oil Spill Site
- 2014 Top Five Energy & Environment Issues to Watch
- Upcoming Net Metering Webinar Set for Feb. 4th

2014 Policy Academies in the Pipeline
- June 2014, Consumer Product Safety – Cincinnati, OH.
- Summer 2014 MARC/Solar Best Practices – Regional Meeting site
- September 2014, Fundamentals of Natural Gas Development – Denver, CO.

Key Staff
Brydon Ross - Director of Energy & Environmental Policy / (859) 244-8030 / bross@csg.org
CSG’s Washington Office has concentrated on advocating for increased state funding flexibility, state revenue raising authority, extending the life of a highly successful economic development program, safeguarding state access to low cost infrastructure financing, and protecting state laws from federal preemption. Major accomplishments include:

- **Focus on Federalism Initiative** – CSG National Chair Sen. Mark Norris and Immediate Past Chair Sen. Gary Stevens launched the Federalism Task Force last year, charged with exploring options to improve the state-federal relationship. After a successful kick-off meeting in Kansas City and Washington, DC fly-in in November, the Task Force has decided to explore updating and reforming the federal Unfunded Mandates Reform Act, the demise of the Consolidated Fiscal Funds Report, the Advisory Commission on Intergovernmental Relations, and other achievable, yet meaningful, advocacy efforts to increase state flexibility and balance to the federal-state relationship. The Washington, DC Office has made this our top advocacy priority in 2014 and has taken concrete steps to advance this important initiative.

- **Marketplace Fairness** – CSG has worked in partnership with the Big Seven Coalition of state and local associations to call for swift passage of legislation to enable states to compel online sellers to collect sales taxes. As a result of a broad outreach effort, the Senate chose to take the legislation directly to floor on May 6 where it was overwhelmingly passed with a bipartisan 69 votes. The sponsor of the legislation, Senator Lamar Alexander (R-TN) was awarded the Douglas Henry Guardian of Federalism Award at CSG’s National Leadership Conference in June. CSG is now working with its collation partners to build support for the bill in the House of Representatives. Successful enactment of the legislation could generate up to $23 billion in annual revenue for state budgets.

- **State Export Promotion Grants** – In 2010, CSG succeeded in amending the Small Business Jobs Act to create the State Trade and Export Promotion (STEP) matching grant program to support state international trade promotion efforts. To date, 49 states have received $60 million in funding through the program. For the past two years exports have accounted for roughly one half of all US economic growth and some state export programs have achieved a return on investment from their STEP grants as high as 90-to-1 in increased export sales. CSG has led the effort to secure third year funding for the program and long-term reauthorization, receiving support from a bipartisan group of 23 U.S. Senators and 15 governors. In January, the Consolidated Appropriations Act of 2014 included funding for a third year of STEP Grants, though the funding level was decreased from previous years. We continue to work with Capitol Hill allies to reauthorize the program in some form, as well as with the U.S. Small Business Administration on a strategy for implementation of year three funding.

- **Broad-Based Tax Reform** – Both the president and key committee leaders in Congress have proposed limiting the tax exemption for municipal bonds and the state and local tax deduction as part of a national tax reform effort which could increase state borrowing costs for infrastructure projects and increase the federal tax liability for state residents. CSG has joined with our affiliate, the National Association of State Treasurers, to call on Congressional Leadership to preserve the muni tax exemption, and have partnered with the National Governors’ Association to commission Moody’s to study the impact of changing the tax status of munis and the state and local deduction. The study, released in November, described the severe impact a reduction or elimination could have on states. However, with the retirement of key tax leaders on Capitol Hill, the future of tax reform of any kind is now unclear. CSG will continue to monitor the situation and make federal leaders aware of the consequences of taxing munis and changing the state and local deduction.

- **Supporting Federalism before the Supreme Court** – In 2013, CSG’s Legal Task Force has joined amicus briefs in three Supreme Court cases involving the preemption of state laws, *Mutual Pharma vs. Bartlett*, *Madigan vs. Levitt* and *Sprint v. Jacobs*. Under the leadership of Idaho Senator Bart Davis the Task Force has demonstrated a capacity to respond on complex cases despite severe time limitations.
Focus on Workforce Development
To contribute to the 2014 Chairman’s Initiative, the Fiscal and Economic Development group will perform a survey of state workforce training grant programs, including a description of the grants and grant process, eligibility requirements, oversight and accountability measures and success stories. The research will be published and made available for the 2014 National Conference in Anchorage, Alaska.

Business Incentive Regional Report Series
Some form of tax or financial incentive is now in use in every state and territory, but the types of programs offered – as well as how those programs are run – vary across jurisdictions. As the fiscal and economic landscape has shifted over the last few years, it has become more important than ever for state leaders to understand and evaluate not only what their own states are doing, but what their neighbors – and potential competitors for business attraction – are doing in their economic development programs.

Over the past three years, CSG has produced a number of reports on tax and financial incentives, including two national reports and two regional reports. The regional reports featured an analysis of the use of business incentives over time in the Midwestern and Western regions and an economic snapshot of those states. A profile page for each of the states was provided, highlighting successful incentive and development programs, oversight and accountability measures and recent legislative activity. In 2014, CSG’s Eastern region will be highlighted. The report is expected in August 2014.

Book of the States Regional Series
CSG’s Book of the States is a rich data resource, compiling information in many areas of interest for state leaders. CSG’s research team has coordinated a new series that drills down into some of that data to provide comparative analysis on a regional basis. Each two page regional brief provides a national synopsis, an inter- and intra-regional comparison and a 50-state data set, broken into regions. Since its inception, more than 25 issue areas have been addressed by the series, including Medicaid costs, corporate and personal income taxes, state budgets, federal funding, education spending, unemployment, prison populations and insurance rates.

States Perform
In 2010, with the assistance of CSG’s 21st Century Foundation, a new initiative was launched: States Perform, an interactive website that provides users access to performance outcome measures and indicators in key policy areas. The site grew and evolved over the last two years as additional measures were added and the site’s functionality was tweaked to make it more user-friendly. Throughout 2013, more than 100 new measures were added to States Perform. In particular, a number of tables from CSG’s Book of the States were made available through States Perform in 2013, resulting in over 100,000 unique data points.

National Working Group on State Economic Development
Pursuing effective and efficient policies to encourage economic development – especially job growth – is one of the top priorities for state leaders today. Traditionally, a key policy lever for development strategies was – and remains – tax and financial incentive programs designed to encourage new firms to start-up or existing firms to grow or relocate. In the face of austerity measures and years of big budget gaps, policymakers are taking a closer look at those incentive programs and asking – is this the best use of our limited funds?

Sen. Jay Emler’s 2012-2013 Initiative – a National Working Group on State Economic Development – was created to determine the most practical ways states can move from the current model of interstate competition through specialized business incentives and into a more effective and cooperative model of economic development. After receiving suggestions from regional leadership and through consultation with Sen. Emler, invitations went out to potential members in mid-2012 resulting in an 18-member working group comprised of state legislators, state economic development agency officials and private sector members from across the country. The group is designed to bring together a number of key stakeholders that represent a diverse set of perspectives to investigate new ways of approaching economic development.
The first in a series of meetings occurred in August 2012 in Redlands, California during which the group discussed state approaches to incentive- and non-incentive-based economic development, highlighting particularly effective and/or ineffective strategies. Following a discussion of what works and what doesn’t, group members engaged in a facilitated brainstorming session designed to identify the crucial elements of an effective model policy approach to state business incentives and best practices. That conversation continued in September 2012 in Lexington, Kentucky leading to a more precise set of group recommendations.

The final deliverable from the group – a report – was released at the CSG 2013 Annual Meeting in Kansas City Missouri. The report, which is available online, will serve as the starting place for research by CSG into the best practices of states in the area of economic development.

Fiscal and Economic Development Webinars

- **Results First: Moving States Forward, May 28, 2013**
  The Pew-MacArthur Results First initiative, a project of The Pew Charitable Trusts and the John D. and Catherine T. MacArthur Foundation, works with states to implement an innovative cost-benefit analysis approach to policy evaluation that helps them invest in policies and programs that are proven to work. This webinar takes a look at how Results First works and why using this approach to policy decision-making can lead to better, more efficient use of scarce state dollars while simultaneously ensuring that outcome goals are being met or exceeded.

- **Who’s Poor? Measuring Poverty in the States, October 1, 2013**
  Few changes have been made to the official federal poverty measure since it was adopted in 1969 despite growing concern over its accuracy and usefulness. To address these concerns, both governmental and nongovernmental organizations have developed alternative ways of measuring poverty. Learn about a few of those alternatives and how they differ from more traditional poverty measures during this webinar.

- **Private Sector, University and Government Collaboration: Partnerships for Statewide Economic Development, November 22, 2013**
  States compete intensely to attract industries that require heavy concentrations of knowledge workers. Successful competition can mean better jobs for a state’s residents and greater prosperity for the state. This webinar discusses recent trends at both the university and state levels to implement systems that can be used by university researchers and state economic development agencies to facilitate collaboration and attract investment from industry. Systems developed to create a single, cohesive network that allows the public and policymakers to search for specific kinds of research expertise available in a state are a key focus of these efforts.

Policy Academies

- **Strategies for Fostering Entrepreneurship**
  In partnership with the Kauffman Foundation
  Sept. 18 – 19, 2013, Kansas City, MO
  The entrepreneurial spirit drives the economy forward, but bringing a new product or service to market can be a daunting prospect for innovators—from gaining access to capital to navigating the legal and regulatory landscape. State policies can hinder or foster that entrepreneurial spirit. This CSG Fiscal and Economic Policy Academy, in partnership with the Kauffman Foundation, will feature experts, practitioners and national thought leaders to explore state-based solutions for increased entrepreneurship. Attendees will hear about innovative policy strategies to overcome hindrances to homegrown entrepreneurs as speakers share best practices across the country.

- **Results First--Cost-Benefit Approaches to State Policymaking**
  In partnership with the Pew Charitable Trusts and the John D. and Catherine T. MacArthur Foundation
  Sept. 19, 2013, Kansas City, MO
  Evaluating the performance of state programs has become more important than ever. Despite shrinking revenues, states are being bombarded with greater demand for services. Citizens not only want increased access to programs, but also expect these programs to be run efficiently. At this intersection of demand, limited resources and the watchful eyes of taxpayers sits the policymaker or agency administrator trying to decide how best to move forward. Measuring performance and using performance data to strategically place resources are key to implementing the accountable, transparent and results-focused governance policies that citizens demand. This half-day session will educate conference attendees on how “Results First” works and why using this approach to policy decision-making can lead to better, more efficient use of scarce state dollars.
Policy Academies in Development

- *Policy Academy: Cybersecurity and Privacy*
  - Target date: May 2014
  - Target number of participants: 20-30

- *Policy Academy: State Tax Reform*
  - Target date: Post-Election – Nov/Dec 2014
  - Target number of participants: 20-30

Key Staff
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CSG health policy staff strives to provide information to members on the top health issues of the day to assist them in their leadership and decision-making responsibilities. For the third year, we will provide policy academies on Medicaid, this year dividing the curriculum into two separate trainings. The first, offered in conjunction with the National Leadership Conference in June, will target freshmen legislators and new appointees to health committees. The second academy, in September, will target a mix of new and seasoned committee leaders as well as rising stars likely to assume leadership in the Medicaid policy arena. Through this enhanced policy academy series, CSG intends to develop a cadre of legislators informed about health policy and better able to provide leadership in their respective states. Other CSG health policy products include quarterly webinars, monthly policy research briefs, weekly policy blog postings and occasional articles in the Capitol Ideas e-newsletter and magazine.

Major Activities in 2013

**Medicaid Policy Academy, Washington, D.C., June 20-22, 2013**
Forty-five CSG members gathered in Washington, D.C. for the second annual Medicaid Policy Academy to learn more about Medicaid and how states can improve health outcomes for enrollees and, at the same time, run a more cost efficient program. Attendees had been nominated for attendance by health committee chairs in their home states as “rising stars” who were either new to positions of leadership on Medicaid policy or were likely to soon assume these positions. Legislators who registered for the program came from 30 states and one territory. CSG 21st Century Foundation and 12 sponsoring partners provided funding: Amerigroup Astellas US, LLC Bayer Health Care, CVS Caremark, Forest Laboratories, Hospital Corporation of America, Molina Healthcare, Novo Nordisk, Onyx Pharmaceuticals, Premier Inc., Sunovion and WellCare Health Plans.

**Chronic Disease Policy Academy, Kansas City, MO., September 18-19, 2013**
Three out of every four dollars spent for health care is spent on chronic diseases. For state budgets, the drain is even greater—Medicaid spends 83 cents of every dollar on chronic diseases. This CSG Health Policy Academy focused on chronic diseases, their burden to society and evidence-based strategies for prevention, identification and treatment. Thirty members attended this special policy session, as well as a companion session on obesity and strategies to improve community health outcomes. Funding partners for this session were: Boehringer Ingelheim, CVS Caremark, Novo Nordisk, Otsuka, PhRMA, Prime Therapeutics, Novartis and Sunovion.

**Diabetes Initiative Sessions, CSG-West and CSG-East Annual Meetings, 2013**
The dramatic rise in diagnosed diabetes is driving up health care costs. At both annual meetings, CSG national staff facilitated sessions on diabetes. Each included an examination of the rising disease incidence, promising programs to increase healthy behaviors to prevent and treat diabetes, and state legislative initiatives to develop diabetes action plans. Regional policy briefs were prepared for the meetings. Funding for the initiative was provided by Novo Nordisk.

**Policy projects for 2014**
We will present two Medicaid Policy Academies in 2014. The first, in June, will target 30 freshmen legislators and new appointees to health committees and provide a two day overview of Medicaid. The second academy, in September, will target a mix of 30 new and seasoned committee leaders as well as “rising stars”. The curriculum will focus on promising policy and state program developments to reduce Medicaid spending and improve enrollee health outcomes. CSG associates in the health arena will have the opportunity to provide $10,000 sponsorships. In addition, CSG will work with the National Association of Medicaid Directors to bring in state Medicaid leaders to provide innovative state examples during the meetings.

**Key Staff**
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Dynamic States in a Global World

Remaining innovative and competitive will always demand a greater understanding of what’s beyond state borders. Dynamic states require smart strategies for trans-border cooperation, federal representation and international engagement. For over a decade CSG’s International Programs have sought to increase awareness among states of how international trends affect their policy-making. Through a close affiliate partnership with the State International Development Organizations (SIDO), a platform representing state international trade offices - CSG has positioned itself as a key stakeholder in the international trade community. CSG’s DC Office holds a position on the United States Trade Representative’s (USTR) Intergovernmental Policy Advisory Committee (IGPAC) advises the Small Business Administration (SBA) on state export promotion grants and works closely with Congressional leaders on state international trade capacity. Leveraging these relationships, CSG achieved major success at the beginning of the year with the inclusion of $8 million for the State Trade and Export Promotion (STEP) program in the $1.1 trillion bill passed by Congress to fund the federal government.

State Trade & Export Promotion (STEP) program

The inclusion of the STEP program in a landmark budget that touched every corner of the federal government was a huge success for states and testament to CSG’s advocacy in support of the program. A total of 19 governors and twenty-two Senators signed letters in support of continuing STEP and despite cuts across the board the program survived. The $8 million is less than a third appropriated for years one and two but a signal that leaders in Congress recognize the important role state international exports are playing in America’s recovery. Program re-authorization and funding remains a top priority for CSG in 2014.

Strategic Partnerships

Through our strategic partnerships with the foreign embassy community and recognition by the US Department of State and USTR as a key partner in developing state – international relations, CSG has positioned the organization to be the interlocutor between state, federal and international policy areas relevant to positioning states globally. Few policy areas remain isolated to international standards and norms that shape the global economy from workforce development and tax policies to investment attraction and international exporting, insurance, cybersecurity and so on.

As part of CSG’s important branding strategy as the gateway to meaningful sub-federal engagement for international partners, the CSG DC Office regularly host foreign visitors and organize for state legislator delegations to participate in policy exchange missions. In the last quarter CSG has deepened partnerships with key emerging markets and the European Union (EU).

Japan - The DC office welcomed a delegation of Japanese ‘Prefectures’ on behalf of the Japan Local Government Center, arranging a schedule of meetings with DC local government officials covering tourism and homeland security as well as a visit to Annapolis to meet with the Maryland Secretary of State, legislators from the Energy Committee and local businesses interested in the Japanese market.

China – CSG partnered with the US – China Friendship Association and Chinese People’s Association for Friendship with Foreign Countries on an exchange mission to Beijing, and Shanghai. China is the world’s largest trader and one of the top destinations for governor led trade missions. Understanding Chinese political and business culture is vital to building trust and paving the way for trading opportunities with China. Representatives from GA, MA, MN, MT, NV, OH, PA met with Chinese Commerce officials and members of the business community to discuss the future of US-China trade.
European Union (EU) – CSG has been recognized as an important stakeholder in the ongoing US-EU trade negotiations to create the largest single market in the world. Known as the Transatlantic Trade and Investment Partnership (TTIP), the deal will need to cover several areas of state competence including insurance and procurement markets. CSG has partnered with the European Parliament Liaison Office and the EU Ambassador’s office in Washington DC to provide two-way information on the progress of negotiations as they pertain to the states.

2014 Strategic Initiatives

Trade

Trade is big on the 2014 agenda with two major agreements being negotiated between the US and 12 nations in the Trans-Pacific region and with the 28 member nation European Union (EU). Over 95% of consumers in the global market place lie outside US borders. Two billion Asians joined the middle class in the past 20 years, and another 1.2 billion will do so by 2020. Nearly half of all US exports go to countries with which the United States already has a Free Trade Agreement, even though these countries represent only 10% of global GDP.

Building state capacity to understand how new trade agreements will affect state regulations, standards and economic environment will be a CSG priority in 2014. This means having state trade agencies at the table in federal inter-agency task forces that deal with export promotion and being recognized as a stakeholder by the President’s Export Council (PEC).

State – Federal Cooperation

Nearly every state government has a trade agency within the governor’s office to assist firms with international business. There are twenty federal agencies that play a role in trade promotion outside of the role the Economic Development Administration (EDA) plays to support sustainable job growth and regional competitiveness. Many grant programs exist across these pillars and many of the services provided are duplicative of a state trade agency. Through CSG’s affiliate partnership with SIDO, we will work to produce a serious body of research that can inform leaders in Congress of better ways to streamline economic development grants to compliment state international exporting strategies.
Electric Transmission Line Siting Compact
Compact language is complete and the draft has been shared with federal officials as well as interested stakeholder groups for comment and review. At the request of CSG’s membership, staff is working directly with several federal agencies to promote the compact and secure federal by-in.

State Authorization Reciprocity Agreement
The State Authorization Reciprocity Agreement was developed as a joint effort between the Presidents’ Forum, The Council of State Governments, the Commission on Regulation of Postsecondary Distance Education and the four regional higher education compacts. The agreement is finalized and ready for state adoption. CSG and the Presidents’ Forum, with sponsorship from the Lumina Foundation, convened two regional SARA briefings in December. Staff is engaged in discussions with the Gates Foundation to secure funding for two more years to provide education and outreach to states considering adoption of SARA

EMS Licensure Compact
NCIC staff has been working with the National Association of State EMS Officials (NASEMSO) to explore a multi-state licensure compact for EMS personnel. The drafting team met the fourth time in December and has now begun sharing the draft more broadly with the Advisory group and the Department of Homeland Security. A series of webinars will begin next month to seek continued feedback on the draft with the goal of having final legislation language ready for state consideration beginning in 2015. Staff from NCIC and NASEMSO have begun more substantive discussions with the Department of Homeland Security regarding additional funding for the education and enactment phase of the project.

Medical Licensing Compact
For nearly a year staff has been engaged in discussions with The Federation of State Medical Boards (FSMB), CSG Associate ESRI, Verizon, and Health IT Now to access the feasibility of a medical licensing compact. The idea behind the compact is to improve license portability for doctors and access for patients. The concept was initially proposed by Gov. Geringer and supported by CSG’s membership through a resolution at the LaQuinta meeting. The compact idea has also received the endorsement of the FSMB’s Board of Directors. Staff has secured funding for nearly $100,000 and formal compact drafting is now underway. It is anticipated legislation will be ready for consideration by 2015.

Ocean Resource Management Concept
Staff from the Ocean Conservancy reached out to CSG’s National Center to begin discussions around an interstate compact to manage shared ocean resources. The initial idea behind the compact would be to allow northeastern states bordering the Atlantic Ocean to work cooperatively to manage ocean resources through the compact mechanism. A formal proposal has been submitted to the Ocean Conservancy for approximately $140,000 to begin exploration of the compact.

Federation of the State Boards of Physical Therapists
Building on the EMS and Medical Licensure projects, staff has been working with the Federation of State Boards of Physical Therapy (FSBPT) to explore a license portability compact for physical therapists. Following a presentation by Crady deGolian at FSBPT’s Annual Meeting, the membership endorsed the formal exploration of a compact. Tentative funding has been approved in the amount of $25,000 to allow CSG to provide consulting services during the six month advisory phase. An initial advisory committee meeting is planned for February.

Association of State and Provincial Psychology Boards
With assistance from NCIC, the Association of State and Provincial Psychology Boards convened an initial advisory committee meeting at the beginning of January to assess the feasibility of a tele-psychology compact. The compact concept was widely endorsed by those in attendance. NCIC is now working with ASPPB to secure additional funding to complete the advisory work and move into the drafting phase.

Key Staff
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January 2014

  Sean Slone attended this annual meeting for the sixth year in a row. The meeting is attended by more than 11,000 transportation professionals from around the world. Sean reported on the meeting for the January 30, 2014 issue of the Capitol Ideas E-Newsletter, which can be read here: http://www.csg.org/pubs/capitolideas/enews/issue130_2.aspx

- **CSG Eastern Regional Conference Annual Meeting – Fajardo, PR – December 6-9, 2013**
  Sean Slone attended the meeting and gave a presentation at the transportation roundtable convened on Saturday, December 7. Sean reported on the Transportation Policy Academy held in July 2013 in Portland, Oregon and efforts in that state and around the country to explore the concept of a mileage-based user fee to fund transportation.

- **CSG Transportation Policy Academy – Washington, DC - October 28-30, 2013**
  CSG’s fourth transportation policy academy took place October 28-30 in Washington, DC. The invitation-only event was attended by 10 state legislators selected by the CSG regions, several of them chairs or vice chairs of transportation-related committees in their respective states. While in the Nation’s Capital, attendees had the opportunity to meet with members of Congress and officials at the U.S. Department of Transportation. The group heard a panel discussion comparing transportation funding packages approved in Maryland and Virginia in 2013. They also toured transit-oriented development projects in Maryland. In addition, the legislators took part in a wide-ranging roundtable discussion with transportation experts that examined such topics as: the state of the nation’s infrastructure, the role of the business community in encouraging infrastructure investment, state efforts to seek new transportation revenues and the future of the federal-state-local partnership on transportation. A full summary of the event and related resources can be found here: http://knowledgecenter.csg.org/kc/content/transportation-policy-academy-2013-dc-meeting-archive-0

- **CSG National Conference – Kansas City, MO – September 18-22, 2013**
  The CSG Transportation Public Policy Committee convened in Kansas City and heard from three speakers: Dave Nichols, Director of the Missouri Department of Transportation (MoDOT); Mara Campbell, Customer Relations Director at MoDOT, and Larry Frevert from the American Society of Civil Engineers. Topics included the federal surface transportation authorization bill MAP-21, its importance for states, the legislation’s focus on performance measurement, state transportation funding initiatives and the state of America’s infrastructure. The committee also approved two policy resolutions concerning the successor to MAP-21 and federal support for innovative transportation funding.

- **CSG Webinar: States to Watch in 2013: Transportation Funding – January 31, 2014**
  This webinar provided updates on 18 states in the process of considering how to meet their future transportation funding needs. Presenters included reporters from Stateline, The Des Moines Register, The Idaho Statesman, the (Tacoma, WA) News Tribune, the Detroit News, the Wisconsin State Journal, the Associated Press, the Charleston (WV) Daily Mail, and New Hampshire Public Radio. The webinar will be archived in the CSG Knowledge Center.

- **Capitol Research – Transportation Topics**
  Transportation-related publications completed since September included Sean’s brief on the changing face of transportation revenues based on extensive interviews with six transportation experts from around the country.
**Capitol Ideas/Capitol Ideas E-Newsletter**

*Capitol Ideas* magazine featured Sean’s article on the Top 5 Issues in Transportation for 2014 (Jan./Feb. 2014), which included an interview Kentucky Transportation Secretary (and 2014 AASHTO President) Mike Hancock. The Capitol Ideas E-Newsletter featured Sean Slone’s articles on the Transportation Research Board annual meeting (January 2014) and the October Transportation Policy Academy in Washington, DC (November 2013).

**Capitol Comments – Transportation Blog**

Sean Slone reported extensively on the efforts by states to seek alternative transportation revenue mechanisms in 2013 and a variety of other issues in more than 20 blog posts between September and January. Other popular posts included an extended look at the Top 5 Issues in Transportation for 2014, a list of the States to Watch in 2014 on Transportation Funding, updates on public-private partnership and toll projects around the country, a look at the impact of the government shutdown on transportation projects, as well as posts on the status of the federal Highway Trust Fund and 2013 election results impacting transportation.

**Other Activities**

CSG’s Program Manager for Transportation Policy Sean Slone is frequently called on by national media organizations like *Governing* magazine and Stateline to comment on state transportation issues impacting CSG members. His dedicated transportation Twitter feed (@CSGTransport) maintains more than 1,800 followers. Sean’s writing on transportation policy has appeared in outside publications including the Kentucky business magazine *The Lane Report*, which last year featured Sean’s articles on the concrete and asphalt industries in Kentucky and the construction of the Ohio River Bridges Project in Louisville, Kentucky.

**Key Staff**

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**Capitol Research Policy Reports**

CSG’s HQ-based Policy & Research staff regularly publishes timely, useful and impactful policy reports that seek to inform state officials about current issues and provide an analysis of policy options. Ranging from 2-page ‘fact sheets’ to one-of-a-kind national reports, the *Capitol Research* series is available online through CSG’s Knowledge Center at: [http://knowledgecenter.csg.org/drupal/category/tags/capitol-research](http://knowledgecenter.csg.org/drupal/category/tags/capitol-research)

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2. States Fill the Void to Run National Parks During Shutdown
3. Labor Force Participation Rates
4. Education is Critical to Close the Workforce Skills Gap
5. Investment in High-Quality Prekindergarten Programs Pays Off
6. Oral Health Indicators
7. Health Insurance Marketplace Sign-ups Picked Up in November
8. Unemployment Rates (Regional Brief)
9. Pre-K Access and Funding (Regional Brief)
10. Vaccine Coverage Rates for Kindergartners: Some States Tightening Vaccination Exemptions
11. State Median Household Income (Regional Brief)
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1/13/2014  Oregon Hot Destination in 2013 for Movers  Jennifer Burnett
1/13/2014  Key US Senators Encourage Development of Medical Licensing Compact  Crady deGolian
1/10/2014  Transportation on the Agenda as 2014 Legislatures Convene  Sean Stone
1/9/2014  Upcoming Net Metering Webinar Set for Feb. 4th  Brydon Ross
1/7/2014  Legislator's Toolkit for Diabetes: Taking Action  Debra Miller
1/6/2014  SLCC Files Amicus Brief in Qualified Immunity Deadly Force Case  Lisa Soronen
1/6/2014  Top Five Health Issues Facing States in 2014  Debra Miller
1/6/2014  Top Five Issues in 2014: Interstate Compacts  Crady deGolian
1/6/2014  2014 Top Five Energy & Environment Issues to Watch  Brydon Ross
1/6/2014  Top 5 Issues for 2014: Education  Pam Goins
1/3/2014  SLCC Files Supreme Court Brief in “Rails-to-Trails” Case  Lisa Soronen
1/2/2014  Federal Judge Says No to Florida Welfare Drug Testing  Debra Miller
12/19/2013  NASBO Fall Report: State Fiscal Conditions Continue to Improve  Jennifer Burnett
12/18/2013  Long-Term Unemployment, 1948-2013  Jennifer Burnett
12/17/2013  So Much for “Our Federalism...”  Lisa Soronen
12/16/2013  Brakes on economic mobility: New research points to host of factors likely impacting upward mobility  Laura Tomaka
12/16/2013  States to Watch in 2014: Transportation Funding  Sean Stone
Do states in the Midwest require fiscal notes that estimate the impact of proposed legislation on local governments?

Wisconsin town’s request for Lake Michigan water one of first big tests of new Great Lakes compact

Health Insurance Exchange Enrollments Increase in November

Revamped Iowa homeschooling law gives families more options

New state programs, laws seek to enhance veterans’ job prospects

Ohio legislators revamp rules on third-party access to the ballot

After nearly 100 years, North Dakota still values its state-owned bank — the only one of its kind in the nation

Alcohol-related driving deaths rose in 2012; states urged to lower BAC limits, expand ignition-interlock laws

Iowa deepens commitment to ethanol as EPA proposes easing biofuels mandate

Multiple Chronic Conditions Are A Health Care Cost Driver

Iowa “Private Option” Approved for Medicaid Expansion

Another Federal Shutdown Looming?

Three Qualified Immunity Cases Reach the Supreme Court

CSG Justice Center Releases Report on Corrections and Health Care Spending

Illinois Gov. Signs Sweeping and Controversial Pension Reform Bill

Decline in State Government Employment Levels off

North Dakota Announces New Oil Spill Site

Seeking a Smarter, More Reliable Grid

Big Data Alone Doesn’t Always Give the Right Conclusion

Sebelius says the Affordable Care Act is “What We Call the Law”

Federal-State Relationship Looks Grim, but Legislators Should Keep Trying

Streamlining Regulation of Online Higher Ed Providers Focus of CSG Effort

Budgeting Like a Business

Bold Leadership, Compelling Vision Needed to Address Transportation Challenges

Affordability Key to Mission of Improving Access to Postsecondary Education

‘Civility is Not Caving, but it is Essential to Better Governing’

Truman Unafraid to Make the Toughest Decisions of his Day

State Leaders Can Play a Role in Medical Innovation

Legislators Get a Look at Smart Grid in Action

There’s No One Right Answer for Fighting Obesity

School Safety Requires a Comprehensive Approach

Common Core Pushes Students and Teachers to Dig Deeper

Transportation Bills Back From the Dead in Pennsylvania, Washington

SLLC Files Supreme Court Amicus Brief in Public Safety Buffer Zone Case

The Challenge of Interstate Transmission Line Siting
The Knowledge Center (www.csg.org/knowledgecenter) was launched in May 2010 to serve as a destination for all CSG policy products, facilitating access to the large quantity of policy content produced by the organization, including archival materials and products and the work generated by CSG regions and affiliates. This interactive policy tool and clearinghouse put years of policy knowledge and resources at users’ fingertips, making it easier to find specific policy information or to browse CSG’s policy documents. It also is the home of the policy blog, Capitol Comments, which can be found at http://knowledgecenter.csg.org/kc/blog.

In October 2013, CSG launched a revamped Knowledge Center that includes a streamlined interface and a mobile site for use by smart phones and tablets.

The site continues to grow, both in terms of the amount of popularity and the number of users. Four and a half years after its launch, it contains over 4,150 individual items, all of them indexed and summarized, which allows users to view all of the information on a particular topic from across CSG’s network of organizations and offices.

Several CSG regions and affiliates have contributed content to the CSG Knowledge Center. Using the CSG Knowledge Center as a supplementary outlet for greater dissemination of existing products and reports has proven quite successful.

Each region and affiliate has its own tag in the Knowledge Center, which allows users to quickly find all posts from that group. At the bottom of each entry a link is provided to all of the other entries authored by the group. This also means that each region and affiliate has a devoted URL for their posts. For example, all CSG Midwest entries can be found at http://knowledgecenter.csg.org/drupal/category/tags/csg-midwest.

**Capitol Comments**, the CSG Policy blog that is housed in the Knowledge Center, has significantly increased its number of postings, and consequently, has a much larger audience. CSG staff have posted more than 1500 blog posts.
CSG is pleased to announce that the entire archive of *The Book of the States* dating back to 1935 is now available online in the CSG Knowledge Center in its entirety.

*The Book of the States* has a long history of providing detailed information about what states spend, the people they serve and how they govern. Not only can you track the salary of your state’s governor throughout that time span, but you can also find the salaries of other executive branch officials, as well as information on how much other high-level state officials have earned over the years. The historical volumes illustrate how much has changed, and how much has stayed the same, through often tumultuous times in the history of our nation.

Now, all that knowledge and history about the states is available online at [www.csg.org/bookofthestates](http://www.csg.org/bookofthestates). Each of the past 44 volumes is available in its entirety, including tables and articles.

Volumes from the past ten years include both the PDF and Excel versions of all tables.

The 2013 version, containing more than 25 articles and more than 150 tables, can also be found online in its entirety at [http://knowledgecenter.csg.org/drupal/view-content-type/2307](http://knowledgecenter.csg.org/drupal/view-content-type/2307).
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High Quality Early Childhood Education
In order to adequately prepare students, states in 2014 will look to expand access to high quality early childhood education. The early years of a child’s life are critically important to shape key academic, social and cognitive skills that prepare them for future success in school and life. Investments in preschool, Head Start and child care have been shown to reduce the need for developmental education, referral to special education services and grade repetition. Early childhood education also has been shown to prevent academic achievement gaps before they start, decrease a child’s likelihood to become involved in the criminal justice system and increase a child’s earnings as an adult. As states review policies to develop and improve successful systems and expand access, services should increase for low and moderate income children and those with special needs.

College, Workforce and Life Readiness
With evolving technology and its inseparable link to the skills required for current professions, the need for advanced and critical problem-solving skills is foremost on the minds of educators. Educational systems must provide opportunities for students to apply knowledge and solve complex problems. Students must be able to work independently and with each other; they also need to communicate ideas effectively. To be successful in today’s world, every student must graduate from high school with the skills and dispositions needed for success in college, the workforce and life. Rigorous standards are needed to ensure high school graduates have academic knowledge and skills. In addition, students need an environment where they can succeed and be better prepared for two- and four-year colleges and universities, beginning a career and obtaining life skills.

K-12 Assessment and Accountability Systems
States have become innovators because of the federal waiver process required for exemption from No Child Left Behind’s most onerous accountability requirements. The majority of states now include a myriad of learning goals for students and a wider range of interim performance targets that extend beyond reading and math. Schools now must meet complex performance indexes that determine their progress and serve as a way to identify struggling schools for intervention. These multiple measures of student success must include formative and summative assessments including performance-based assessments and longitudinal data systems that efficiently collect, analyze and disperse information for well-informed decision-making. The end result will be a system that measures knowledge, understanding and application with an authentic, real-world purpose and audience that shows students can reason, problem-solve and collaborate with others to produce individual responses.

Technology and Digital Learning
Digital learning increasingly is being used to supplement face-to-face instruction and plays a variety of roles in student access and success. State policymakers will turn their attention to how the fast-growing array of free and fee-based online courses can be optimally packaged into competency-based and credit-bearing credentials. A growing trend is Massive Open Online Courses, which allow students to take courses without a cap on enrollment. These courses can be a highly affordable alternative to a traditional brick-and-mortar classroom, but policymakers will be confronting the accreditation and crediting of these courses in 2014. State officials also are being asked to financially support technology in the classroom which enhances online learning, blended classrooms, teacher professional development and instructional practices all focused on informing instruction that is more personalized and tailored to meet students’ needs. Flexibility in awarding credit for digital education also is key as policymakers open the door for changes to the traditional school day and calendar, professional learning communities, learning inside and outside of the classroom, and less emphasis on “seat time” versus competency-based learning.

Degree Attainment and College Completion
The U.S. economy increasingly demands a well-educated workforce. Careers requiring no more than a high school diploma a generation ago now necessitate some higher education, at a minimum. The two-year degree or certificate has become the new minimum standard for many professions. As employers expect their workers to have increased skills and knowledge, unless states increase degree attainment, the end result will be a workforce that is unprepared for the job requirements of the 21st century due to the increasing skills gap. Developing a system of higher education to compete with a rapidly evolving global workforce will require the informed involvement of state legislators and higher education leadership. State policymakers must focus on outcomes, providing a world-class higher education system that is student-centered and aligned with the knowledge and skills students need to succeed.

For more information on these topics and for additional resources on education policy, see » www.csg.org/top5in2014
Clean Air Act/Section 111(d) Rulemaking
The Environmental Protection Agency is expected to release a rule in June 2014 as part of President Obama’s Climate Action Plan requiring states to develop implementation plans to regulate greenhouse gas emissions from existing power plants under section 111 (d) of the Clean Air Act. This significant undertaking, which normally takes state agencies several years to develop, must be completed and submitted to the EPA in less than two years. This requirement poses a substantial challenge since states have never been required to regulate carbon emissions under these implementation plans and the amount of carbon emissions dwarfs the levels of pollutants currently regulated under federal law. States with large coal fleets and many Midwestern manufacturing states likely will pay close attention to this upcoming rule, especially when the guidance is issued. Questions remain regarding whether states will be required to reduce emissions at each power plant site or on a systemwide basis. States also don’t know if their existing efforts to promote renewable energy and reduce greenhouse gas emissions will count toward the pending requirements.

Cooling Water Intake Rule
The EPA proposed a rule in 2011 that would require at least 650 older power plants to install closed-cycle cooling intakes when building new units at existing facilities in order to reduce the harm to fish and other aquatic organisms. The impact of the new rules is more problematic for plants utilizing open-loop cooling systems, which draw in water to generate steam to move turbines, and then discharge the water back into the source. Closed-cycle systems differ by reusing water through cooling towers that dissipate heat generated by the boilers through evaporation and convection. According to the Business Roundtable, about 43 percent of the country’s electric power plants use open-loop cooling water systems. The final rule, due in January 2014, has been postponed several times and is very contentious between industry and environmental groups, many of whom believe it gives state regulators too much leeway in deciding if closed-cycle systems should be installed for all existing facilities.

Crude Oil Transportation
The tragic train derailment in the small Quebec town of Lac Megantic, Canada, focused public attention on the significant increase of crude oil being shipped by rail. According to the Association of American Railroads, U.S. railroads carried just 5,912 car loads of crude oil in 2007; that number escalated to 234,000 car loads in 2012. The incredible growth is attributable to a lack of pipeline capacity in areas of booming oil production as a result of hydraulic fracturing. Expect to see greater scrutiny from federal and state regulators and increased oversight activities on crude oil transportation safety.

Net Metering
The rate disputes around the country in 2013 are a preview of things to come. More than 40 states have programs incentivizing the use of net metering—most commonly through rooftop solar panels—which has become increasingly popular because it allows homeowners to sell excess renewable power to the utility after meeting their own energy needs. Utilities and solar groups have sparred over implementing higher fees power companies say are necessary for recovering the true costs of providing distribution service when these homes have to reconnect to the grid. Opponents of the fees have argued that it will limit customer options and dampen public enthusiasm for expanding solar power to more homes.

Lingering Drought and Water Infrastructure
States like California, New Mexico and Texas grappled with persistent ongoing drought in 2013. Many Western states may face additional challenges meeting the demand for water with expected dry conditions. Texas voters in November 2013 overwhelmingly approved a measure to create a $2 billion revolving loan fund that could be leveraged to pay for water infrastructure projects in the state’s 50-year plan. The most recent drought predictions from the National Oceanic and Atmospheric Administration call for continuing precipitation shortfalls well into 2014.

For more information on these topics and for additional resources on energy and environmental policy, see » www.csg.org/top5in2014
Federal Instability Trickles Down
When the federal government shut down last October, 850,000 federal workers were furloughed for an unprecedented 6.6 million combined days. Forecasters estimated the shutdown cost the economy between $2 billion and $6 billion in lost output. The kind of instability and intransigence in Washington, D.C., that led to the shutdown will continue to dampen the overall economic recovery and to affect the return of state revenues to prerecession levels. In addition, recent federal spending cuts and potential future cuts through sequestration have slowed the economy and left states to make up the difference in areas like education and infrastructure.

Revenues Recover from Recession but Remain Sluggish
As the national economy moves sluggishly toward recovery, state revenues will continue their slow climb to get beyond prerecession levels. State revenues started to collectively rebound in 2012 and 2013, while rainy day fund balances also were being restored. Both trends should continue in 2014. According to a State Revenue Report from the Rockefeller Institute of Government, states’ tax collections had grown for 14 straight quarters as of December 2013 and real revenues finally surpassed peak prerecession levels. The National Association of State Budget Officers’ Fall 2013 edition of the Fiscal Survey of States indicated states overall can expect a similar pattern in the 2014 fiscal year—slow, but relatively steady increases in revenue for most states, tracking trends in the national economy.

Health Care Costs Continue to Climb
Increasing health care costs—including current public employee costs, public retiree costs and Medicaid—will continue to be a major budgetary issue for states as overall health care costs and enrollments in Medicaid continue to rise. For the 25 states plus Washington, D.C. that chose to expand Medicaid eligibility under the Affordable Care Act, the fiscal impact of increased enrollment will be delayed. The Congressional Budget Office reported that states won’t pay any costs for the expansion until 2017. Between 2017 and 2020, the federal government will offset some of those additional costs to states, covering 90 percent by 2020 and leading to a 2.8 percent increase in state spending on Medicaid. In the 2013 fiscal year, Medicaid represented the single largest portion of state spending, estimated to account for 24.5 percent of total spending, according to the National Association of State Budget Officers. Expect states to continue to look for ways to control Medicaid spending while delivering more services to more people through programs such as managed care, and to address underfunded and increasingly expensive state retiree health benefits.

Rethinking Economic Development
State leaders will be taking a closer look at their economic development programs, including workforce reinvestment and the cost-effectiveness of providing tax and financial incentives to businesses. Some states will continue overhauling approaches to economic development, such as evaluating and reforming business incentive systems and their overall business tax climate, as a means to stimulate job growth in 2014. Others will look for opportunities to put people back to work through innovative workforce development strategies, regulatory systems assessments and infrastructure development projects, particularly if federal funds become available. Public transparency and oversight of specialized tax and financial incentives to businesses may become a political hot potato, especially as the topic gets more attention from the media and watchdog groups.

Labor and Wage Issues
States will be addressing increasingly difficult labor and wage issues this year, including stubbornly high unemployment rates and concerns over raising the minimum wage. Unemployment rates hit a five-year low of 7 percent in November 2013 after four consecutive months of robust job growth. The current unemployment rate, however, is still above prerecession rates of about 5 percent, and long-term unemployment remains at near historic highs. Economists predict that the unemployment rate likely will continue its slow descent in 2014, ultimately hitting about 6.5 percent by year’s end. President Obama has called for an increase in the federal minimum wage a number of times, but states already have taken action. Legislators and voters in five states decided to raise the minimum wage in 2013 and at least five more states will address the issue in 2014.

For more information on these topics and for additional resources on fiscal and economic policy, see » www.csg.org/top5in2014
» Medicaid
Two questions face Medicaid programs in the states. The first, whether to expand eligibility to 138 percent of the federal poverty level, has been answered in the affirmative by 25 states and the District of Columbia, as of January 2014. In the other states, the question is likely to be revisited as states feel the lure of federal funding to cover all the cost of expansion for three calendar years beginning Jan. 1, 2014. Additional pressure may come from the uninsured people who seek insurance through health insurance exchanges but learn they are not eligible for federal tax subsidies to make premiums affordable if their incomes are below 100 percent of the federal poverty level.

The second question for states is how to reform their Medicaid programs to achieve better health care outcomes at reduced costs. Some states, such as Virginia, Texas and Wyoming, have opted for reform before expanding eligibility. Other states, such as Oregon, Minnesota and Arkansas, are engaged in multi-pronged system redesign at the same time they are expanding Medicaid eligibility. Medicaid spending growth, whether related to increased enrollment or increased per capita costs, continues to absorb almost all of states' annual revenue growth, crowding out other state priorities.

» Health Insurance Exchanges
The minority of states that decided to run state-based exchanges—only 14 states and the District of Columbia, as of January 2014—encountered fewer problems and enrolled more uninsured people in Medicaid and private insurance plans in the early months of open enrollment than the error-prone federal exchange. States, including the seven that early on indicated a partnership with the federal government, still can move to a state-based exchange. While insurance premiums in the exchanges initially came in below estimates, insurance providers in 2014 will have more information to use in setting premiums for the 2015 plan year. Who and how many enroll by the close of open enrollment in March 2014 will be critical.

» Mental Health
Lawmakers and their constituents are still reeling from the violence in Newtown, Conn. in December 2012. While a number of legislatures grappled with gun issues—and to a lesser extent school safety and mental health services—immediately after the deaths at Sandy Hook Elementary School, the adequacy of state mental health systems remains a huge question. State mental health budgets were gutted following the 2008 recession. According to the National Association of State Mental Health Program Directors, reductions totaled $4.35 billion between 2009 and 2012. Some funding has been restored as state economies recover, but advocates and providers will continue to push for parity between behavioral health and physical health in insurance policy coverage, Medicaid and state systems development and funding. Several states have adopted certification and funding for mental health first aid.

» Health Workforce Adequacy
States will continue to grapple with the shortage of health care providers. Once primarily a problem in rural areas and underserved urban neighborhoods, the issue will be exacerbated as more individuals gain health insurance coverage and seek access to services. State policymakers will be engaged in debates around scope of practice, increased professional training through new medical schools and residencies, and efficiency measures, such as telemedicine, electronic health records and networks. Policymakers also will be asked to look at the consolidation of health care, as mega-hospitals emerge and hospitals buy formerly independent provider practices.

» Baby Boomers Entering Senior Years
The oldest baby boomers hit the official retirement age of 67 in 2013. Evidence suggests this generation has done less to plan and save for retirement than previous seniors. According to one survey, 60 percent have lost value in their investments due to the economic retrenchment. About 4 in 10 say they are delaying retirement. Clearly, there will be more people over 65, both absolutely and proportionately, and they are likely to live longer, whether in good health or not. The implications are myriad. States will face increased pressure for community-based residential services in lieu of nursing homes. Many older Americans will need financial assistance on top of federal Medicare. Increasing numbers of older seniors with Alzheimer’s disease and other dementias will need extra assistance. The larger number of cognitively impaired seniors will complicate the movement to self-directed medical care.

For more information on these topics and for additional resources on health policy, see » www.csg.org/top5in2014
When it comes to solving problems, states increasingly are turning to a mechanism that dates back to America's colonial past—the interstate compact. Compacts are one of the few tools specifically granted to states by the U.S. Constitution. They provide states a sophisticated administrative mechanism, allowing interstate collaboration to resolve complex policy challenges.

Compacts, which are governed by the tenets of contract law, provide states an enforceable, sustainable and durable tool capable of ensuring permanent change without federal intervention. Each state belongs to an average of 25 compacts, of more than 215 interstate compacts in existence.

Legislatures will have the opportunity to consider several CSG-facilitated projects in the coming year.

- **Interstate Compact for the Siting of Electricity Transmission Lines**
  The Energy Policy Act of 2005 granted states advance congressional consent to create regional interstate compacts governing the siting of interstate transmission lines. At the request of its membership, CSG began exploring—and ultimately developing—an electric transmission line siting compact to help move energy from where it is produced to where it is needed. Compact drafting is finalized and the language is now ready for legislative consideration.

- **State Authorization Reciprocity Agreement**
  Many of today's colleges and universities employ online learning with varied degrees of onsite support for students on a national, and even international, scale. Regulatory requirements and evaluative measures, however, vary considerably from state to state, making interstate reciprocity difficult to achieve. This problem is costing states and institutions significant amounts of money. CSG, The Presidents' Forum, regional higher education compacts and The Commission on the Regulation of Postsecondary Distance Education have collaborated to advance an effective, practical framework to achieve interstate reciprocity in the regulation of distance education. This voluntary State Authorization Reciprocity Agreement is intended to broaden the availability of and access to accredited online degree programs by reducing state regulatory barriers, while also ensuring strong consumer safeguards.

In addition, CSG’s National Center for Interstate Compacts is working with stakeholders on the development of other compacts.

- **Medical Licensing Compact**
  CSG is working with the Federation of State Medical Boards to assess the feasibility of a medical licensing compact. Several factors—including changing demographics, the need for better and faster access to medical care in rural and underserved areas, the passage of the Affordable Care Act and the rise of telemedicine—have created unprecedented demand for health care services. Former Wyoming Gov. Jim Geringer proposed the concept, which memberships of CSG and the Federation of State Medical Boards have supported through resolutions. Compact drafting is underway.

- **EMS Licensing Compact**
  States have had the authority to license emergency medical services personnel since the 1970s. States issue licenses based on individual state practices procedures. While there is overlap between the licensing requirements, there is also considerable variation among the states. It is becoming more common for EMS emergency services personnel to cross state lines to provide services in non-declared states of emergency, which is making interstate cooperation for EMS licensing all the more urgent.
  One possible way to solve this problem is the formation of an interstate compact that would allow member states to work cooperatively to address interstate licensing challenges. CSG and the National Association of State EMS Officials have been working with a group of subject matter experts to develop an EMS Licensing Compact. Drafting is well underway and compact language should be ready for legislative consideration by 2015.

- **Physical Therapy and Telepsychology Licensing Compacts**
  The Federation of State Boards of Physical Therapy and the Association of State and Provincial Psychology Boards will begin exploring license portability compacts for their respective organizations in 2014. Both groups will convene initial advisory committee meetings in early 2014. Staff from CSG’s National Center for Interstate Compacts will participate and assist with both projects.

For more information on these topics and for additional resources on interstate compacts, see » [www.csg.org/top5in2014](http://www.csg.org/top5in2014)
MAP-21 Reauthorization & the Future of the Highway Trust Fund
MAP-21, the 2012 federal surface transportation authorization bill, will expire at the end of September 2014. Without Congressional action, the Highway Trust Fund will run out of money in the 2015 fiscal year. The federal gas tax, which is the trust fund’s primary revenue source, has not been raised in more than 20 years and has never been adjusted for inflation. There appears to be little agreement in Congress about which of several avenues to take to ensure the future of the trust fund and the federal transportation program—increasing and/or indexing the gas tax, shoring up the trust fund with another transfer from the general fund, or finding a new, more sustainable primary revenue source.

The Legacy of MAP-21
MAP-21 included many policy reforms long sought by state transportation officials that likely will continue to bear fruit in 2014 and beyond. Key among them are provisions to transition to a performance-based transportation system. But 2014 might also expose more about a negative legacy of MAP-21. Since the bill provided only two years of funding—and followed nearly three years of status quo, short-term extensions of the previous bill, SAFETEA-LU, state transportation departments have been in a prolonged period of uncertainty that has negatively impacted long-term, capital program planning processes.

Continuing State Activity on Transportation Revenues
2013 saw significant activity among states exploring ways of producing additional transportation revenues. The solutions included everything from gas tax increases to complex tax swaps. Significant state activity will continue in 2014. A number of the states that were unsuccessful in 2013 have unfinished business and others have been exploring options in advance of 2014 legislative sessions. Some states that had success in 2013 could seek to do more, while others may see repeal efforts and political backlash. Ultimately, a greater abundance of statewide elections in 2014 may have some say in determining how successful states are in maintaining or achieving new revenue gains.

Evolution of Public-Private Partnerships
Some states have turned to the private sector in recent years to help fund major transportation projects and 2014 is likely to see a substantial number of these projects move forward. But new public-private partnerships—also known as P3s—are taking on different shapes than earlier ones. Managed lane projects around the country, a major transit project in Maryland and a bundle of bridges in Pennsylvania are all being explored as P3s. Some states are turning to the P3 model known as availability payments, under which the public project sponsor retains the underlying revenue risk associated with the project and makes payments to a private partner for designing, building, operating and/or maintaining a transportation facility.

Finding Strategies for a Multi-Modal Future
With an expanded Panama Canal on the horizon in June 2015, U.S. seaports need expansion and dredging to accommodate larger container ships. Inland ports, which could see additional traffic, also need upgrades. But as with surface transportation, there is little agreement on how to pay for it all. With demand for transportation alternatives growing in some communities and with future dedicated federal funding uncertain, states will need to continue to seek new partnerships and innovative funding and financing mechanisms to develop and maintain transit systems, bike and pedestrian facilities and other key features of vibrant communities.

For more information on these topics and for additional resources on transportation policy, see » www.csg.org/top5in2014
DRAFT MEETING MINUTES
September 19, 2013
Kansas City, MO

Presiding: Sen. Gary Stevens, Alaska – CSG Chair

Members in Attendance:
Dr. Kathleen Berg, Hawaii – MIC3, CSG Affiliate Representative
Sen. Eduardo Bhatia, Puerto Rico
Rep. Bob Damron, Kentucky
Sen. Jay Scott Emmer, Kansas – CSG Immediate Past Chair
Sen. Keith Ingram, Arkansas
Sen. Carl Marcellino, New York – CSG Vice Chair
Justice Nancy Saitta, Nevada Supreme Court
Sen. Gary Stevens, Alaska – CSG Chair

Guests:
Rep. Rosie Berger, Wyoming
Presiding Judge Sharon Keller, Texas Court of Criminal Appeals
Rep. Kim Koppelman, North Dakota
Lisa Sororen, State and Local Legal Center
Tom Stickrath, Ohio Office of the Attorney General
Rep. Jeff Thompson, Idaho

Staff in attendance:
David Adkins, CSG
Kelley Arnold, CSG
Chip Barton, CSG
Catherine Bray, CSG
Suzanne Brown-McBride, CSG
Janet Cantrill, CSG
Colleen Cousineau, CSG South
Wendell Hannaford, CSG East
JC Hendrickson, CSG
Wade Littrell, CSG
Mike McCabe, CSG Midwest
Maggie Mick, CSG
Jason Mosley, CSG
John Mountjoy, CSG
Mike Robinson, CSG
Edgar Ruiz, CSG West
Trina Sheets, NEMA
Sasha Stephenson, CSG
Michael Thompson, CSG
I. **Call to Order**  
The meeting of CSG’s Leadership Council was called to order by Chair Gary Stevens at 2:10 p.m. Following a review of the agenda, introductions of members and guests, and the recognition of a quorum, Chair Stevens called on Lisa Soronen with the State and Local Legal Center to provide an update on activities of the US Supreme Court.

II. **Guest Speaker – Lisa Soronen, State and Local Legal Center (SLLC)**  
Ms. Soronen provided an update to the leadership council on recent and pending actions before the US Supreme Court, including: affirmative action, abortion, legislative prayer, air pollution and telecommunications. The SLLC will host a webinar on Oct. 22 addressing upcoming SCOTUS cases.

III. **CSG Focus on Federalism Initiative, 2013-2014**  
Chair Stevens provided an update on the multi-year CSG Focus on Federalism Initiative, including a preview of the Federalism Public Hearing to be held during the conference on Saturday, Sept. 21. The Federalism Task Force will convene a DC Fly-In in November to engage Congress and the Administration and to hear from other experts as the group more clearly defines its work. Chair Stevens also reminded the group about the new CSG Statement of Principles on Federalism that will be on the CSG Executive Committee’s consent agenda at the end of the conference.

IV. **CSG Finance Committee Report**  
CSG Finance Committee Co-Chair Rep. Bob Damron provided an overview of CSG member jurisdiction dues collections (attached as Exhibit A), the end-of-year status of the CSG FY'13 HQ and DC budget (attached as Exhibit B), and an update on the CSG FY’14 HQ and DC budget (attached as Exhibit C). Rep. Damron also provided an update on the status of CSG’s reserves as well as the organization’s investments. The CSG FY’14 HQ and DC budget was previously approved by the CSG Leadership Council (June 2013) and will be considered by the CSG Executive Committee at the end of this conference.

V. **National Meetings Discussion**  
Chair Stevens led a brief discussion on the CSG national meetings model and future plans. While the CSG National Conference Committee will be meeting later in this conference, Chair Stevens sought feedback from the CSG Leadership Council on staff plans to better streamline the scheduling of CSG national meetings. The group agreed that returning CSG to a regular national conference schedule of early-December each year would provide stability to programming and make it easier for members and supporters to plan their participation. CSG will maintain the schedule of convening its National Leadership Forum in Washington, DC each June.

VI. **CSG Executive Director Report**  
David Adkins, CSG’s Executive Director / CEO, provided an update on several activities, including:

- Upcoming meetings of CSG’s senior staff to discuss opportunities for administrative and policy collaboration across the organization;
- Recent HQ and DC Policy events and deliverables;
- Plans to identify HQ strategic priorities for 2014;
- Upcoming meetings with CSG’s leaders in December 2013 to close out the year and plan for 2014;
- Plans for the February 2014 CSG Leadership Council meeting;
• Overview of Federalism Initiative deliverables, including the Nov/Dec issue of *Capitol Ideas* magazine focused exclusively on federalism-related topics;
• Update on search plans/process to fill the Director of Federal Affairs vacancy in CSG’s Washington, DC office, including a summary of the job description;
• Plans to fill CSG’s Director of International Programming vacancy;
• Overview of the new CSG Overseas Voting Initiative to better enfranchise overseas-based military personnel and their families in voting at home; and
• Update and sharing of Sen. Emler’s new economic development report produced as part of his 2012 Chairman’s Initiative.

Mr. Adkins called on Mike Robinson, CSG’s senior deputy executive director, to provide an update on the CSG HQ renovation.
• A commissioning agent has been selected and will oversee all aspects of the project;
• Detailed specifications for the renovation will be finalized in October;
• Staff is already being relocated between the two buildings on CSG’s Lexington campus;
• Construction is set to begin in January 2014;
• The “barn” adjacent to CSG’s HQ was slated for demolition, but the state is now permitting CSG to use this space for cold storage until renovations are complete;
• Climate-controlled storage has been secured off-site;
• Bid specifications are under development;
• Construction time is expected to be between 15-18 months; and
• Special thanks and recognition are due to Rep. Damron and Judge Williams (former Senate President) for their efforts and support of this endeavor on behalf of CSG.

Mr. Adkins shared with the leadership council members a response memorandum to concerns voiced by CSG’s Affiliates during the group’s meeting in June 2013 regarding the HQ renovations and the impacts on CSG Affiliate groups housed there (original memo from CSG’s Affiliates is attached as Exhibit D and the response memo is attached as Exhibit E). The leadership council agreed that the plan outlined in Mr. Adkins’ memo was reasonable and appropriate and urged its fulfillment.

VII. **CSG Justice Center Discussion**
During the June 2013 CSG Leadership Council meeting, the group requested that a specific plan of action be created and shared detailing the future of the CSG Justice Center and its relationship with CSG.

Joining the CSG Leadership Council at this meeting were CSG Justice Center board members Tom Stickrath, Superintendent, Bureau of Criminal Identification and Investigation, Attorney General’s Office, Ohio; Presiding Judge Sharon Keller of the Texas Court of Criminal Appeals; and Michael Thompson, director of CSG’s Justice Center.

Mr. Stickrath and Judge Keller shared a copy of a resolution approved by the CSG Justice Center Board of Directors (attached as Exhibit F). Following a lengthy discussion, Chair Stevens accepted the resolution and directed that the CSG Finance Committee review the resolution and offer recommendations to the CSG Executive Committee during this conference and that subsequent to the finance and executive committee discussions, CSG and CSG Justice Center staff be empowered to develop a specific plan of action and report back to the CSG Finance
Committee with its recommendations. The CSG Finance Committee will then submit recommendations to the CSG Leadership Council in advance of its next meeting in February 2014 for final consideration. The CSG Leadership Council approved Chair Stevens’ suggestions.

Note: the CSG Finance Committee met on Friday, Sept. 20, 2013 during the conference, considered the CSG Justice Center memorandum and forwarded a specific recommendation to the CSG Executive Committee in line with the steps outlined above. The CSG Executive Committee approved the recommendation on Sunday, Sept. 22, 2013.

VIII. June 2013 Meeting Minutes
The minutes from the June 22, 2013 meeting of the CSG Leadership Council were reviewed, one minor adjustment made, and moved for adoption by Dr. Berg. The minutes were approved.

IX. CSG Regional Updates
Chair Stevens called on CSG’s regional directors to provide an update on activities in each of CSG’s four regions, including programming, activities and dues. The group heard from Wendell Hannaford, CSG East; Mike McCabe, CSG Midwest; Colleen Cousineau, CSG South; and Edgar Ruiz, CSG West. Regional reports are attached as Exhibit G.

X. Other Business
Chair Stevens asked that future CSG Leadership Council meetings focus on action items only, rather than updates that are also provided in writing.

The CSG Leadership Council adjourned at 4:25 p.m.

Summary of Action Items / Next Steps

1. Action items approved by the CSG Leadership Council:
   • Meeting minutes from the June 2013 CSG Leadership Council meeting
   • Response to CSG Affiliates; re: HQ renovations concerns

2. Action items approved by the CSG Leadership Council that will be forwarded to the CSG Executive Committee for final review and approval:
   • CSG Justice Center – process and plans / next steps (via CSG Finance Committee)

3. Action items pending before the CSG Leadership Council to be taken up / reviewed at subsequent meetings:
   • CSG Finance Committee recommendations, re: CSG Justice Center

4. Member requests for future CSG Leadership Council meetings:

   CSG Leadership Council should not be inundated with oral updates. Policy and program updates should be limited to written reports and the leadership council should concern itself with action items critical to the business/future of CSG.
I. Overview

The CSG Eastern Office serves its 13 member jurisdictions and five Eastern Canadian Provinces through eight regional policy Committees or Boards in the areas of Agriculture, Education, Energy & Environment, Fiscal Affairs, Health, International Trade, Transportation, and US/Canada Relations. In addition, ERC staffs two affiliate organizations: the Northeast States Association for Agricultural Stewardship (NSAAS) and the Eastern Trade Council (ETC) as well as the Federally-funded Northeast High-Level Radioactive Waste Transportation Project. This report will update selected ERC policy activities since the last report in June 2013.

II. Selected ERC Policy Committee Activities

ERC Energy and Environment Committee

The ERC Energy & Environment Program continues to move forward with our new project to help states develop cost-effective strategies to make their communities, and the built environment, more resilient to the impacts of severe weather. The project will focus, in part, on best practices for hardening infrastructure – in transportation and the electricity sector – and for strengthening the environment, particularly in coastal and riverine communities.

This is a multi-disciplinary project that will include participation among several ERC policy areas, such as agriculture and transportation, in addition to energy and environment. The project seeks to facilitate communication across states in our region and between the executive and legislative branches, with two central goals: sharing information and ideas that are often siloed; and highlighting resources and policies that may be regionally beneficial. ERC staff also plans to develop tools to evaluate and assess the effectiveness of state adaptation and mitigation plans.

The project will make use of new, multimedia platforms to reach a broader audience. New product offerings include podcasts and short videos featuring interviews with policymakers and other experts. Program staff also continues to post information on a wide range of legislative developments and research on our Green Matters Web site, and to distribute a weekly newsletter.

Last May, ERC submitted a grant proposal to CSG’s 21st Century Fund and will be resubmitting a revised proposal at the Board’s request at the upcoming meeting in Kansas City.

ERC US Canada Committee

Promoting US-Canada cross-border cooperation continues to be central to ERC’s purpose and mission. Security and trade facilitation remain paramount. ERC has endeavored to keep members informed on progress on the joint U.S. – Canada “Beyond the Border” programs including the customs entry/exit data initiative, now entering its second phase; Canada’s introduction of e-passports; border infrastructure improvements and pre-clearance pilot programs.

In this regard, ERC has been a supporter of the Peace Bridge pilot and strongly urged its approval. Last year ERC asked the U.S. and Canadian governments to select the crossing as a part of the program based on its critical role in cross-border trade.

ERC also maintains support for other cross-border initiatives such as the recent agreement between Quebec and Vermont to establish an “electric vehicle charging corridor” between Burlington and Montreal. ERC continues to be alert to potential threats to the trading relationship including “buy American” provisions in U.S. federal legislation; Country-of-Origin-Labeling...
Among the services provided by our ERC Transportation program are weekly electronic updates covering a variety of issues, but with a strong focus recently on innovative ways to finance the overwhelming needs of the regional and national transportation system.

In recent months, for example, several states, specifically Maryland and Virginia, have enacted historic legislation with innovative financing reforms to the state gas tax. ERC updates reported on those landmark pieces of legislation, and continue to monitor gas tax debates in Massachusetts, Pennsylvania and other states. A recent update noted a total of 10 states will be raising either gas or diesel taxes over the next several weeks, and that a total of 16 states now index gas taxes.

A major focus of the Transportation program, as previously reported, has been on the severe weather impacts on the transportation infrastructure in the region. We advocated for funds to repair damage from Superstorm Sandy. Since then we have monitored and reported on the status and nature of disaster relief funds to this region following the two 100 year storms that have had devastating impacts on the infrastructure of many ERC states.

III. Eastern Trade Council

The Eastern Trade Council (ETC), whose board consists of the state trade directors from 11 ERC member states, has expanded its program with the second year of federal grant funds received through the STEP (State Trade & Export Promotion) Program. ETC members requested STEP funds to support ETC’s continuing operation. Eight out of ten ETC state jurisdictions were awarded STEP grant funds for ETC in 2013 in the amount of $89,750.

With these funds, the ETC board hired a regional foreign trade representative in Dubai. The Dubai representative was able to serve 24 companies from seven states. Due to the success of the project and market interest, a trade mission to Dubai and the Gulf region is under development, scheduled for the fall of 2013. STEP funding will also support another short term foreign trade representative contract in Mexico which will allow the ETC to serve 32 companies within the Eastern region at a cost to ETC of $25,000.

IV. 53rd ERC Annual Meeting & Regional Policy Forum – Fajardo, Puerto Rico

ERC Co-chairs, Senate President Eduardo Bhatia and House Speaker Jaime Perello-Borras, Puerto Rico, will host the ERC Annual Meeting at the El Conquistador Hotel, December 3-6. Planning for the ERC 2013 Annual Meeting is well underway. The theme for the conference is “Succeeding in a Time of Austerity.” Economist/author Robert Kuttner will be the opening speaker followed by a Governors panel focusing on state efforts to create jobs and enhance economic growth and competitiveness. Other invited keynoters include Labor Secretary Thomas Perez and Congressmen Luis Gutiérrez and House Budget Chair Paul Ryan. All of ERC’s Committees will meet during the Annual Meeting.

54th ERC Annual Meeting & Regional Policy Forum – Baltimore, Maryland

The state of Maryland will host the ERC 2014 Annual Meeting, August 3-6, at the Baltimore Marriott Waterfront Hotel. Current ERC Co-Vice Chairs Senate President Mike Miller and Speaker Mike Busch, Maryland, are eager to welcome state officials to the meeting which will include an opening reception at the National Aquarium and a closing dinner at Fort McHenry. Sen. Catherine Pugh and Speaker Pro Tem Adrianne Jones will head up the Maryland 2014 Host Committee.
V. Robert J. Thompson Eastern Leadership Academy (ELA)

ERC held the eighth annual Robert J. Thompson Eastern Leadership Academy (ELA) Program in Philadelphia, at the Inn at Penn, from August 4-8, 2013. This year’s ELA class registered 31 state government officials from 13 ERC member jurisdictions. ERC’s academic partner is the Fels Institute of Government at the University of Pennsylvania.

The program underwent substantial modification this year. Sessions on civil discourse and the rise of social media in government were included along with a session on the convergence of commercial and political marketing in the digital age. We have continued to integrate more Fels faculty in the program. Funding support for the program is provided in large part by an appropriation from the Commonwealth of Pennsylvania.

The 2014 ELA Academy program dates are set for August 17-21, 2014. There is a competitive applications process. Applications will be accepted through May 15, 2014.

VI. Special Training Program - Civil Discourse Seminar, October 15, 2013 – Harrisburg, PA

In April, ERC staff was contacted by the National Institute of Civil Discourse (NICD), with a proposal to partner in sponsoring a special seminar in Harrisburg for the Pennsylvania legislature on “Building Trust through Civil Discourse.” In addition, the O’Pake Institute for Ethics, Leadership and Public Service, located in Reading, PA, indicated their interest in sponsoring and underwriting the seminar with ERC.

ERC staff and former Ohio legislator, Ted Celeste, one of the speakers from the NICD, met with Pennsylvania leadership and staff to determine interest in participating in a half day seminar. The initial feedback was very positive and a date for the seminar has been set for October 15, 2013 at the Harrisburg Hilton.

ERC will not only be looking at the potential to bring this seminar to other states in the region, but other opportunities to provide training for elected officials and legislative staff in state capitols in the coming year.
CSG Midwest – Update and Activity Report

September 2013

- CSG’s Midwestern Office continues to support the efforts of several regional groups of state officials, including the Midwestern Legislative Conference, the Midwest Interstate Passenger Rail Commission, the Great Lakes Legislative Caucus, and the Midwestern Radioactive Materials Transportation Committee.

- Together these groups produce a broad range of products, services and policy initiatives that reflect the strengths and diversity of CSG’s regional structure.

- A few highlights encompassing recent and ongoing/upcoming activities include the following:
  
  1. The 68th Annual Meeting of the Midwestern Legislative Conference was held in St. Paul, Minnesota from July 14-17, 2013. Hosted and chaired by Minnesota Representative Alice Hausman, this year’s meeting included sessions on the changing political environment, the Midwestern regional economy, the fiscal condition of the states, Medicaid, agriculture, education reform, transportation finance, the future of state governments and more. Featured guest speakers included professor and social scientist Jonathan Haidt (“the Righteous Mind: Why Good People are Divided by Politics and Religion”), polar explorer and educator Ann Bancroft, Pulitzer Prize-winning author Jon Meacham (“Thomas Jefferson: The Art of Power”), writer and editor Peter Harkness (founder and publisher emeritus of Governing Magazine) and many others. There were special events for all attendees, including an opening reception at the Minnesota Science Museum, a family night outing to Minnesota History Center, and the MLC’s traditional state dinner, which was held at the Ordway Center for the Performing Arts. Additional opportunities included a special pre-conference dinner cruise on the Mississippi River for early arrivals in the Twin Cities and a post-meeting excursion to the world famous Mayo Clinic in Rochester.

  2. All of the MLC’s standing committees met in conjunction with the MLC Annual Meeting in St. Paul. Together, they offered additional programming on a wide range of issues related to agriculture and natural resources, economic development, education, health and human services and more. Later this year, and with generous support provided by the government of Canada, the MLC’s Midwest-Canada Relations Committee will continue its successful legislative exchange program. A delegation of Midwestern legislators visited Edmonton and the oil sands region in Alberta in August, and additional delegations will visit select provinces this fall.

  3. The MLC’s 69th Annual Meeting will be held in Omaha, Nebraska on July 13-16, 2014. Nebraska Senator Beau McCoy will serve as chair. The MLC’s 70th Annual Meeting will be held in North Dakota in the summer of 2015. North Dakota Senator Tim Flakoll will serve as chair.

  4. Earlier this year, the MLC formally launched a new in-state training initiative, entitled “CSG Midwest Under the Dome.” The purpose of this initiative is to provide customized professional development training opportunities and substantive educational briefings on select policy topics to lawmakers in their own capitols. To date, programs have been offered in more than half of the Midwestern states as part of this initiative. Workshops on promoting civil discourse in the legislative arena were held in Ohio and Nebraska, and briefings on Medicaid expansion and state budget conditions were offered in South Dakota and Illinois, respectively. Professional development training opportunities on effective communication were offered in Michigan and Wisconsin, and briefings on Great Lakes-related policy issues were held in Michigan and Minnesota. The CSG Midwest staff is currently reaching out to legislative leaders across the region in an effort to promote this new initiative.
5. The MLC’s 19th annual **Bowhay Institute for Legislative Leadership Development (BILLD)** was held in Madison, Wisconsin on August 9-13, 2013. Inspired by the success of CSG’s Toll Fellowship program, BILLD is the oldest of CSG’s four regional leadership development programs and has provided training to more than 600 Midwestern state and provincial legislators since its inception in 1995. BILLD alumni include countless current and former legislative leaders across the region, as well as numerous executive branch officials, judges, two U.S. senators and a number of members of the U.S. House of Representatives. The program, which is presented in partnership with the La Follette School of Public Affairs at the University of Wisconsin in Madison, has also produced 10 MLC officers, 3 national CSG officers and dozens of active CSG participants at both the national and regional levels. The 20th annual BILLD program will be held in Madison on August 8-12, 2014.

6. The **Midwest Interstate Passenger Rail Commission**, an interstate agency established pursuant to a regional interstate compact first developed by the MLC, is actively pursuing the development of improved passenger rail service in the Midwest. The commission, which includes legislators and gubernatorial appointees from each of the compact’s member states, was instrumental in working to secure federal stimulus funding for the development of regional high-speed rail plans across the region. The commission will meet in Chicago next month, on October 7 and 8, and is pursuing a partnership with the Federal Railroad Administration to identify and develop an appropriate governance structure to guide the future planning and development of passenger rail service in the Midwest. The compact currently includes 10 Midwestern states.

7. The **Great Lakes Legislative Caucus**, chaired by Minnesota Senator Ann Rest, met in Duluth, Minnesota on July 29-30, 2013. The agenda included discussions and guest presentations on a variety of critical issues related to the protection and restoration of the Great Lakes, including changing lake levels, the federal Great Lakes Restoration Initiative, the Asian Carp and other invasive species, multimodal freight transportation in the basin, implementation of the Great Lakes-St. Lawrence River Basin Water Resources Compact and more. Caucus members also participated in site visits to the Minnesota Pollution Control Agency and the St. Louis River Area of Concern and rode on the Blue Heron, the largest university-owned research vessel in the Great Lakes. The Caucus produces a series of policy webinars entitled “Great Lakes, Great Webinars,” and recently launched an ongoing series of seminars on Great Lakes-related policy issues in capitols across the region. The Great Lakes Legislative Caucus recently received a grant from CSG’s 21st Century Fund to support these in-state training programs. The caucus also is funded in part by the Joyce Foundation.

8. The **Midwestern Radioactive Materials Transportation Committee**, established in 1989 pursuant to a cooperative agreement between CSG Midwest and the U.S. Department of Energy, continues to provide an invaluable forum for the regional exchange of information and ideas related to the handling and transportation of radioactive materials. The committee also regularly provides input to the federal government regarding the development and implementation of federal radioactive material transportation policies and programs. The committee’s next meeting will be held on December 4 and 5, in Kansas City, Kansas.
The mission of the Southern Office and Southern Legislative Conference (SLC) is to foster and encourage intergovernmental cooperation among its 15-member states. In large measure, this is achieved through the annual meeting, publications, state delegations and policy positions of the Conference. While the annual meeting of the SLC continues to be the focal point of the Southern region, the use of multiple communication avenues has become the medium for connecting our members. Our research and inquiry services; webinars; written reports and briefs on issues relevant to policymakers; legislative testimony; issue alerts; state delegations; provision of continuing legal education credits; and leadership program provide members with relevant and timely programs and services that are not routinely available from other sources.

State Outreach
Critical to the success of The Council of State Governments is the regional offices’ relationship with legislative members and staff, as well as executive branch members and staff, in their respective states. These relationships are the basis, in large part, for the continued support of the organization. State outreach generates a substantial number of information inquiries as well as recognition of the value of the services provided by the organization.

Southern Legislative Conference Annual Meeting
The 67th annual meeting of the SLC, hosted by the Alabama Legislature and held in Mobile, Alabama, July 27 – 31, was a great success. All 15-member states of the SLC were represented, with nearly 1,200 attendees. More than half of the Alabama Legislature supported the event by their presence. One of the goals at every annual meeting is to highlight successful programs and policy initiatives of the host state. This year, numerous sessions focused on issues from affordable rural housing, to workforce development, to art as a catalyst for economic growth, to early intervention in reading for elementary grade students.

SLC/Mark Norris Campaign Against Hunger
This year marked the third year at the SLC annual meeting that participants packaged 20,000 meals, in conjunction with our partner, Outreach, Inc. in Iowa, for the local area food bank. Outreach, Inc. is a leading national charity dedicated to improving the lives of children in need both at home and abroad, and was recently awarded the prestigious Points of Light 5,000th Daily Point of Light Award at a White House ceremony. Presented by President Barack Obama and President George H. W. Bush, the award recognizes Outreach’s long-standing commitment to provide food, water, medical care and education to millions of children in the United States and in East Africa. As the world’s largest organization dedicated to volunteer service, Points of Light mobilizes millions of people to take action that is changing the world and recognizes individuals who are making a difference.

State Delegations
Panama Canal Expansion Study Tour: (September 11-13) This was the second study mission to the Panama Canal to see, first-hand, the progress being made on the expansion of the Canal. The delegation, led by SLC Chair, Arkansas Senator Keith Ingram, comprised state transportation and economic development committee leaders from eight states. The agenda was designed to reinforce the need for Southern ports and intermodal transportation centers to continue essential infrastructure enhancements to accommodate the significantly larger vessels and expanded cargo volumes expected to arrive after the completion of the Canal’s expansion.

Anticipated Delegations
• Canadian Border, Ports and Rail Technical Briefing and Study Tour: (September 24-26) In partnership with the Government of Canada, the emphasis will be international trade, intermodal transportation related to rail, as well as the role state-of-the-art ports play in the economic
development of a region. Four to five legislators from the Southern region will participate on this study tour.

- United Kingdom Study Tour: A proposal submitted by the British Consul General's office in Atlanta to sponsor a delegation of Southern state leaders on a study tour to Britain currently is under consideration and moving toward funding. The study tour would be scheduled for early November 2013.

Leadership Development Program

*Center for the Advancement of Leadership Skills (CALS)*

The Southern Office has created a long-term partnership with the Arkansas General Assembly and the Winthrop Rockefeller Institute to serve as host and partial funder of the CALS program. The CALS program offers full scholarships for all candidates from the executive, judicial and legislative branches of state government. The 2013 program is scheduled for October 30 through November 3.

**Webinars**

In keeping with the directive established by officers of the Southern Legislative Conference, two webinars will be scheduled in September and October for:

- Human Trafficking
- State Cooperative Extension Services: New Challenges and Demands

**State Transformation in Action Recognition (STAR)**

STAR is the SLC adaptation of the CSG Innovations Awards Program, which started in 1975, and recently transitioned to a regional level. The STAR program identifies and promotes innovative ideas and programs from the Southern region’s best problem solvers: the states themselves. Program winners selected at the 2013 SLC annual meeting were:

- **Kentucky | Veterans’ Connect**
  During its 2010 regular session, the Kentucky General Assembly passed House Bill 377 and, in conjunction with the Administrative Offices of the Courts, established the **Kentucky Vet Connect** program. The program requires pretrial investigations and services to ask whether an individual has been in combat and, if so, provide contact information to services available for combat veterans. Vets are connected to a wide range of services available to veterans through the U. S. Veterans Administration, state Department of Veterans Affairs and other sources. The program only required amendment of the form used by Pretrial Services officers during their initial interview; no additional equipment or software was needed. The Pretrial Services officers’ supervisors conducted training for the new program online at no or minimal cost. Kentucky Pretrial Services officers have displayed a willingness and enthusiasm to perform this service for those who have served the country.

- **Virginia | Step Down Program for Administrative Segregation**
  The Virginia Department of Corrections’ (DOC) **Segregation Step Down** program utilizes evidence-based practices (EBP) to provide a safe and secure way for offenders in Administrative Segregation to earn their return to the general population. The Virginia DOC is the first state correctional agency to apply the principles and practices of EBP research to an Administrative Segregation super-max prison population, and the program has significantly reduced the number of offenders in Administrative Segregation by 53 percent; increased safety by reducing prison incidents by 56 percent; and reduced staff stress and improved morale as evidence by a decrease in use of sick leave.

**Issue-specific Fly-ins**

The Southern Office continues to develop opportunities for legislators to gain more in-depth knowledge on critical issues and challenges facing them as policymakers. By sponsoring and underwriting all costs pertaining to fly-ins, small groups of legislators are able to participate in issue-specific dialogues with other members from across the region, hear from policy experts and engage in open discussions. A fly-in
typically requires less than a two-day time commitment. A fly-in on workforce development will be scheduled for the 2013-2014 term.

**Legislative Staff Exchange Program (LSEP)**
The Legislative Staff Exchange Program provides an opportunity for select staff members to participate in a peer-to-peer program designed to share best practices and innovative ideas in legislative staffing. Full scholarships are awarded to both the host and visiting legislatures’ staff. Planning for an exchange for the 2013-2014 term is underway.

**Southern Legislative Conference Annual Meeting**

- The 68th Annual Meeting of the Southern Legislative Conference will be hosted by the Arkansas General Assembly in Little Rock, July 26-30, 2014
- The 69th Annual Meeting of the Southern Legislative Conference will be hosted by the Georgia General Assembly in Savannah, Georgia, July 18 – 22, 2015
- The 70th Annual Meeting of the Southern Legislative Conference will be hosted by the Kentucky General Assembly in Lexington, Kentucky, July of 2016

**Collaborative Efforts**
During the SLC annual meeting in Mobile, a session on “Scaling Innovation in Education to Improve Student Outcomes,” a project of CSG’s Education Public Policy Committee, was conducted in concert with the Southern Office education policy staff. The Southern Office continues to work collaboratively with the State Agriculture and Rural Leaders Association (SARL); Southern States Energy Board (SSEB); Southern Regional Education Board (SREB); State and Local Legal Center (SLLC); and our Border Legislative Conference (BLC).
66th Annual Meeting

CSG-WEST, along with the Nevada Host State Committee, successfully planned and executed the 66th CSG-WEST Annual Meeting in Las Vegas, Nevada July 30 – August 2. The meeting drew over 600 attendees from all of the 13 Western states, as well as from throughout other parts of the U.S., Canada and Mexico.

The CSG-WEST Annual Meeting provided a great line-up of keynote speakers. Magnus Lindkvist, a trends spotter, addressed global trends and what it means for Western states. Howard Putnam, former Southwest Airlines CEO, spoke about successful leadership strategies. Rich Karlgaard, publisher and columnist for Forbes Magazine, discussed the economy, and ABC Reporter Claire Shipman focused on American politics, as well as women in leadership during the Women in Politics session.

The CSG-WEST annual meeting provided great opportunities to participate in professional development sessions as well as policy forums on key Western issues such as water, health, education, economic development and trade, fiscal affairs, energy and public lands, and agriculture and rural affairs. Annual Meeting presentations and session summaries can be downloaded at http://www.csgwest.org/annualmeeting/default.aspx

The CSG-WEST Executive Committee adopted resolutions regarding mandatory country of origin labeling, reauthorization of the State Trade and Export Promotion (STEP) Grant Program, and increasing North American cooperation and coordination. The Executive Committee also adopted memorial resolutions honoring the late Alan Rosenthal and Arch Lustberg. These resolutions can be downloaded at http://www.csgwest.org/policy/resolutions_by_year.aspx

CSG-WEST Rules Working Group

Under the leadership of Idaho State Senator Bart Davis, a working group comprised of current CSG-WEST officers and former chairs is examining and considering updates to the existing CSG-WEST Rules. The purpose of the review of the CSG-WEST Rules stems from recent modifications to the CSG Articles of Organization that require that each of the CSG regional governing rules contain specified sections. Some of the sections required would codify existing practices into officially sanctioned processes while others are aimed at providing consistency among the regional governing rules.

Senator Davis provided the Executive Committee with an update of the Working Group’s progress during the CSG-WEST Annual Meeting in Las Vegas, Nevada. The Working Group, along with CSG-WEST staff, will be addressing remaining issues and will be conducting outreach in the coming months to obtain input and guidance from leaders throughout the region. The aim will be to present a final draft for the consideration of the Executive Committee during the 2014 Annual Meeting.

Western Legislative Academy

Each year CSG-WEST brings together a distinguished national faculty to offer the West’s premier training experience for Western state legislators in their first four years of service. The goals of the Western Legislative Academy (WLA) are to help newer legislators become more effective and to build stronger state legislative institutions. To that end a faculty of outstanding academics, corporate, military and public trainers work with a small class of lawmakers who come from each of our 13 Western states.

115 legislators applied for the 2013 WLA class which will convene in November. Members of the Academy are selected on the basis of their dedication to public service, desire to improve personal legislative effectiveness and commitment to the institution of the legislature. Many WLA graduates go on to leadership positions from caucuses and committees to chamber leadership offices.
The CSG-WEST Executive Committee considered and approved the WLA Class of 2013 during the Annual Meeting in Las Vegas, Nevada. CSG-WEST staff has been communicating with the selected members to confirm their participation. The 2013 WLA will convene November 13-16 in Colorado Springs, Colorado. For more information about the WLA, please visit http://www.csgwest.org/legislativeacademy/WesternLegislativeAcademy.aspx

WESTRAIN
WESTRAIN is a pilot program of CSG-WEST aimed at providing professional development training directly to state capitols. In March, the program completed its initial five state test run. For the first round of WESTRAIN trainings in Fiscal Year 13, the states of California, Colorado, Idaho, Montana and Nevada were selected by the CSG-WEST Officers as pilot states.

Selected states choose one topic and speaker from a short list of options (communications, ethics, stress management, time management, etc.) to provide training to legislative staff and/or legislators. The in-state trainings have been well-attended and have received positive feedback.

For Fiscal Year 2014, the CSG-WEST Officers have approved funds to continue this program. It is anticipated that six states will be targeted for the second round of in-state capitol trainings.

Regional Roundup
CSG-WEST continues to publishing and add content to the “Western Regional Roundup,” a bi-weekly electronic newsletter highlighting the organization’s activities as well as articles on relevant Western issues. The Western Regional Roundup is distributed to all Western lawmakers and to public and private stakeholders that sign-up to receive the newsletter.

The Western Regional Roundup is part of CSG-WEST’s effort to enhance the distribution of information and engagement with Western lawmakers and key stakeholders.

2014 Joint CSG & CSG-WEST Annual Conference
CSG staff - from both the western regional office and headquarters - has been working with staff from the Alaska State Legislature on the preparations of the 2014 joint CSG & CSG-WEST Annual Conference that will convene August 9-13, 2014 in Anchorage, Alaska. Among the tasks conducted thus far have been the execution of contracts with hotels and the identification of activities for the meeting. CSG and the Alaska State Legislature have been working on developing a promotion and information strategy, which has including presentations at the CSG-WEST annual meeting in Las Vegas and the CSG National annual conference in Kansas City.

Public Lands Task Force
The Public Lands Task Force was established by the CSG-WEST Executive Committee in 2012 for the purpose of considering the historic, jurisdictional, management and economic issues related to federal public lands in the western states. The Task Force is comprised of members of the CSG-WEST Energy & Public Lands Committee, Education Committee, Economic Development & Trade Committee and the newly established Agriculture & Rural Affairs Committee.

During the recent CSG-WEST Annual Meeting in Las Vegas, Senator John Schiffer, chair of the Task Force, updated the Executive Committee on the progress of the Task Force. This included a memorandum summarizing recent legislation introduced in the Western states related to the transfer of public lands, as well as a compilation of legislation and other resources on the management of public lands. The compilation can be viewed and downloaded at http://www.csgwest.org/policy/PLWG.aspx. The Executive Committee approved the continuation of the Working Group and requested that it present recommendations on this subject matter during the Executive Committee’s 2014 meeting.

CSG Leadership Council Meeting in Washington, D.C.
On June 21-23, the CSG-WEST chair and chair-elect, Senator Kelvin Atkinson and Representative Craig Johnson, along with CSG-WEST staff, attended the CSG Leadership Council meeting in Washington,
The meeting included policy academies on Medicaid and higher education which were attended by several western lawmakers.

U.S. Senator Lamar Alexander spoke to the attendees regarding the Market Fairness Act and the states, and a panel of key federal officials discussed state and federal relations. Former Solicitor General Paul Clement addressed attendees on Federalism and the Court.

During the meeting of the Leadership Council, among other issue, the Council discussed the newly established Federalism Initiative that will be led by CSG National Chair, Senator Gary Stevens. Other business included consideration of CSG Financial Management Guidelines, an update on member jurisdiction dues, Associate Program, and national/regional reports.

Members of the CSG-WEST Public Lands Working Group also convened during the Leadership Council Meeting.

**CSG-WEST Chair’s Visit to Sacramento**

On June 25, the CSG-WEST chair, Senator Kelvin Atkinson, along with Nevada Assembleymembers Irene Bustamante Adams, Lucy Flores and Olivia Diaz of the Nevada Hispanic Legislative Caucus, visited Sacramento. The purpose of the visit was to meet with leaders of the California Legislature to promote the 66th Annual Meeting and to establish linkages among lawmakers of Nevada and California. Meetings were conducted with the Speaker of the California Assembly, John A. Perez; Assemblywoman Connie Conway, Assembly Republican Leader; members of the California Latino Caucus; Assemblywoman Holly Mitchell, chair of the California Legislative Black Caucus; and Assemblywoman Nancy Skinner, chair of the Assembly Budget Committee.

A reception was convened where California legislators and other stakeholders met with the Nevada guests and CSG-WEST staff.

**Western Governors’ Association Meeting**

On June 28-30, the CSG-WEST Executive Director attended the Western Governors’ Association (WGA) 2013 Annual Meeting in Park City, Utah. The meeting provided an opportunity to network with key state officials and private stakeholders from the West. The WGA annual meeting provided roundtables on key regional issues such as public lands, endangered species, healthcare, education and energy.

Among the invited guest making addresses were T. Boone Pickens, Chairman of BP Capitol Management; Mike Leavitt, former Utah Governor and Secretary of Health and Human Services; Roy Romer, Former Colorado Governor; and Sally Jewell, Secretary of the Department of Interior.

During the WGA annual meeting, the following reports were distributed - WGA’s 10-year Energy Vision; Energy Perspectives; State of Energy in the West; and the WGA 2012-13 Annual Report. These reports can be viewed and downloaded at the WGA website at: [http://www.westgov.org/reports/cat_view/95-reports/280-2013](http://www.westgov.org/reports/cat_view/95-reports/280-2013)

**Policy Articles**

As part of an effort to enhance services and provide substantive information to legislators in the West, CSG-WEST staff has published articles on key regional issues. These articles have been part of the CSG-WEST Regional Roundup email blasts sent to all Western lawmakers and stakeholders. Moreover, the articles have been incorporated into the CSG Knowledge Center.

Recent articles have focused on water usage in the West, trade relations between the U.S. and Canada, college completion, and obesity and diabetes in the U.S. CSG-WEST will continue to publish such articles, as well as reach out to lawmakers to make contributions on key regional issues.
Partner with State Agriculture and Rural Leaders (SARL)

CSG-WEST, along with the other CSG regions, continues to partner with SARL to enhance our agriculture and rural programs. This year, CSG-WEST staff assisted with staffing the annual Legislative Agricultural Chairs Summit in Vancouver, British Columbia. The meeting was a resounding success and we will continue to work to help increase Western attendance as it provides additional value to our members. Additionally, we have partnered with SARL on a series of conference calls regarding the Farm Bill.

Policy Academies

CSG-WEST staff and members have had the opportunity to participate in a series of policy academies organized by CSG national. These multi-days, small group sessions allow legislators from throughout the country to come together and go in-depth into current issues facing the states. CSG-WEST staff has participated or assisted in academies on education, health, and transportation.
TAB - R
As chairman of The Council of State Governments, Sen. Mark Norris, TN, has selected “State Pathways to Prosperity” as his initiative for 2014. In response to his observation that companies are seeking qualified workers and states’ inability to meet the demand, Sen. Norris will focus his tenure on workforce and education. Related issues of child poverty, food and nutrition, criminal justice issues, and veterans concerns add to the widening skills gap and will be encompassed in the targeted deliverables. Activities planned for the year include:

* **Creation of the Workforce and Education National Task Force**
  Members of CSG National’s Education Public Policy Committee will populate the new Workforce and Education National Task Force. Members will represent state legislatures, higher education, business and industry, governor’s education policy advisors, labor, economic development and CSG Associates representing education and workforce.

  The goal for the national task force will be to engage executive, legislative and judicial branch officials in targeted and deliberate activities to advance action agendas around policy and practice to identify and support state pathways to prosperity. By working with policymakers, state education leaders, K-12 and postsecondary education officials, business, labor, economic development officials and other key stakeholders, CSG will provide a variety of strategic policy measures and programmatic solutions for direct action. State leaders then can determine the best solutions based on their individual needs. In conjunction with the chair, staff will introduce a state policy framework, or roadmap, and share best practice innovation through regional and national exemplary examples. Through policy compilation and analysis, CSG will engage with national, state and local stakeholders to create a framework for advancing best practice at the state and local level.

* **Formation of Task Force Subcommittees to Address Related Issues**
  The goal for each subcommittee will be to provide policy recommendations, specific to their issue, to be included in the national task force’s policy and practice guide. These recommendations are meant to inform and educate state-level decision-makers on state pathways to prosperity, raise awareness about what implications the outcomes have for their state and promote collaboration with all stakeholders as the initiative develops. Through a thoughtful and deliberate compilation and analysis of existing policies and best practices, CSG will engage subcommittee members in a facilitated discussion on the opportunities available to ensure every job is filled with a skilled worker and offer policy options to states.

  - Hunger and Nutrition
  - Child Poverty
• Criminal Justice Issues
• Veterans and Active Duty Military Concerns

Policy Academy on In-sourcing: Building Expertise and Capabilities for U.S. Jobs
Attendees at the policy academy will hear how companies have made the decision to work with higher education to train their employees instead of outsourcing jobs overseas. “Insourcing” creates jobs which grows local and state economies. Agenda topics will include policy targets such as industry and government partnerships, tax creation and revision to encourage domestic job creation, opportunities for manufacturing growth and options for collaboration between education and labor. Speakers and national experts will showcase innovative legislation as well as exciting programmatic options to prepare workers for U.S. jobs.

Policy Academy on Workforce Development and Higher Education: State Pathways to Prosperity
The goal for the academy is to inform and educate policymakers of the need to increase postsecondary degree attainment leading to skills necessary for today’s workforce. To influence student success leading to skilled employees and state economic development priority agenda items will include setting attainment goals, financing effective and efficient use of state resources, developing lower cost pathways to degrees, and aligning K-12 learning assessments to transparent college readiness standards and placement. Additional topics will include engaging business and industry in dialogue to advance necessary skills such as problem-solving, communication, collaboration and ‘learning how to learn’ so jobs can be filled. Speakers and national experts will provide regional examples of transformative policy and exemplary programs.

Policy Academy on Veterans Initiatives: Increasing Educational Attainment
The academy will focus on state efforts to foster robust postsecondary education initiatives and workforce opportunities that significantly improve employment outcomes for veterans and returning service members. Expert speakers will be featured that provide information on concrete policy options state can undertake to help veterans transition to the classroom, gain employability skills and have the necessary abilities to obtain sustainable employment. CSG will provide attendees with a variety of strategic policy examples and programmatic solutions through exemplary examples both regionally and nationally.

Development of the State Data Dashboard:
An interactive data dashboard will be created to assist states as they determine policy and programmatic solutions related to workforce and education. In essence, the information will show states where they are currently functioning and the direction they need to go to meet their own strategic goals. Critical indicators will be populated on how each state is progressing relative to the outcomes necessary to achieve the goal of skilled workers to meet the business demand.

The data dashboard will give state policymakers and officials a guide to inform conversations on how to improve state statistics. Due to the interactive nature states can compare themselves within their region or nationally as well as determine areas where progress is most needed.

This interactive tool will give a visual representation of the workforce and education needs of a state. Data points will be available on such topics as unemployment rate, employment growth, poverty rates, educational attainment scores such as college- and career-readiness indicators,
high school graduation rate, remediation rates and number of students progressing to degree attainment.

Webinar Series:
- Children in poverty (February 20, 2014)
- Hunger and Nutrition
- Criminal Justice Issues

Creation of the Center on Workforce and Education:
The culmination of these activities will, with sustainable funding, allow CSG to create the Center on Workforce and Education. Building upon CSG’s demonstrated leadership in K-12 and postsecondary education policy, this new center will serve as a national clearinghouse for evidence-based ‘best practices’ in state education and labor policy; a national coordinating body for the activities underway across a wide spectrum of stakeholder groups; and a convener of state policymakers and stakeholders seeking to develop and implement state action plans for access to and success in postsecondary education leading to a skilled workforce ready to enter U.S. jobs.

Key Staff:
Pam Goins, Director of Education Policy / 859.244.8142 / pgoins@csg.org
The connection between education and upward mobility is clear and powerful. Simply stated the more education a person has leads to a higher likelihood that they become employed, earn a living, support a family, pay taxes and contribute to the community in which they live. In the United States median family income has declined by 7% since 2000. Today, the probability of a child born in poverty and remaining in poverty is higher than at any other time in history.

Although the United States previously led the world in college degree completion currently we rank 16th in degree attainment rates for 25- to 34-year-olds. Research tells us that, by 2018, nearly two thirds of all jobs will require a postsecondary credential or degree. Additionally, during an age of continued high unemployment, business and industry claim that they cannot find skilled workers. In fact, a recent McKinsey survey of more than 2,800 employers worldwide shows 4 out of 10 employers say they cannot fill entry-level positions. More than one-third of respondents stated that their businesses are suffering economically from a lack of appropriate skills in the labor market.

A recent prediction noted a loss of $1.7 trillion by 2030 if improvements are not made in postsecondary education to bridge the skills gap. Young people and adults must be provided the skills needed to ensure they can become successful citizens which will ultimately lead to increased state prosperity.

As Chairman of The Council of State Governments, Sen. Mark Norris, TN, has selected “State Pathways to Prosperity” as his initiative for 2014. In response to his observation that companies are seeking qualified workers and states’ inability to meet the demand Sen. Norris said in a recent press release, “The jobs are there but the skills are lacking.” He also remarked that confounding issues such as childhood poverty, criminal justice issues, food safety and hunger and veterans concerns exacerbate the problem. “It’s difficult for our guidance counselors and local workforce development professionals to do their jobs when the folks who need work have so many related issues that need addressing first,” said Chairman Norris. “Like a mother looking for work without the resources to provide care for her children while she’s away — or the veteran with plenty of experience but no certificate or degree — or someone with a criminal record for a non-violent offense that disqualifies them from employment.”

In response to the chairman’s request the following suggestions are made to assist in this initiative.

**Deliverables:**

- Members of CSG National’s education public policy committee will populate the new Workforce and Education National Task Force. Members will represent state legislatures, higher education, business and industry, governor’s education policy advisors, labor, economic development and CSG Associates representing education and workforce.
  - The goal for the national task force will be to engage executive, legislative and judicial branch officials in targeted and deliberate activities to advance action agendas around policy and practice to identify and support state pathways to prosperity. By working with policymakers, state education leaders, K-12 and postsecondary education officials, business, labor, economic development officials and other key stakeholders, CSG will provide a variety of strategic policy measures and programmatic solutions for direct action. State leaders then can determine the best solutions based on their individual needs. In conjunction with the chair, staff will introduce a state policy framework, or roadmap, and share best practice innovation through regional and national exemplary examples. Through policy compilation and analysis, CSG will engage with national,
state and local stakeholders to create a framework for advancing best practice at the state and local level.

4 subcommittees will supplement the national task force each focusing on an interrelated issue of hunger and nutrition, children in poverty, criminal justice issues and veterans concerns. Members will represent national and regional committee leadership and members.

The goal for each subcommittee will be to provide policy recommendations, specific to their issue, to be included in the national task force’s policy and practice guide. These recommendations are meant to inform and educate state-level decision-makers on state pathways to prosperity, raise awareness about what implications the outcomes have for their state and promote collaboration with all stakeholders as the initiative develops. Through a thoughtful and deliberate compilation and analysis of existing policies and best practices, CSG will engage subcommittee members in a facilitated discussion on the opportunities available to ensure every job is filled with a skilled worker and related issues offer policy options to states.

- Hunger and Nutrition subcommittee: Feeding America states that hungry children cannot learn as much, as fast, or as well due to under-nutrition and the impact on cognitive development. Traditionally, children without proper nourishment do poorly in school and have lower academic achievement rates due to being unprepared for school. In the workforce, employees who felt the impact of hunger younger in life tend to be underprepared physically, mentally, emotionally and socially which leads to poor performance in the workplace. Additionally, those workers experiencing hunger create a less competitive pool of candidates with lower levels of education and technical skills.

- Child poverty: According to a recent report by ETS, compared with children whose families had incomes of at least twice the poverty line during their early childhood, poor children completed two fewer years of school, earned less than half as much money, worked 451 fewer hours per year, received $826 per year more in food stamps, and were nearly three times as likely to have poor health. Poor males were twice as likely to get arrested and poor females were five times more likely to have a child out of wedlock. Among the world’s 35 richest countries the United States ranks 2nd highest in rates of childhood poverty; achievement gaps between the poor and the non-poor is twice as large as the achievement gap between black and white students. Reviewing the cognitive performance of toddlers, elementary and middle school students, and college-bound seniors shows extensive variances by income and/or poverty status. These differences likely contribute to the increasing classification in who gain access to and achieves success in college, limiting economic and social mobility and fueling the gap between rich and poor.

- Criminal Justice: Social service or human service needs often overshadow or detract from workforce and education efforts. Although business and industry want to maintain a safe, drug-free working environment for all employees, a past or current offense can keep a skilled worker out of a job. Past convictions, criminal records, and poor credit checks can stay on record for years and arise during a routine background check. Employers have the legal duty to enforce due diligence in the hiring process but state policy may lessen the obstacles for those with a past criminal record to secure and maintain employment.

  - Events coordinated with the CSG Justice Center:
    - Keeping Kids In School and Out of the Justice System (Washington, DC April 2014)
    - Improving Employment Outcomes for Adults With Criminal Records
    - National Justice Reinvestment Event (early June, Washington, DC)
    - Justice Center Board Meeting (Sept 17-19, Memphis)

- Active Duty and Veterans Concerns: Military students and veterans are high-quality learners because of their maturity, dedication and military training. However, there are many challenges making the transition from military life to a higher education campus. Staff and faculty must review policies to make their environments military-friends and supportive. Policy issues such as awarding credit for training and experience, career
exploration and job skills for unemployed veterans and training vets to fill high-demand jobs are critical. Business leaders can assist with on-the-job training, apprenticeships and work-study programs to build on their unique skills sets. Higher education also has a need to develop an institutional understanding of the mental, physical and behavioral health needs of this population as well as address barriers to success.

Policy Academy Series:

- **In-sourcing: Building Expertise and Capabilities for U.S. Jobs**
  - Attendees at the policy academy will hear how companies have made the decision to work with higher education to train their employees instead of outsourcing jobs overseas. “Insourcing” creates jobs which grows local and state economies. Agenda topics will include policy targets such as industry and government partnerships, tax creation and revision to encourage domestic job creation, opportunities for manufacturing growth and options for collaboration between education and labor. Speakers and national experts will showcase innovative legislation as well as exciting programmatic options to prepare workers for U.S. jobs.

- **Workforce Development and Higher Education: State Pathways to Prosperity**
  - The goal for the academy is to inform and educate policymakers of the need to increase postsecondary degree attainment leading to skills necessary for today’s workforce. To influence student success leading to skilled employees and state economic development priority agenda items will include setting attainment goals, financing effective and efficient use of state resources, developing lower cost pathways to degrees, and aligning K-12 learning assessments to transparent college readiness standards and placement. Additional topics will include engaging business and industry in dialogue to advance necessary skills such as problem-solving, communication, collaboration and ‘learning how to learn’ so jobs can be filled. Speakers and national experts will provide regional examples of transformative policy and exemplary programs.

- **Veterans Initiatives: Increasing Educational Attainment**
  - The academy will focus on state efforts to foster robust postsecondary education initiatives and workforce opportunities that significantly improve employment outcomes for veterans and returning service members. Expert speakers will be featured that provide information on concrete policy options state can undertake to help veterans transition to the classroom, gain employability skills and have the necessary abilities to obtain sustainable employment. CSG will provide attendees with a variety of strategic policy examples and programmatic solutions through exemplary examples both regionally and nationally.

State Data Dashboard: An interactive data dashboard will be created to assist states as they determine policy and programmatic solutions related to workforce and education. In essence, the information will show states where they are currently functioning and the direction they need to go to meet their own strategic goals. Important indicators of how each state is progressing on the outcomes necessary to achieve the goal of skilled workers to meet the business demand.

The data dashboard will give state policymakers and officials a guide to inform conversations on how to improve state statistics. Due to the interactive nature states can compare themselves within their region or nationally as well as determine areas where progress is most needed.

This interactive tool will give a visual representation of the workforce and education needs of a state. Data points will be available on such topics as unemployment rate, employment growth, poverty rates, educational attainment scores such as college- and career-readiness indicators, high school graduation rate, remediation rates and number of student progressing to degree attainment.

Webinar Series:

- **Children in poverty**
The culmination of these activities will, with sustainable funding, allow CSG to create the Center on Higher Education and Workforce. Building upon CSG’s demonstrated leadership in K-12 and postsecondary education policy, this new center will serve as a national clearinghouse for evidence-based ‘best practices’ in state education and labor policy; a national coordinating body for the activities underway across a wide spectrum of stakeholder groups; and a convener of state policymakers and stakeholders seeking to develop and implement state action plans for access to and success in postsecondary education leading to a skilled workforce ready to enter U.S. jobs.

Numerous organizations and foundations are currently competing for state policymakers’ time and attention on various related policy topics. While the supply of information related to education and workforce reform is ample, the ability of policymakers to absorb and act on so much information is limited. The result can easily turn into a highly fragmented information overload scenario, in which policymakers and state officials receive so many reports and are faced with copious and sometimes conflicting data that they don’t take time to review any of it.

CSG believes that the collective work from a variety of organizations would be more effective if a single coordinating body were to aggregate the patchwork of state efforts and disseminate unified information to state leaders, K-12 and postsecondary education policymakers, labor officials and other key stakeholders. The Center on Higher Education and Workforce will provide a mechanism to deliver information on best practices and innovation in these areas to states searching for policies, programs and initiatives that can be replicated. The strategic analysis and articulation of these exemplary practices in a concerted and coordinated effort with other organizations will enhance policymakers’ ability to make well-informed decisions.

**Timeline:**

- **January 2014:**
  - Create task force and subcommittees; invite members
  - Network with Associates interested in policy areas

- **February 2014:**
  - 1\textsuperscript{st} Webinar: Children in poverty
  - Schedule visit with Ford Foundation

- **March 2014:**
  - Task Force meeting – develop initial suggestions for policy framework

- **April 2014:**
  - Development of policy framework
  - Indicator research for data dashboard

- **May 2014:**
  - 2\textsuperscript{nd} Webinar: Criminal Justice Issues

- **June 2014:**
  - Policy Academy (Insourcing: Building Expertise and Capabilities for U.S. Jobs)
    - Potential funders: Walmart, GE, Toyota, Honda

- **July 2014:**
  - 3\textsuperscript{rd} Webinar: Hunger and Food Safety

- **August 2014:**
  - Task Force meeting – in conjunction with national meeting
  - Policy Academy (Workforce Development and Higher Education: State Pathways to Prosperity)
Potential funders: Hewlett & Ford Foundations, Bridgepoint, Apollo Group
- Session in AK: Children in poverty
- Session in AK: Hunger and Food Safety
- Session in AK: Criminal Justice Issues
- Offsite opportunity for members: food packaging in Anchorage

September 2014:
- Continued development of policy framework

October 2014:
- Task Force meeting – finalize policy recommendations for framework
- Policy Academy (Veterans Initiatives: Increasing Educational Attainment)
  - Potential funders: variety of Associates, Department of Defense, Department of Veterans Affairs, Department of Labor

November 2014:
- Finalization of policy framework
- Possible international trip focused on higher education and workforce

December 2014:
- Release of Chairman’s policy framework
- Data Dashboard live

_Ongoing 2014:_
- Seek opportunities to fund Center on Higher Education and Workforce

Financial Obligations:
- Task Force:
  - 3 meetings – travel for 20 members, 32 subcommittee members (8 each x 4 subcommittees), speakers, staff, venue expenses
- Policy Academy series:
  - 3 events – travel for general attendees, task force and subcommittee members, speakers, staff, venue expenses
- Networking:
  - Travel expenses for Sen. Norris, David, Pam to meet with Hewlett, Ford, and other foundations
- CSG/CSG West meeting in Alaska:
  - 3 sessions: speakers and associated venue costs
  - Transportation and light meal for offsite event
- Policy Framework:
  - Editing, graphic design, printing costs
- International Trip:
  - Travel expenses for policymakers and staff
CSG’s 2013 and 2014 National Chairs, Sen. Gary Stevens of Alaska and Sen. Mark Norris of Tennessee, respectively, are pursuing a multiyear effort aimed at strengthening CSG’s role in advancing the role of the states in our federal system.

For 80 years, The Council of State Governments has helped states solve problems by connecting leaders to innovative ideas and successful policies within the community of states. State-based innovation, however, is increasingly impacted by a growing web of federal policies and regulations. If states are to continue to fulfill their role as the “laboratories of democracy” envisioned by our founders, then a fuller understanding is needed of the powers, duties and limitations inherent in our federal system.

A 2011 report by the White House’s Office of Management and Budget (OMB) noted that unfunded mandates and regulations cost states, cities and the general public between $44 and $62 billion each year. The same report stated that the public benefits of these rules far outweigh the monetary cost of compliance. For the states, businesses and communities left to cover the costs of a growing set of Congressional mandates and rulemaking actions, however, the balance often looks decidedly different. In addition, rules imposed on states by independent federal agencies such as the Securities and Exchange Commission and the Nuclear Regulatory Commission are not even calculated by OMB as they are not covered under the Unfunded Mandate Reform Act.

Given that the United States has entered into a new age of austerity, where grant flows from the federal government will be constrained for the foreseeable future, it is vital that states are afforded maximum flexibility in meeting the needs of their citizens and that our country reaches a much clearer understanding of the costs of mandates, regulatory action and pre-emption.

**CSG Federalism Task Force**

To that end, CSG developed a new Federalism Task Force charged with providing strategic direction and oversight to the enterprise-wide campaign to examine, highlight and advance the role of states in our federal system. Specific goals of the Federalism Task Force include:

- Examine the current federalism relationship between states and the federal government;
- Examine remedies to both the perceived and actual imbalance of power between states and the federal government, with particular attention paid to fiscal federalism;
- Develop principles that serve to guide CSG’s activities and programming as related to interaction with the federal government and advocating for the position of the states in a constantly evolving federalism dynamic;
- Develop a framework for the role of the states in reviewing and reacting to adverse policies adopted at the federal level, including coercive, unfunded and underfunded mandates;
• Develop a network of partner organizations committed to assisting CSG in its advocacy for a stronger state presence and role in federalism-related policy discussions and remedies, including other state/local associations, the Uniform law Commission and the Pew Charitable Trusts;
• Deploy short-term and long-term educational deliverables, campaigns, training and partnerships benefiting CSG’s member jurisdictions on federalism, supported through all levels of member engagement across the organization; and
• Sustain a lasting organizational emphasis on federalism through CSG’s national and regional programming, deliverables, meetings and services.

The CSG Federalism Task Force is guided by three key principles:

1. Bipartisan participation
2. Does not advocate for any special interest or single policy issue
3. Representative of all of CSG—national, regional and affiliate

Membership on the CSG Federalism Task Force includes:

Task Force Co-Chairs
• Sen. Mark Norris, Tennessee – CSG 2014 Chair
• Sen. Gary Stevens, Alaska – CSG 2014 Immediate Past Chair

Members
• Sen. Carl Marcellino, New York – CSG 2014 Chair-Elect
• Sen. Beau McCoy, Nebraska – CSG 2014 Vice Chair
• Sen. Jay Emler, Kansas
• Sen. Bill Avery, Nebraska
• Sen. Bart Davis, Idaho
• Treasurer Manju Ganeriwala, Virginia
• Deputy Speaker Bob Godfrey, Connecticut
• Sen. Sampson Jackson, Mississippi
• Rep. Craig Johnson, Alaska
• Speaker Rebecca Lockhart, Utah
• Senate President David Long, Indiana
• Senator Michael Moore, Massachusetts
• Senate President Wayne Niederhauser, Utah
• Justice Nancy Saitta, Nevada
• Rep. Linda Upmeyer, Iowa
The CSG Federalism Task Force held its first hearing on Saturday, Sept. 21, 2013 in conjunction with CSG’s National Conference in Kansas City, Mo. Witnesses included nationally renowned historians, legal scholars and other top federalism experts from across the country. The hearing was held as an all-attendee plenary session. Three separate panels of experts provided informational testimony to the task force, serving the dual purpose of informing the group on several aspects of federalism and options for future CSG federalism emphasis/programming and educating the general audience on federalism.

The three panels included:

- **Panel #1: The History and Evolution of Federalism in the United States**
  - Professor John Kincaid, Lafayette College
  - Lisa Soronen, executive director, State and Local Legal Center

- **Panel #2: The Legislative and Regulatory Impacts of Fiscal Federalism on Modern American States**
  - Former Vermont Governor Jim Douglas
  - Former Maryland Governor Parris Glendening
  - Nevada Supreme Court Justice Nancy Saitta

- **Panel #3: The Way Forward: Options for States in Influencing the State-Federal Relationship**
  - Ingrid Schroeder, The Pew Charitable Trusts
  - Anne Stauffer, The Pew Charitable Trusts
  - Michael Bird, former senior federal affairs counsel, National Conference of State Legislatures

During the Kansas City meeting, the CSG Executive Committee approved a Statement of Principles on Federalism as CSG policy (previously endorsed by the CSG Leadership Council in June 2013). The policy resolution may be found online at: [http://knowledgecenter.csg.org/kc/system/files/csg_statement_of_principles_on_federalism.pdf](http://knowledgecenter.csg.org/kc/system/files/csg_statement_of_principles_on_federalism.pdf)

**CSG Capitol Ideas Magazine**

The November/December issue of Capitol Ideas magazine featured as its Hot Topic the issue of federalism, with 11 articles on the topic from experts, academics and practitioners.

**CSG Federalism Fly-In**  
*November 12-13, 2013 – Washington, DC*

Following the public hearing the CSG Federalism Task Force convened in Washington, D.C. to hear from additional experts in the field and to meet with key leaders in the White House and Congress.

During the meeting the task force members heard from:

- **Barbara Rosewicz, The Pew Charitable Trusts**  
  State Fiscal Indicators Tool and Discussion of State-by-State Data  

- **Melissa Loeb, Federal Funds Information for the States (FFIS)**  
  Overview of federal spending and need for greater information and access  

- **Terry Morrow, Uniform Law Commission**  
  Briefing from the Uniform Law Commission, Committee on Federalism and State Law

The task force was then able to meet one-on-one for an extended session with senior staff at the White House, including David Agnew, Director of Intergovernmental Affairs and Tara McGuinness, Senior Communications Advisor. The session opened the door for additional conversations about ways in which state leaders may be accessed by the administration to review and respond to pending regulations and legislation. Later in the day the task force travelled to Capitol Hill for a meeting with the senior staff of House Majority Whip Kevin McCarthy.

During the Washington, DC Fly-In, the CSG Federalism Task Force members discussed several key elements of federalism as well as general follow-up items to advance their work. The group agreed on the following points:

- Avoid those issues that may divide our members and focus on those topics that serve to unite state leaders;
- Fiscal federalism is the key issue on which the group should focus its efforts; and
- The task force’s work needs to aspirational, yet realistic and achievable.

The group also identified several key areas related to federalism and asked CSG staff to explore and report:

- Advisory Commission on Intergovernmental Relations (ACIR)
- Consolidated Federal Funding Report (CFFR)
The CSG Federalism Task Force met via conference call on Friday, January 10, 2014 for a brief follow-up on the DC Fly-In and reaction to the major program suggestions from staff.

These programmatic suggestions (attached) included action on:
- Advisory Commission on Intergovernmental Relations (ACIR)
- Consolidated Federal Funding Report (CFFR)
- Updates to the Unfunded Mandates Reform Act (UMRA)

The task force members agreed that all were important and deserved attention, however the topic of unfunded mandates and the potential movement in Congress of updates to this act (HR 899; Rep. Virginia Foxx) should be CSG’s first priority. Since the conference call, CSG’s DC staff has been in touch with Rep. Foxx’s office and has had productive conversations. Staff has also had preliminary conversations with Sen. Joe Manchin’s staff about companion legislation in the U.S. Senate.

The task force members suggested that the ACIR and CFFR topics, being more technical in nature, be brought up with other Big 7 organizations as a starting point for coalition building. To that end, at the January 2014 Big 7 executive directors meeting, the group hosted John Thompson, director of the US Census Bureau and began talks with him about the history of the CFFR and potential future steps for resurrecting this valuable tool.

In addition, Sen. Norris suggested the convening of not only the executive directors of the Big 7 groups, but also the principal leaders from each of the membership organizations to discuss these topics and other federalism-related issues.

CSG’s regions reported that they are examining opportunities for federalism-related programming during their meetings this summer and CSG national will be hosting similarly-themed sessions during its meetings in June and August.
Originally established in 1959, the national Advisory Commission on Intergovernmental Relations (ACIR) was created as a 26-member committee to study and offer recommendations on the state and federal relationship and how the two levels could interact in the policy making process. Federal membership consisted of six Congressional leaders from the House and Senate; states were represented by four governors and three state legislators; and local government representation included four mayors and three county officials. Rounding out the Commission’s membership were three private citizens and three appointments from the federal executive branch.

The legislation creating the Commission in 1959 (86th Congress; Public Law 86-380; 73 Stat 703) denoted the ACIR as a “permanent, bipartisan body of 26 members, to give continuing study to the relationship among local, state, and national levels of government.”

The Act provided that the Commission would:

- Bring together representatives of the Federal, State, and local governments for consideration of common problems;
- Provide a forum for discussing the administration and coordination of Federal grant and other programs requiring intergovernmental cooperation;
- Give critical attention to the conditions and controls involved in the administration of Federal grant programs;
- Make available technical assistance to the executive and legislative branches of the Federal Government in the review of proposed legislation to determine its overall effect on the Federal system;
- Encourage discussion and study at an early stage of emerging public problems that are likely to require intergovernmental cooperation;
- Recommend, within the framework of the Constitution, the most desirable allocation of governmental functions, responsibilities, and revenues among the several levels of government; and
- Recommend methods of coordinating and simplifying tax laws and administrative practices to achieve a more orderly and less competitive fiscal relationship between the levels of government and to reduce the burden of compliance for taxpayers.

Following the adoption of the Unfunded Mandates Reform Act of 1995, funds were appropriated for ACIR in the Treasury, Postal Services and General Government Appropriations Act of 1996 (Public Law 104-52; 109 Stat. 468). For the fiscal year ending September 30, 1996, $784,000 was appropriated, “of which $450,000 shall be available only for the purposes of the prompt and orderly termination of the Advisory Commission on Intergovernmental Relations.” ACIR closed in 1996.

Throughout its 37 years of operation, the ACIR provided in-depth reports, including annual surveys of citizen attitudes on government and taxes, over 350 policy reports on federalism, tax policy, and government accountability as well as unique data publications examining the financial relationships between the federal government and state, local and tribal governments.

**CSG Action Items and Advocacy Strategy**

1. Gather historical perspective from key state and federal leaders that participated in the activities of the Advisory Commission on Intergovernmental Relations, including Sen. Lamar Alexander, former Gov. Mike Leavitt and others.
2. Create an online database/dashboard of state-based and/or organizational activities currently underway around the country that are filling the ACIR void.
3. Meet with “Big 7” partners that have voiced similar frustrations with the loss of the ACIR mechanism and are willing to develop a vocal coalition to advocate for its resurrection.
4. Work with Rep. Gerry Connelly, sponsor of H.R. 534, the Restore the Partnership Act (which would establish the National Commission on Intergovernmental Relations, very similar to former ACIR) to include CSG in the listing of state and local organizations for membership.
5. Work with CSG’s Intergovernmental Affairs Committee, Leadership Council and Executive Committee to endorse specific policy calling for the creation of and funding for a revised Advisory Commission on Intergovernmental Relations and/or National Commission on Intergovernmental Relations and that urges member jurisdictions to vocally support the establishment of such a body.
6. Develop educational and/or advocacy articles in CSG publications educating members about the need and utility of an ACIR-like entity and advocate (per CSG policy resolution) for its creation.
The concept of unfunded mandates is rooted in the 1970s and 80s, when the nature of federal grant-in-aid programs and regulations affecting states began to change. Congress and the executive branch began to increasingly pass laws and regulations that were more compulsory in nature, making the threat of civil and criminal penalties, federal sanctions, and broader preemption of state law commonplace if states failed to comply. Many state leaders, feeling that this more widely employed policy perspective was inconsistent with traditional views of American federalism, which was based on cooperation, began to speak out against the practice. This eventually led to federal legislation to curb unfunded mandates.

The Unfunded Mandates Reform Act (UMRA)
Signed into law by President Clinton in 1995, the law generally aimed to force Congress and the executive branch to consider the fiscal impact that passing a law or regulation would have on states. The law directed CBO to provide cost-estimates, when feasible, on any proposed legislation that would have a budgetary impact on a state, and it required federal agencies to identify the fiscal costs and benefits of rules that would affect states to the expenditure (NOT cost) of $100 million or more. Agencies are also required to consult with state elected officials before proposing such a rule under UMRA.

There are, however, several exceptions. UMRA does not apply to federal assistance, duties stemming from participation in voluntary federal programs (which is widely interpreted to cover Medicaid, TANF, and other programs where states have legal flexibility in administering the program), rules issued by independent regulatory agencies (such as the FCC, NLRB, etc.), federal civil rights laws, or if a federal agency is “otherwise prohibited by law” (such as the Clean Air Act, where the primary purpose is air quality and the courts have ruled the EPA cannot consider the cost of applying standards), or rules that are not published in the Federal Register. Additionally, the provisions concerning CBO cost-estimates defer to CBO on feasibility, so if cost-estimates are determined to be not feasible, Congress can pass the law without a CBO analysis.

CSG Action Items and Advocacy Strategy

1. Meet with “Big 7” partners that have been active on UMRA over the years. NCSL and NACO have been particularly active. Their lack of current activity should not preclude CSG from being active, but the institutional knowledge would be useful.

2. Determine the UMRA exemptions that have been the most fiscally harmful to states and are the most politically feasible, for CSG internally and for Congress, to address. Potential provisions to consider: expanding UMRA to cover independent agencies and rules not printed in the Federal Register, enhancing the UMRA provisions that require a CBO cost-estimate.

3. Meet with Congresswoman Virginia Foxx’s staff to discuss H.R. 899, the Unfunded Mandates Information and Transparency Act of 2013, which she recently introduced. The bill has gained some bipartisan support in the House and is moving through committee, and CSG could provide additional state perspectives as it is considered.

4. Find a member of Congress to champion an UMRA Amendments Bill. Senator Joe Manchin is a potential ally here and there are several options in the House. Work with congressional staff to draft language that addresses the most fiscally harmful/politically feasible loopholes in UMRA.

5. Aim for introduction of legislation in the summer.

6. Work with CSG Intergovernmental Affairs Committee and Executive Committee to endorse the specific legislation in a policy resolution considered at the Annual Conference in Alaska (the Executive Committee passed a resolution in Kansas City that cleared us to work through step 4, but before we push on something more specific, I think it’s a safe route to seek that guidance from leadership).

7. Request CSG members to discuss the legislation with their congressional delegation and urge co-sponsorship.
The Consolidated Federal Funds Report (CFFR), which contained critical federal spending data key to transparency, was discontinued in 2010 and there is significant interest among leaders of the Big Seven to regain access to that data. During a recent meeting that included a number of representatives from the Big Seven, there was a general consensus that it is unlikely that the Census Bureau will begin publishing the CFFR again, primarily due to recent budgetary cutbacks.

Summary
- The Consolidated Federal Funds Report has been discontinued and the data contained within it is not readily available using alternative sources.
- The data contained in the CFFR is needed to understand patterns of federal spending and identify emerging trends.
- There is an interest among leaders of the Big Seven to pursue this issue, particularly as it relates to concerns over federal transparency.
- There are two options for regaining access to the data in the CFFR: lobby the Census Bureau to reinstate the publication of the CFFR or develop an alternative method of aggregating the data contained in the CFFR.

Background
The Consolidated Federal Funds Report, or the CFFR, was an annual report prepared and released by the U.S. Census Bureau on the geographic distribution of federal spending that was discontinued in 2012. The final report was released in 2011 using 2010 data.

The CFFR contained data that was consolidated and tabulated in a standard format by the U.S. Census Bureau on federal government expenditures or obligations in state, county and sub-county areas of the U.S., including the District of Columbia and U.S. Outlying Areas. It was the most comprehensive data set available to track federal spending by location.

Some of the information published in the CFFR is now available through alternative sources, such as USASpending.gov, but these alternatives do not fully replace the data that was available through the CFFR. Further, there are some concerns regarding the accuracy and completeness of the data available through these alternative sources.

The information contained in the CFFR was essential for state and local leaders to track and compare federal spending and was a key component of federal fiscal transparency. The flow of robust, timely federal data is critical to transparency and that the loss of the CFFR has negatively affected the flow of essential data.

The Council of State Governments, along with other leaders of the Big Seven, has expressed an interest in pursuing the reinstatement of the data contained in the CFFR, either by lobbying for the reinstated publication of the CFFR by the U.S. Census Bureau or by identifying alternative methods to recreate the data from other sources. Researchers at the Pew Center and the Federal Funds Information for States have also expressed an interest in pursuing this data and have offered expertise on recreating the data from alternative sources.

CSG Action Items and Advocacy Strategy

To move forward on this initiative, Big Seven leaders must first decide how they want to proceed. There are two options for moving forward:

1. **Census Bureau Reinstatement**: Leaders of the Big Seven must decide if they want to lobby the Census Bureau to reinstate the publication of the CFFR and if so, develop a plan to approach the Census Bureau in collaboration with research organizations, such as Pew and FFIS.

2. **Calculation of Alternative Dataset**: In the alternative, or if the Census Bureau rejects the proposal for reinstatement, Big Seven leaders will need to determine first if it is feasible to recreate the CFFR using alternative data sources, which may or may not require some assistance from the Census Bureau.
TAB - S
January 21, 2014

Dear 21st Century Foundation Trustee:

I am pleased to share with you this update on the work of CSG’s 21st Century Foundation. The vision and commitment shared by you and your fellow Trustees is the driving force behind the Foundation’s mission to invest in creative and meaningful policy programming benefiting our states. I look forward to continuing our work together and encourage you to share the successes of CSG’s 21st Century Foundation programming with your friends and colleagues around the country.

It was my distinct privilege to chair the 21st Century Foundation in 2013, a year in which we saw the expansion of our awards to CSG’s regions and the implementation of a new application and proposal review process. Both of these accomplishments have served to better position our unique group to influence innovative policy programming that can benefit our states.

National Leadership Circle
I am also pleased to report that our new National Leadership Circle, an innovative and prestigious level of giving that is now a part of CSG’s Associates Program, has already brought on 11 members for 2014 – each committing $30,000 to CSG for the year; a portion of which will be allocated to CSG’s 21st Century Foundation along with membership privileges to contributing organizations.

Those partners include:
- 3M Company
- AstraZeneca
- CVS Caremark
- GlaxoSmithKline
- Intuit
- Mylan
- Novo Nordisk Inc.
- PhRMA
- RAI Services Company
- The International Council of Shopping Centers
- Hospital Corporation of America

Budget Update
Following the most recent round of funding for new CSG policy programming, the Foundation’s fund balance at the conclusion of 2013 was $148,522. The infusion of new National Leadership Circle funding will increase this amount significantly in 2014 and we will be positioned to provide funding to new CSG programming at our next meeting.
Project Updates
Attached you will find updates from CSG staff on the current projects funded by the 21st Century Foundation, including:

- Capitol Leadership Initiative – CSG West
- Increasing Regional Resiliency to Severe Weather Events – CSG East
- Great Lakes Policy Workshops for Legislators – CSG Midwest
- CSG Focus on Federalism Initiative – CSG HQ/DC

Membership Update
Our private sector participation has remained steady and with our new National Leadership Circle members coming on board, our private sector participation is the most robust I have seen during my time at CSG. That being said, we must redouble our efforts to attract more state leaders to service on this important committee. I am asking for your help to identify and nominate at least one state leader from your region to serve on the 21st Century Foundation Board of Trustees. Nominations may be sent to John Mountjoy, the director of policy and research at CSG, at (859) 244-8256 or jmountjoy@csg.org. John can also assist with any questions you might have about the work of the 21st Century Foundation.

Next Meeting
The 21st Century Foundation will convene its next in person meeting during CSG’s 2014 Leadership Forum – June 19-22, 2014 in Washington, DC. Additional meeting and registration information will be provided soon.

As I end my service as chair of the 21st Century Foundation, I want to personally thank you for your continued participation and support of CSG and the 21st Century Foundation. As chair of The Council of State Governments in 2014 I hope that you will contact me with any questions about our work or suggestions as to how CSG can be strengthened to meet the needs of state leaders. I may be reached at: (615) 741-1967 or sen.mark.norris@capitol.tn.gov.

Sincerely,

Mark Norris
Majority Leader – Tennessee State Senate
Chair, The Council of State Governments
First Quarter Update  
Period: September – December 2013

**Background**

On September 25, 2013, the Board of Trustees of CSG’s 21st Century Foundation approved a grant proposal for the Capitol Leadership Initiative, a program administered by CSG’s four regional offices and headquarters aimed at providing legislators and legislative staff professional development opportunities in their state capitols. CSG West Executive Director Edgar Ruiz serves as project manager of the program in collaboration and coordination with key staff of the regional offices and headquarters.

The submission of written quarterly updates is a condition of the grant award. The progress reports are to note significant accomplishments of the program, including state trainings planned/held, legislators and legislative staff trained, and noted collaboration among and between CSG offices and partnerships with external groups.

The following is a summary of the activities conducted during the period of September 25 - December 31, 2013.

**CSG East**

Delaware Leadership Training

Following the 2013 Robert J. Thompson Eastern Leadership Academy (ELA), two ELA Fellows from that class contacted ERC staff in September about the possibility of holding a professional development/leadership training session modeled after one of the sessions they enjoyed at the ELA. They were the chiefs of staff for the Democrat and Republican caucuses in Delaware. ERC staff offered to assist and provide financial support to produce the training that they sought, particularly in the area of personality profiling and team building.

In consultation with Delaware legislative staff, ERC staff planned and executed a leadership training session for Delaware Senate staff at the state capitol on December 11, 2013. The Delaware Senate staff selected Dr. Daniel Miller as the presenter. The training focused on personality profiling and team building. Specifically, the training was divided into two sessions, one on the DISC personal profile system and the other on problem solving activities.

The training attracted 21 Senate staff, both Republicans and Democrats. The Delaware Senate arranged the specific site and offered catered lunch for the breakfast and lunch at the training. The program was well received and the participants were genuinely enthusiastic based on the feedback received on their surveys. Specifically, the surveys reported an overall rating of 4.76 out of 5 in evaluating the value of the training. Moreover, the trainer, Dr. Miller, was highly
rated with an average score of 4.9 out of 5. This program will serve as a great recruitment tool for future ELA candidates as well as for attendance at the next Annual Meeting. An online survey will be forwarded to session participants to evaluate the impact of the training in six months.

Photos and narrative from the session were posted on the Senate Democratic Caucus Facebook page the day after the training: www.facebook.com/delawarestatesenate. Attached is a copy of the training agenda and evaluation comments received from training participants.

Staff Contact:
Veronique Cavaillier, Director of Professional Development Training, ERC

**CSG South**

Louisiana Staff Education Workshop

The Southern Legislative Conference (SLC), the Southern Office of The Council of State Governments, is coordinating a legislative staff education workshop on a date to be determined in the spring of 2014 at the State Capitol in Baton Rouge, Louisiana. The event will be open to staff in various divisions of the Louisiana State Legislature, but will be coordinated through the House Legislative Services office. The workshop will center around professional development, with a focus on three topics:

- Communications Training;
- Time and Priority Management; and
- Negotiations, Consensus Building, and Conflict Resolution

Speakers for the event will be identified and secured through the SLC.

Staff Contact:
Jeremy Williams, Senior Policy Analyst, SLC

**CSG Midwest**

CSG Midwest staff sent invitations to the four top leaders in Iowa and Kansas in the early fall to offer them a menu of in-state training. Thus far no program has been scheduled. However, CSG Midwest staff will be following up with the respective leaders of these states in February during state visits.

In early January CSG Midwest staff will be reaching out to several other states.

Staff Contact:
Ilene Grossman, Assistant Director, MLC
CSG West

Program Administration

CSG West staff worked with CSG regional and headquarters staff to develop standard training evaluation forms as well as summary report forms. The purpose of these forms is to provide consistency in the manner in which trainings and trainers are evaluated, as well as to obtain specific information that will assist in the overall monitoring and reporting of the program. Attached are copies of these forms.

Outreach

In October, letters signed by CSG West Officers were sent to legislative leaders in the states of Oregon, Alaska, Arizona, Hawaii, New Mexico, Utah, Washington and Wyoming to offer in-state capacity trainings. The letters offered trainings in the areas of public speaking/communications, time and priority management, stress management, ethics, negotiations and consensus building, and civil discourse. The letters were accompanied with a training and speaker prospectus, see attached.

CSG West has followed up with the legislative leaders, or their staff, of the above mentioned states. Several states have expressed interest in the trainings and have stated that they would respond in January once they had a better sense of the legislative calendar.

Based on initial feedback, the Wyoming legislature has expressed interest in convening all 90 lawmakers from both chambers for a negotiations training on February 8, 2014, in advance of the legislative session. The Senate President and Speaker are considering this option and will be communicating with CSG West staff at the start of the New Year. Additionally, Rep. Craig Johnson of Alaska and CSG West chair has expressed the possibility of inviting a judge during the legislative session for training on legislative intent. CSG West staff is working with Rep. Johnson to further evaluate possible trainers for such a training session.

Staff Contacts:
Jennifer Schanze, Director of Operations, CSG West
Edgar Ruiz, Executive Director, CSG West
To: Senator Mark Norris, Chair of the 21st Century Foundation  
From: Eleanor Saunders, ERC Energy and Environment Program  
Re: Status of Severe-Weather Conference Preparation Funded by the Foundation  
Date: December 20, 2013  

We are pleased to report that preparations are well underway for the March 7 – 8, 2014 conference entitled Weathering the Storm: Moving Forward on Regional Resilience, to be held at the Hyatt Regency Hotel in Cambridge, MA.

The conference will be taking place somewhat later than anticipated in the grant application as a result of the atypical timing of this year’s ERC Annual Meeting in December, followed by a late January staff visit to Annapolis to work on our August 2014 Annual Meeting scheduled hosted by Maryland and by a late February ERC Executive Committee Meeting in Baltimore. Early March was the first opportunity to schedule another event without overtaxing our staff.

1. October 2013 consultations with the Ad Hoc Steering Group for the Severe Weather Project to provide suggestions for the structure of the Severe Weather Plenary and Breakout Sessions at ERC’s 2013 Annual Meeting in Puerto Rico and to begin discussions about the special conference.

- Members responded favorably to the having policy-area specific breakout sessions that focused on agriculture/rural issues, energy and environment, and transportation, and to incorporate feedback from a concluding plenary meeting where the highlights of these policy discussions would be reported and provide guidance for the March conference program.

- Initial ideas about the March meeting were discussed, contingent on information gathered from the Annual Meeting sessions.

2. Plenary and Breakout Sessions on Severe Weather from the ERC December 2013 Annual Meeting

- Issues discussed in the Energy and Environment Breakout suggested a strong interest in pursuing the topic of strengthening the electricity grid and supplementing it through distributed energy and microgrids. Increases in distributed generation raise many regulatory and financing questions that ERC members would like to pursue in the conference.

- Issues discussed in the Agriculture/Rural Issues and Transportation Breakouts focused on questions connected with emergency response and preparations. Since these questions are not related to our grant proposal, ERC policy staff will follow up on them separately, initially through a discussion with Trina Sheets of NEMA.

3. December 2013 consultations with the Ad Hoc Steering Group for the Severe Weather Project

- Detailed discussion to finalize the program and speakers to be invited to the March conference.

- Decision to hold a separate meeting with officials from FEMA and other federal agencies to provide input about areas of difficulty encountered in applying for and accessing federal loans
and grants post-Irene and Sandy.

Zoe Johnson of Maryland’s Department of Natural Resources, a member of our steering group, is representing Governor O’Malley on the federal Task Force for Climate Preparedness and Resilience. She will help us set up a meeting with task force staff, who are interested in hearing from stakeholders in state and local government.

Another member of our task force, Sue Minter, the Deputy Secretary of Transportation and former Irene Recovery Officer from Vermont, has worked closely with FEMA staff in Region 1 following Irene. She will help us set up a future meeting with regional FEMA staff, if the steering group would like to an additional meeting with regional offices.

4. Expenditures

- Currently, we know that the following payments will be needed before the conference, and we are awaiting an invoice for the deposit due 2/14/14:
  - A deposit for 50% of the total room cost ($2,820.62) will be made when the rooming list is submitted on 2/14/14;
  - A minimum of the remaining room charges of $2,820.62 + $400 meeting room set-up fee and a minimum of $4000 for food and beverage which totals $7,220.63 and that will be due at the start of the meeting on 2/28/14;
  - Food ordered above the $4,000 minimum F&B spend will be added to the remaining costs to be paid on 2/28/14.
- After the holidays, we will begin a formal registration procedure and will incur additional expenses for travel.
- Wendell Hannaford will make contact with the appropriate personnel in several relevant private-sector companies to invite them to become sponsors of the event.
- As noted in our proposal, we hope to retain a small portion of the grant for a follow-up meeting. Given the interest in meeting with officials from federal agencies involved in recovery and resilience-building, we would direct any remaining monies to help support that effort.

Again, we thank the Board of the 21st Century Foundation for their confidence and support, and wish you enjoyable holidays and a happy New Year.
Great Lakes Policy Workshops for Legislators

Progress Report for June 1- November 30, 2013

Project Name, Project Manager, and Contact Information

Project Name: Great Lakes Policy Workshops for Legislators

Project Manager: Lisa R. Janairo
Senior Policy Analyst
CSG Midwest
920.458.5910
ljanairo@csg.org

Other Contact: Mike H. McCabe
Regional Director
CSG Midwest
630.923.1922
mmccabe@csg.org

Goal Statement

The goal of the Great Lakes Policy Workshops for Legislators is to contribute to the development of sound public policies for the protection, restoration, use, and management of the Great Lakes. To achieve this goal, the project focuses on educating state and provincial legislators about the importance of the Great Lakes as both a natural wonder and an economic engine for the region. The project will also help legislators to explore opportunities for regional collaboration on pressing issues related to the Great Lakes.

Activities Undertaken

At the July 2013 meeting of the Great Lakes Legislative Caucus, the GLLC Executive Committee discussed the states’ and provinces’ opportunity to host workshops in 2014 and 2015. The Executive Committee members from Illinois, Ohio, Ontario, and Wisconsin volunteered to assist with organizing a workshop in their jurisdictions. It was decided to hold workshops in Illinois and Ohio during 2014, with workshops in the remaining two jurisdictions planned for 2015. To ensure flexibility, the Executive Committee members agreed to allow the host jurisdictions to decide on the format and the topics to be covered at each workshop. CSG Midwest staff determined that it would be beneficial for the purpose of these workshops to use the same planning process and marketing materials developed for the region’s “Under the Dome” initiative. Lead staff has contacted the Executive Committee members and other legislative personnel in Ohio and Illinois and have identified as tentative dates the week of March 10 for Ohio and April 29-30 for Illinois. Sessions will be open to all legislators in the state/province and their staff. Endorsement of the four legislative leaders is being sought to maximize the benefit of these sessions to the legislators.

Next Steps

The specific agenda and format for the Illinois and Ohio workshops will be developed once the dates are set in January. We will finalize arrangements in January and February, announce and publicize the events, recruit speakers, and send staff to attend and assist with the workshops. In July, at the 2014 meeting of the GLLC, the Executive Committee will discuss lessons learned and begin planning for the remaining two workshops in 2015.

Also in the coming months, we will continue our efforts to seek additional funding partners. In August, CSG Midwest submitted an application to the U.S. EPA for Great Lakes Restoration Initiative funding for a project on harmonizing state and provincial laws on aquatic invasive species. If approved, the project would have supported four workshops that would include aquatic invasive species laws among the items
on the agenda. In December, we learned that our proposal had not been selected for funding. As noted in our proposal, CSG Midwest has funding from the Joyce Foundation to support some of the costs of the four workshops. In addition, CSG Midwest will make $2,000 in other GLLC-related funding available for these workshops.

**Expenditures**
Through November 30, 2013, expenditures of 21st Century Foundation funding were as follows:

<table>
<thead>
<tr>
<th></th>
<th>Total Project Costs (2 years)</th>
<th>Foundation Funding Received</th>
<th>Expenditures to Date</th>
<th>Remaining</th>
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<tbody>
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<td>Salaries</td>
<td>23,629</td>
<td>6,358</td>
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<td>6,096.98</td>
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<td>Fringe Benefits</td>
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<td>1,885</td>
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<td>Supplies</td>
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<td>11.99</td>
<td>207.58</td>
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<td>Photocopy</td>
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<td>263</td>
<td>-</td>
<td>263.48</td>
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<tr>
<td>Conference Calls</td>
<td>220</td>
<td>59</td>
<td>-</td>
<td>59.28</td>
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<tr>
<td>Meeting Expenses</td>
<td>26,520</td>
<td>7,136</td>
<td>-</td>
<td>7,135.88</td>
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<tr>
<td>Travel</td>
<td>16,320</td>
<td>4,391</td>
<td>-</td>
<td>4,391.31</td>
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<tr>
<td>Consulting</td>
<td>4,080</td>
<td>1,098</td>
<td>-</td>
<td>1,097.83</td>
</tr>
<tr>
<td>Other Direct Costs*</td>
<td>4,896</td>
<td>1,317</td>
<td>8.78</td>
<td>1,308.67</td>
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<tr>
<td><strong>Subtotal</strong></td>
<td>84,464</td>
<td>22,727</td>
<td>356.61</td>
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<tr>
<td>Indirect (10%)</td>
<td>8,446</td>
<td>2,273</td>
<td>35.66</td>
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<tr>
<td><strong>Total</strong></td>
<td>$92,911</td>
<td>$25,000</td>
<td>$392.27</td>
<td>$24,607.73</td>
</tr>
</tbody>
</table>
CSG’s 21st Century Foundation provided matching funding to the CSG Focus on Federalism Initiative in June 2013. The $25,000 award – to be matched by CSG’s national office at an equivalent level – provided funding to the program for the 2013-2014 biennium, including the creation of a new CSG Federalism Task Force, a public hearing plenary on federalism during CSG’s 2013 National Conference, a Washington, DC-based federalism fly-in and various federalism follow-up and educational activities in 2014.

CSG Federalism Task Force

CSG developed a new Federalism Task Force charged with providing strategic direction and oversight to the enterprise-wide campaign to examine, highlight and advance the role of states in our federal system. Specific goals of the Federalism Task Force include:

- Examine the current federalism relationship between states and the federal government;
- Examine remedies to both the perceived and actual imbalance of power between states and the federal government, with particular attention paid to fiscal federalism;
- Develop principles that serve to guide CSG’s activities and programming as related to interaction with the federal government and advocating for the position of the states in a constantly evolving federalism dynamic;
- Develop a framework for the role of the states in reviewing and reacting to adverse policies adopted at the federal level, including coercive, unfunded and underfunded mandates;
- Develop a network of partner organizations committed to assisting CSG in its advocacy for a stronger state presence and role in federalism-related policy discussions and remedies, including other state/local associations, the Uniform law Commission and the Pew Charitable Trusts;
- Deploy short-term and long-term educational deliverables, campaigns, training and partnerships benefiting CSG’s member jurisdictions on federalism, supported through all levels of member engagement across the organization; and
- Sustain a lasting organizational emphasis on federalism through CSG’s national and regional programming, deliverables, meetings and services.

The CSG Federalism Task Force is guided by three key principles:

1. Bipartisan participation
2. Does not advocate for any special interest or single policy issue
3. Representative of all of CSG—national, regional and affiliate

Membership on the CSG Federalism Task Force includes:

Task Force Co-Chairs
- Sen. Mark Norris, Tennessee – CSG 2014 Chair
- Sen. Gary Stevens, Alaska – CSG 2014 Immediate Past Chair

Members
- Sen. Carl Marcellino, New York – CSG 2014 Chair-Elect
- Sen. Beau McCoy, Nebraska – CSG 2014 Vice Chair
- Sen. Jay Emler, Kansas
• Sen. Bill Avery, Nebraska
• Sen. Bart Davis, Idaho
• Treasurer Manju Ganeriwala, Virginia
• Deputy Speaker Bob Godfrey, Connecticut
• Sen. Sampson Jackson, Mississippi
• Rep. Craig Johnson, Alaska
• Speaker Rebecca Lockhart, Utah
• Senate President David Long, Indiana
• Senator Michael Moore, Massachusetts
• Senate President Wayne Niederhauser, Utah
• Justice Nancy Saitta, Nevada
• Rep. Linda Upmeyer, Iowa

**CSG Federalism Hearing**  
*September 21, 2013 – Kansas City, Missouri*

The CSG Federalism Task Force held its first hearing on Saturday, Sept. 21, 2013 in conjunction with CSG’s National Conference in Kansas City, Mo. Witnesses included nationally renowned historians, legal scholars and other top federalism experts from across the country. The hearing was held as an all-attendee plenary session. Three separate panels of experts provided informational testimony to the task force, serving the dual purpose of informing the group on several aspects of federalism and options for future CSG federalism emphasis/programming and educating the general audience on federalism.

The three panels included:

- **Panel #1: The History and Evolution of Federalism in the United States**  
  Professor John Kincaid, Lafayette College  
  Lisa Soronen, executive director, State and Local Legal Center

- **Panel #2: The Legislative and Regulatory Impacts of Fiscal Federalism on Modern American States**  
  Former Vermont Governor Jim Douglas  
  Former Maryland Governor Parris Glendening  
  Nevada Supreme Court Justice Nancy Saitta

- **Panel #3: The Way Forward: Options for States in Influencing the State-Federal Relationship**  
  Ingrid Schroeder, The Pew Charitable Trusts  
  Anne Stauffer, The Pew Charitable Trusts  
  Michael Bird, former senior federal affairs counsel, National Conference of State Legislatures

During the Kansas City meeting, the CSG Executive Committee approved a Statement of Principles on Federalism as CSG policy (previously endorsed by the CSG Leadership Council in June 2013). The policy resolution may be found online at:  

**CSG Capitol Ideas Magazine**  
The November/December issue of Capitol Ideas magazine featured as its Hot Topic the issue of federalism, with 11 articles on the topic from experts, academics and practitioners.

The Nov/Dec 2013 issue of Capitol Ideas may be found online at:  
Following the public hearing the CSG Federalism Task Force convened in Washington, D.C. to hear from additional experts in the field and to meet with key leaders in the White House and Congress.

During the meeting the task force members heard from:

- Barbara Rosewicz, The Pew Charitable Trusts
  State Fiscal Indicators Tool and Discussion of State-by-State Data

- Melissa Loeb, Federal Funds Information for the States (FFIS)
  Overview of federal spending and need for greater information and access

- Terry Morrow, Uniform Law Commission
  Briefing from the Uniform Law Commission, Committee on Federalism and State Law

The task force was then able to meet one-on-one for an extended session with senior staff at the White House, including David Agnew, Director of Intergovernmental Affairs and Tara McGuinness, Senior Communications Advisor. The session opened the door for additional conversations about ways in which state leaders may be accessed by the administration to review and respond to pending regulations and legislation. Later in the day the task force travelled to Capitol Hill for a meeting with the senior staff of House Majority Whip Kevin McCarthy.

During the Washington, DC Fly-In, the CSG Federalism Task Force members discussed several key elements of federalism as well as general follow-up items to advance their work. The group agreed on the following points:

- Avoid those issues that may divide our members and focus on those topics that serve to unite state leaders;
- Fiscal federalism is the key issue on which the group should focus its efforts; and
- The task force’s work needs to aspirational, yet realistic and achievable.

The group also identified several key areas related to federalism and asked CSG staff to explore and report:

- Advisory Commission on Intergovernmental Relations (ACIR)
- Consolidated Federal Funding Report (CFFR)
- Updates to the Unfunded Mandates Reform Act (UMRA)
- Articles and publications at CSG exploring federalism and federalism-related topics
- Unique educational and informational programming at CSG’s national and regional meetings in 2014
- Opportunities to work with other organizations similarly exploring federalism

**CSG Federalism Task Force Update Call**

January 2014

The CSG Federalism Task Force met via conference call on Friday, January 10, 2014 for a brief follow-up on the DC Fly-In and reaction to the major program suggestions from staff.

These programmatic suggestions (attached) included action on:

- Advisory Commission on Intergovernmental Relations (ACIR)
- Consolidated Federal Funding Report (CFFR)
• Updates to the Unfunded Mandates Reform Act (UMRA)

The task force members agreed that all were important and deserved attention, however the topic of unfunded mandates and the potential movement in Congress of updates to this act (HR 899; Rep. Virginia Foxx) should be CSG’s first priority. Since the conference call, CSG’s DC staff has been in touch with Rep. Foxx’s office and has had productive conversations. The next step will be to aide in seeking a sponsor in the Senate.

The task force members suggested that the ACIR and CFFR topics, being more technical in nature, be brought up with other Big 7 organizations as a starting point for coalition building. To that end, at the January 2014 Big 7 executive directors meeting, the group hosted John Thompson, director of the US Census Bureau and began talks with him about the history of the CFFR and potential future steps for resurrecting this valuable tool.

In addition, Sen. Norris suggested the convening of not only the executive directors of the Big 7 groups, but also the principal leaders from each of the membership organizations to discuss these topics and other federalism-related issues.

CSG’s regions reported that they are examining opportunities for federalism-related programming during their meetings this summer and CSG national will be hosting similarly-themed sessions during its meetings in June and August.

**Budget Update**
At the conclusion of the above listed activities, the CSG Focus on Federalism Initiative has expended $33,000 of its original $50,000 budget. Remaining funds will be earmarked to support ongoing conference calls and product development with the task force as well as funding for educational events at upcoming CSG meetings in 2014.
TAB - T
CSG AFFILIATE ORGANIZATIONS

- American Probation and Parole Association (APPA)
- Emergency Management Accreditation Program (EMAP)
- Interstate Commission for Adult Offender Supervision (ICAOS)
- Interstate Commission for Juveniles (ICJ)
- Interstate Commission on Educational Opportunities for Military Children (MIC3)
- National Association of State Facilities Administrators (NASFA)
- National Association of State Personnel Executives (NASPE)
- National Association of State Technology Directors (NASTD)
- National Association of State Treasurers (NAST)
- National Emergency Management Association (NEMA)
- National Hispanic Caucus of State Legislators (NHCSL)
- State International Development Organizations (SIDO)
Affiliate Organization Contributions to CSG - Fiscal Year 2013

Through affiliation with CSG, national organizations of state officials can share ideas and combine efforts to accomplish mutual goals. Here’s just a few of the ways in which affiliates bring value to CSG.

Fiscal Year 2013
Financial Contributions

◊ Ten affiliates contributed over $1.4 million dollars in direct and indirect costs to CSG, including $266,521 in facilities rental.

◊ Four affiliates administered over $16 million dollars in federal grants which benefitted CSG through indirect costs.

◊ CSG earned $78,885 in interest from affiliate bank accounts.

◊ A total of 59 (26%) CSG staff were employed by affiliates.

Affiliate organizations provide specialized expertise, information, and resources that support the overall mission of CSG.

Affiliate organizations provide subject matter expertise on a wide range of issues that state government must address on a regular basis. Having instant access to in-house knowledge and technical assistance from affiliates on key policy issues gives CSG a unique and competitive edge.

Affiliate organizations work with state government leaders on a daily basis and are in tune with current and emerging issues.

Affiliate organizations have core values that are complementary to CSG’s. Our combined influence and expertise provides a powerful resource and effective advocate for state government.

CSG Affiliate Partners

American Probation and Parole Association (APPA)          National Association of State Facilities Administrators (NASFA)
Emergency Management Accreditation Program (EMAP)          National Association of State Personnel Executives (NASPE)
Interstate Commission for Adult Offender Supervision (ICAOS)   National Association of State Technology Directors (NASTD)
Interstate Commission for Juvenile (ICJ)                   National Association of State Treasurers (NAST)
Military Interstate Children’s Compact Commission (MIC3)     National Emergency Management Association (NEMA)
TAB - U
Background
The CSG campus includes two office buildings that are owned by the Commonwealth of Kentucky but are occupied by CSG and eight affiliated national organizations. The first building (the CSG Headquarters Building) was built more than 45 years ago and leased to CSG for one dollar a year for 99 years. The second building (the Sprague Building) was also built by the Commonwealth for CSG approximately 20 years ago. Funding for the Sprague Building was provided through the Commonwealth’s bonding authority. These bonds have since been retired. CSG maintains responsibility for the maintenance of both buildings.

In 2012, the Kentucky General Assembly appropriated $5.5 million for the purpose of renovating the CSG campus with the original CSG Headquarters Building having the highest priority due to age and disrepair. A request for proposal was issued late in 2012 and an architectural firm was selected early in 2013 to assess and make recommendations to renovate both buildings. In the final analysis, there were insufficient funds to renovate both buildings. A decision was made to renovate the original building and to explore options for funding the second building.

Current Status
Once the assessments were completed, the architectural firm spent most of 2013 developing a design document that will accommodate the space needs and functionality required by CSG. This design document, complete with detailed specifications, will be the basis for a renovated CSG Headquarters Building. The Commonwealth of Kentucky issued another request for proposal in December 2013, for contractor bids on the actual work outlined in the design document.

We are pleased to announce that Codell Construction was awarded the contract and will begin renovation around March 1, 2014. The initial construction schedule is for 12 months which means occupation of the new, renovated CSG Headquarters Building will take place sometime in the spring of 2015. As in any construction project of this magnitude, delays are always possible. The Commonwealth has taken steps, however, to ensure the project is completed on time and within budget. The architectural firm that created the design document will monitor the work of each contractor, and they are contractually bound to keep the project within budget. On projects over $5 million dollars, the Commonwealth requires a commissioning agent to ensure all systems function properly. Lastly, the Commonwealth has assigned an experienced project manager to coordinate all of the activities related to the renovations outlined in the design document.

Sprague Building
CSG management understands there are pressing needs associated with the Sprague Building as outlined in the assessment report and articulated by Dr. Kathy Berg during the organization’s June 2013 Leadership Council Meeting. We are engaged in regular discussions with our affiliates about their priorities and what we can reasonably afford to do in the short term. Both CSG management and affiliate leadership agree on the top three priorities; restrooms, elevators, and the main entrance. Our plan is to complete these renovations concurrent with the work that is being done in the CSG Headquarters Building. The renovations to the Sprague Building will reflect the same materials and design elements being used in the CSG Headquarters Building so that anyone visiting both buildings will recognize the fact that this is the CSG campus.

Once the CSG Headquarters Building is complete and staff has moved from the Sprague Building, we will begin the process of renovating each wing of the Sprague Building. Once again, to the extent possible, fixtures, materials, and furnishings will be either the same or similar to what was used in the CSG Headquarters Building. We will work with each affiliate to determine an overall plan and schedule, but basically we will renovate one wing at a time until all four wings are completed. The complete renovation of the Sprague Building may take time and involve several moves, but the end result should be a more productive and aesthetically appealing work environment for all staff.
TAB - V
THE COUNCIL OF STATE GOVERNMENTS

CSG Midwest – Update and Activity Report

February 2014

• CSG’s Midwestern Office continues to support the efforts of several regional groups of state officials, including the Midwestern Legislative Conference, the Midwest Interstate Passenger Rail Commission, the Great Lakes Legislative Caucus, and the Midwestern Radioactive Materials Transportation Committee.

• Together these groups produce a broad range of products, services and policy initiatives that reflect the strengths and diversity of CSG’s regional structure.

• A few highlights encompassing recent and ongoing/upcoming activities include the following:

1. The 68th Annual Meeting of the Midwestern Legislative Conference was held in St. Paul, Minnesota from July 14-17, 2013. Hosted and chaired by Minnesota Representative Alice Hausman, last year’s meeting included sessions on the changing political environment, the Midwestern regional economy, the fiscal condition of the states, Medicaid, agriculture, education reform, transportation finance, the future of state governments and more. Featured guest speakers included professor and social scientist Jonathan Haidt (“the Righteous Mind: Why Good People are Divided by Politics and Religion”), polar explorer and educator Ann Bancroft, Pulitzer Prize-winning author Jon Meacham (“Thomas Jefferson: The Art of Power”), writer and editor Peter Harkness (founder and publisher emeritus of Governing Magazine) and many others.

2. All of the MLC’s standing committees met in conjunction with the MLC Annual Meeting in St. Paul. Together, they offered additional programming on a wide range of issues related to agriculture and natural resources, economic development, education, health and human services and more.

3. Last fall, with generous support provided by the government of Canada, the MLC’s Midwest-Canada Relations Committee continued its successful legislative exchange program. A delegation of Midwestern legislators visited Edmonton and the oil sands region in Alberta in August, and a second delegation visited the Ontario Legislative Assembly in November. Earlier this month, a delegation of Saskatchewan legislators visited the Iowa Legislature, and later this spring, a delegation of Ontario legislators will visit the Michigan legislature.

4. The MLC’s 69th Annual Meeting will be held in Omaha, Nebraska on July 13-16, 2014. Nebraska Senator Beau McCoy will serve as chair. Featured guest speakers will include Pulitzer Prize-winning historian Doris Kearns Goodwin, political science Professor Gary Moncrief, urban development expert Joel Kotkin and more. Special events for all attendees will include evening outings to the Durham Museum and the Henry Doorly Zoo, as well as the MLC’s traditional state dinner and a full lineup of spouse and youth events.

5. The MLC’s 70th Annual Meeting will be held in Bismarck, North Dakota on July 12-15, 2015. North Dakota Senator Tim Flakoll will serve as chair. The 71st Annual Meeting will be held in Madison Wisconsin on July 17-20, 2016 and will be chaired by Wisconsin Representative Joan Ballweg.

6. Last year, the MLC formally launched a new in-state training initiative, entitled “CSG Midwest Under the Dome.” The purpose of this initiative is to provide customized professional development training opportunities and substantive educational briefings on select policy topics to lawmakers in their own capitols. To date, programs have been offered in more than half of the Midwestern states as part of this initiative. Workshops on promoting civil discourse in the legislative arena were held in Ohio and Nebraska, and briefings on Medicaid expansion and state budget conditions were offered in South Dakota and Illinois,
respectively. Professional development training opportunities on effective communication were offered in Michigan and Wisconsin, and briefings on Great Lakes-related policy issues were held in Michigan and Minnesota. The CSG Midwest staff is currently reaching out to legislative leaders across the region in an effort to promote this new initiative.

7. The MLC’s 20th annual **Bowhay Institute for Legislative Leadership Development (BILLD)** will be held in Madison, Wisconsin on August 8-12, 2014. Inspired by the success of CSG’s Toll Fellowship program, BILLD is the oldest of CSG’s four regional leadership development programs and has provided training to more than 600 Midwestern state and provincial legislators since its inception in 1995. BILLD alumni include countless current and former legislative leaders across the region, as well as numerous executive branch officials, judges, two U.S. senators and a number of members of the U.S. House of Representatives. The program, which is presented in partnership with the La Follette School of Public Affairs at the University of Wisconsin in Madison, has also produced 10 MLC officers, 3 national CSG officers and dozens of active CSG participants at both the national and regional levels.

8. The **Midwest Interstate Passenger Rail Commission**, an interstate agency established pursuant to a regional interstate compact first developed by the MLC, is actively pursuing the development of improved passenger rail service in the Midwest. The commission, which includes legislators and gubernatorial appointees from each of the compact’s member states, was instrumental in working to secure federal stimulus funding for the development of regional high-speed rail plans across the region. The commission last met in Chicago, on October 7 and 8, 2013 and is scheduled to meet again in Kansas City on June 13-14, 2014.

9. The **Great Lakes Legislative Caucus**, chaired by Minnesota Senator Ann Rest, met in Duluth, Minnesota on July 29-30, 2013. The agenda included discussions and guest presentations on a variety of critical issues related to the protection and restoration of the Great Lakes, including changing lake levels, the federal Great Lakes Restoration Initiative, the Asian Carp and other invasive species, multimodal freight transportation in the basin, implementation of the Great Lakes-St. Lawrence River Basin Water Resources Compact and more. The Caucus’s **2014 annual meeting** will be held in Québec City, Québec on July 24-25. The Caucus produces a series of policy webinars entitled “Great Lakes, Great Webinars,” and in 2013 launched an ongoing series of seminars on Great Lakes-related policy issues in capitols across the region. The Caucus received a grant from CSG’s 21st Century Fund to support these in-state training programs. It is also receives significant funding support from the Joyce Foundation.

10. The **Midwestern Radioactive Materials Transportation Committee**, established in 1989 pursuant to a cooperative agreement between CSG Midwest and the U.S. Department of Energy, continues to provide an invaluable forum for the regional exchange of information and ideas related to the handling and transportation of radioactive materials. The committee also regularly provides input to the federal government regarding the development and implementation of federal radioactive material transportation policies and programs. The committee last met on December 4 and 5, in Kansas City, Kansas and will next meet on May 13, 2014 in Bloomington, Minnesota in conjunction with the National Transportation Stakeholders Forum.
February 2014

The mission of the Southern Office and Southern Legislative Conference (SLC) is to foster and encourage intergovernmental cooperation among its 15-member states. In large measure, this is achieved through the annual meeting, publications, state delegations and policy positions of the Conference. Our research and inquiry services; webinars; written reports and briefs on issues relevant to policymakers; legislative testimony; issue alerts; state delegations; provision of continuing legal education credits; and leadership program provide members with relevant and timely programs and services that are not routinely available from other sources.

State Outreach
Critical to the success of The Council of State Governments is the regional offices’ relationship with legislative members and staff, as well as executive branch members and staff, in their respective states. These relationships are the basis, in large part, for the continued support of the organization. State outreach generates a substantial number of information inquiries as well as recognition of the value of the services provided by the organization.

Southern Legislative Conference Annual Meeting
The 68th annual meeting of the SLC will be hosted by the Arkansas General Assembly, which previously hosted the annual meeting in 2004, 1987, 1973, 1965 and 1950, and held in Little Rock, the state’s capital city.

SLC/Mark Norris Campaign Against Hunger
Looking ahead toward the 68th SLC Annual Meeting, the target goal will be 50,000 packaged meals, an increase of 30,000 over prior years. Once again, this effort will be in conjunction with our long standing partner, Outreach, Inc. in Iowa, and our newly formed partnership with the Arkansas Hunger Relief Alliance.

State Delegations
Anticipated delegations for 2014 include:
- Panama Canal – 100th Year Anniversary
- Canadian Oil Sands

Leadership Development Program
Center for the Advancement of Leadership Skills (CALS) --The Southern Office has created a long-term arrangement with the Arkansas General Assembly and the Winthrop Rockefeller Institute to serve as host and financial partner of the CALS program. The CALS program offers full scholarships for all candidates from the executive, judicial and legislative branches of state government. The 2014 program is scheduled for October 4 – 8, 2014.

Capitol Leadership Initiative – A program administrated by each of the four regional offices and funded by CSG’s 21st Century Foundation, the Southern office will be working with the Louisiana House of Representatives Legislative Services to conduct a training module for select staff.

Webinars
In keeping with the directive established by officers of the Southern Legislative Conference, a minimum of four webinars will be featured in the 2013 - 2014.

- Human Trafficking: State Responses to Modern-Day Slavery: Hosted in November 2013, this webinar addressed steps taken by Southern states to combat human trafficking, such as setting up task forces to assess the extent of this insidious practice, and adopting policies that encourage
victims to come forward, educating law enforcement personnel, and increasing penalties for individuals involved in these crimes.

• **Distracted Driving**: Hosted in December 2013, this webinar focused on distracted driving and featured National Transportation Safety Board Chairman Deborah Hersman and Professor David Strayer, a national expert on research related to distracted driving.

**State Transformation in Action Recognition (STAR)**
STAR is the SLC adaptation of the CSG Innovations Awards Program, which started in 1975, and recently transitioned to a regional level. The STAR program identifies and promotes innovative ideas and programs from the Southern region’s best problem solvers. Information and applications will be available in late February.

**Issue-specific Fly-ins**
The Southern Office continues to develop opportunities for legislators to gain more in-depth knowledge on critical issues and challenges facing them as policymakers. By sponsoring and underwriting all costs pertaining to fly-ins, small groups of legislators are able to participate in issue-specific dialogues with other members from across the region, hear from policy experts and engage in open discussions.

**Legislative Staff Exchange Program (LSEP)**
The Legislative Staff Exchange Program provides an opportunity for select staff members to participate in a peer-to-peer program designed to share best practices and innovative ideas in legislative staffing. Full scholarships are awarded to both the host and visiting legislatures’ staff.

**Publications**
• **Tire Manufacturing: Southern States Roll to the Top**: The Southern Legislative Conference recently published a new Regional Resource examining the burgeoning tire manufacturing sector in the region and how some of the world’s largest tire manufacturers are locating, relocating or expanding their operations in the South.

• **Aeronautics in the SLC States: Cleared for Take Off** will be released in early March and focuses on the location, relocation and expansion of the aeronautics industry in the SLC states and its impact on the economy, workforce development and the educational objectives of the South’s two-year college institutions.

**Southern Legislative Conference Annual Meetings**
• The 68th Annual Meeting of the Southern Legislative Conference will be hosted by the Arkansas General Assembly in Little Rock, July 26 – 30, 2014
• The 69th Annual Meeting of the Southern Legislative Conference will be hosted by the Georgia General Assembly in Savannah, Georgia, July 18 – 22, 2015
• The 70th Annual Meeting of the Southern Legislative Conference will be hosted by the Kentucky General Assembly in Lexington, Kentucky, July 16 – 20, 2016
Legislative Service Agency/Research Directors

Nonpartisan legislative staff leaders from the Western region convened September 26-28, 2013 in Whitefish, Montana. They participated in both professional development training and sharing of best legislative management practices during their annual gathering. Professor Quin Monson of Brigham Young University shared public opinion trends shaping the West and former Oregon Secretary of the Senate, Judy Hall, led a discussion on how to build better relationships within state capitols. Members also participated in panels on legislative management, intergenerational challenges, transparency versus confidentiality, technology advances, dealing with partisan gridlock, and legislative structures.

Legislative Council on River Governance

The 2013 meeting of the Legislative Council on River Governance (LCRG) occurred on October 3rd & 4th in Boardman, Oregon at the Port of Morrow. LCRG was chaired by Oregon Senator Doug Whitsett with a major focus on the Columbia River Treaty and the benefits that the treaty provides to Columbia River Basin States. As 2014 is the first year that Canada or the United States can choose to unilaterally give ten-year notice of their intent to end the treaty, both the U.S. and Canada are in the process of thoroughly reviewing the treaty. Representatives from the Army Corps of Engineers, Bonneville Power Administration, and the Columbia River Treaty Review Team for the Government of British Columbia shared perspectives on the Treaty. Additionally, the members heard from the first nations, ports, and agricultural interests about the treaty as well as received an update on the Hanford Nuclear Site Cleanup. The 2014 meeting will be held in Montana and chaired by Montana Senator Jennifer Fielder.

Western Legislative Academy

Each year CSG West brings together a distinguished national faculty to offer the West's premier training experience for Western state legislators in their first four years of service. The goals of the Western Legislative Academy (WLA) are to help newer legislators become more effective and to build stronger state legislative institutions. To that end a faculty of outstanding academics, corporate, military and public trainers work with a small class of lawmakers who come from each of our 13 Western states.

115 legislators applied for the 2013 WLA class that convened November 13-16, 2013 in Colorado Springs, Colorado. Thirty eight Western legislators completed the program. They elected Arizona Senator Kelli Ward as their class president. She will serve on the CSG Executive Committee for the next year representing the interests of the 500 alumni of the program including almost 300 who are still serving in Western state legislatures.

Members of the Academy are selected on the basis of their dedication to public service; desire to improve personal legislative effectiveness and commitment to the institution of the legislature. Many WLA graduates go on to leadership positions from caucuses and committees to chamber leadership offices.

For more information about the WLA, please visit:
http://www.csgwest.org/legislativeacademy/WesternLegislativeAcademy.aspx
Western Governors’ Association Meeting

On December 11-12, 2013, the CSG West Executive Director attended the Western Governors’ Association (WGA) 2013 Winter Meeting in Las Vegas, Nevada. The meeting provided an opportunity to network with key state officials and private stakeholders from the West. The WGA winter meeting convened plenary sessions on the acceleration of green transportation vehicles, creating a regional transportation vision, and combatting wild fires.

U.S. Secretary of the Interior, Sally Jewell, made a keynote address to Western governors, as well as Governor Eruviel Avila Villegas of the State of Mexico.

New Leadership for CSG West

The start of the New Year brought a change in the leadership of CSG West. Alaska Rep. Craig Johnson became the new CSG West Chair and will lead the organization throughout 2014. Rep. Johnson, along with Alaska Senator Gary Stevens and the Alaska State Legislature, will co-host the 2014 Joint CSG West & CSG National Annual Conference in Anchorage, AK.

Colorado Rep. Nancy Todd will now serve as CSG West Chair Elect. Idaho Rep. Jeff Thompson joins the ranks of CSG West officers this year and will serve as CSG West Vice Chair. Last year’s Chair, Nevada Sen. Kelvin Atkinson will serve this year as CSG West Immediate Past Chair. Together they will lead CSG West and oversee the delivery of programming designed to strengthen legislative institutions and build relationships among Western state legislators.

2014 Joint CSG & CSG West Annual Conference

CSG staff - from both the western regional office and headquarters - has been working with staff from the Alaska State Legislature on the preparations of the 2014 joint CSG & CSG West Annual Conference that will convene August 9-13, 2014 in Anchorage, Alaska. Among the tasks conducted thus far have been the execution of contracts with hotels and the identification of activities and programming for the meeting, creation of a website and opening registration among many other tasks. We are looking forward to hosting legislators from across the country this year.

Partner with State Agriculture and Rural Leaders (SARL)

CSG West, along with the other CSG regions, continues to partner with SARL to enhance our agriculture and rural programs. This year, CSG West staff assisted with staffing the annual Legislative Agricultural Chairs Summit that convened January 3-6 in Oklahoma City, Oklahoma. The meeting was a resounding success and we will continue to work to help increase Western attendance as it provides additional value to our members. Additionally, we have partnered with SARL on a series of conference calls regarding the Farm Bill.

CSG West Rules Working Group

Under the leadership of Idaho State Senator Bart Davis, a working group comprised of current CSG West officers and former chairs is examining and considering updates to the existing CSG West Rules. The purpose of the review of the CSG West Rules stems from recent modifications to the CSG Articles of Organization that require that each of the CSG regional governing rules contain specified sections. Some of the sections required would codify existing practices into officially sanctioned processes while others are aimed at providing consistency among the regional governing rules.

Draft updates to the Rules have been sent to members of the CSG West Executive Committee for their review and input. Moreover, CSG West staff is making consultations with members during state visits in an effort to inform and gather suggestions. Outreach efforts will continue for the coming months. The aim will be to present a final draft for the consideration of the Executive Committee during the 2014 Annual Meeting.
Regional Roundup

CSG West continues to publishing and add content to the “Western Regional Roundup,” a bi-weekly electronic newsletter highlighting the organization’s activities as well as articles on relevant Western issues. The Western Regional Roundup is distributed to all Western lawmakers and to public and private stakeholders that sign-up to receive the newsletter.

The Western Regional Roundup is part of CSG West’s effort to enhance the distribution of information and engagement with Western lawmakers and key stakeholders.

Policy Articles

As part of an effort to enhance services and provide substantive information to legislators in the West, CSG West staff has published articles on key regional issues. These articles have been part of the CSG West Regional Roundup email blasts sent to all Western lawmakers and stakeholders. Moreover, the articles have been incorporated into the CSG Knowledge Center.

Recent articles have focused on water usage in the West, trade relations between the U.S. and Canada, college completion, and obesity and diabetes in the U.S. CSG West will continue to publish such articles, as well as reach out to lawmakers to make contributions on key regional issues.
TAB - W
2014 National and Regional Meetings

**CSG NATIONAL**
**CSG 2014 Leadership Forum**
June 20-22 | Washington D.C.

**CSG MIDWEST**
Midwestern Legislative Conference (MLC)
July 13-16 | Omaha, Neb.

**CSG SOUTH**
Southern Legislative Conference (SLC)
July 26-30 | Little Rock, Ark.

**CSG EAST**
Eastern Regional Conference Annual Meeting (ERC)
Aug. 3-6 | Baltimore, Md.

**CSG WEST/CSG NATIONAL**
CSG National & CSG West Annual Conference
Aug. 9-13 | Anchorage, Alaska