New roadmaps
Demographic, fiscal realities pose challenge to transportation planners

by Tim Anderson

Revenue from Iowa’s road-use fund is used every year to invest $1 billion in highway projects throughout the state. As in other states, Iowa has good reason for having such a large pot of money set aside for roads. For decades, road construction has been an important tool used by states to create jobs, promote economic development and improve the quality of life in communities. But are states getting the most out of such a significant public investment? Last year, the Iowa Transportation Commission decided that question needed to be answered in its state.

“There were concerns that the money was being spent on a series of disjointed projects, with no kind of strategic plan,” says David Forkenbrock, director of the University of Iowa Public Policy Center.

The commission turned to Forkenbrock for help. He has since issued a 48-page report, made a series of policy recommendations and is now holding town hall meetings that could ultimately result in a revamped transportation strategy for Iowa.

Forkenbrock’s hope is that the new blueprint better meets the needs of the entire state, rather than just those of individual communities. The two, he says, are not always the same.

“One of the ideas behind this is to give legislators the ability to say no to projects that aren’t consistent with what we’re trying to pursue as a state,” he says. “That’s a hard thing to accomplish, because if the community wants to see a major road project built, it makes sense that you’re going to do everything you can to get it. Your gas taxes aren’t going to go up if you get the project, and they’re not going to go down if you don’t.”

However, this kind of fragmented, locally based decision-making process doesn’t necessarily make for a wise investment of state dollars, he argues. For example, it can lead to highways being built in areas where stagnant or declining populations don’t warrant such construction. Or roadwork may simply have the effect of transferring business activity from one part of the state to another, rather than fostering additional economic development.

The proposed changes in Iowa are just one example of the transportation planning going on throughout the region. Along with creating a statewide vision, the new roadmaps are being designed to help states adequately respond to demographic trends such as an increasing elderly population, urban sprawl and rural depopulation.

Doing more with less
These strategies also can help Midwestern states get the most out of their transportation dollars. As budget actions this year illustrate, the money available to pay for popular road projects has been limited by the current fiscal crisis.

More than $300 million from Illinois’ transportation fund was redirected as part of the state’s final budget agreement, while Kansas policymakers earlier this year decided to withhold millions of dollars from a road highway fund. Meanwhile, Wisconsin Democratic Gov. Jim Doyle vetoed $100 million in road spending projects approved by the Legislature, directing the money instead to health care programs.

And in Michigan, the most contentious budget issue involved Democratic Gov. Jennifer Granholm’s plan to delay 34 new road projects in favor of a “preserve it first” transportation strategy.

“During these tight budgetary times, we must focus our efforts on fixing our existing infrastructure,” announced Granholm, who, in a final... (Please turn to page 7)
Around the Region

Due to concerns about both traffic safety and the loss of future federal transportation dollars, nearly every Midwestern state has amended drunken-driving laws by lowering its legal blood-alcohol content limit to .08. According to Mothers Against Drunk Driving, which has been a leader in lobbying efforts for the change, every state in the Midwest except Minnesota and Michigan had .08 laws in place as of early July. Both chambers in the Michigan Legislature have passed new laws that include modified drunken-driving standards, and differences between the bills were expected to be resolved.

As of October, states without .08 laws face having their federal highway grant money cut by 2 percent, with that figure gradually increasing in ensuing years. States that adopt the legislation after the October 2003 deadline, but by 2007, would have the money reimbursed (but without interest). Some lawmakers have voted for the law despite complaints that it was forced upon them as the result of an unfair, unnecessary maneuver by the federal government. This year, .08 bills have been signed into law in Iowa, North Dakota, Ohio and Wisconsin. A movement is afoot in North Dakota to have the new law repealed by a statewide referendum.

Study highlights rural struggles

In a study of six Midwestern states, the Center for Rural Affairs has found that agriculturally based counties have higher poverty rates and significantly lower income levels than their metropolitan counterparts. Researchers for the private, nonprofit organization say that about one-fifth of households in agriculturally based counties have incomes of less than $15,000, while one in eight metropolitan households have such low income levels.

Iowa, Kansas, Minnesota, Nebraska, North Dakota and South Dakota were the states studied in “Swept Away: Chronic Hardship and Fresh Promise on the Rural Great Plains.” In its examination of population data from 1990 to 2000, the center discovered that agricultural counties lost nearly 9 percent of their population, while the state region as a whole saw an overall increase of 7 percent. The full report can be found at www.cfra.org.

State will accept Mexican IDs

Indiana has begun accepting the matricula consular as a form of official identification for Mexican nationals, a move that Gov. Frank O’Bannon says will help them “conduct business, live their lives and feel welcomed in our state.”

The matricula consular, a Mexican ID card, is issued by the Indianapolis consulate office after an applicant’s documents are verified. Some Indiana cities already accept the card. Along with helping Mexican nationals open bank accounts, acceptance of the card will assist law enforcement agencies who would otherwise have to spend time establishing identities, O’Bannon believes. Opponents of the state decision have said the card is not secure and that it poses a “criminal” and “terrorist” threat.

A June report of state budget conditions indicates that state spending grew by only 0.3 percent in fiscal year 2003 and was expected to drop by 0.1 percent in 2004, figures that deviate strongly from a 25-year trend in which budgets have increased by an annual average of 6.2 percent.

Like much of the information contained in “The Fiscal Survey of States,” these recent developments in state expenditures underscore the extent to which lawmakers across the country have had to adjust to a shrinking economy and declining revenues.

The report — issued by the National Association of State Budget Officers and the National Governor’s Association — not only describes current budget conditions, but also details the decisions being made by policymakers. For example, in fiscal year 2003, 28 states implemented across-the-board cuts, 22 tapped into rainy day funds, 17 laid off employees, eight offered early retirement to workers and 10 reorganized programs. All told, 37 states cut their fiscal year-end balances as a percentage of total expenditures reached unprecedented levels in the late 1990s and 2000. In recent years, the amount of money in these funds has fallen precipitously (see map). “The Fiscal Survey of States” can be accessed at www.nasbo.org.

Although state fiscal crises slowed teacher salary increases during the 2001-2002 school year, a shrinking economy and higher starting pay have helped ease teacher shortages nationwide, a report released last month concludes.

Every year, the American Federation of Teachers issues a study that includes state-by-state statistics on teacher salaries and examines employment trends in the education field. The group’s 2003 report finds that the balance between supply and demand for new teachers has improved thanks in large part to a depressed job market for college graduates.

According to the report, there currently is an oversupply of physical education teachers. However, considerable shortages still remain in certain subject areas, particularly in math, physics, chemistry, earth science, biology and Spanish-language instruction.

In the Midwest, Michigan teachers continue to receive the highest average pay. In fact, over the past three years, that state’s U.S. ranking for average teacher salaries has jumped from four to two.

The three states with the region’s lowest teacher wages — Nebraska, North Dakota and South Dakota — experienced the largest percentage increases in salaries in the Midwest.

Report details state budget conditions, decisions

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Teacher shortage eases as salaries rise, economy slows

Teacher salaries in the Midwest

<table>
<thead>
<tr>
<th>State</th>
<th>Average salary in 2001-2002</th>
<th>Change from 1999-2000</th>
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<tbody>
<tr>
<td>Michigan</td>
<td>$52,497 (2)</td>
<td>7.0%</td>
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<tr>
<td>Illinois</td>
<td>$49,679 (8)</td>
<td>6.8%</td>
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<tr>
<td>Indiana</td>
<td>$44,609 (15)</td>
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<td>North Dakota</td>
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<td>South Dakota</td>
<td>$31,383 (50)</td>
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</tr>
<tr>
<td>U.S. average</td>
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<td>6.3%</td>
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</table>

State ranking is in parentheses. Source: American Federation of Teachers

Year-end balances as a percentage of total expenditures

Year-end balances are for fiscal years 2003 and 2000. The percentages in parentheses are for fiscal year 2002, when the state average amounted to 10.4 percent of total expenditures. According to the National Governor’s Association, a 5 percent balance of expenditures is generally considered a sign of good fiscal health. The average for all 50 states in fiscal year 2003 was 1.3%.
Teachers use lessons from classroom in their work as legislators

by Laura Kliewer

Long before he became a part of state government, Kent Eken was teaching it. In fact, his experience as a high school political science teacher played a large part in his decision to run for office.

“I remember that I would talk about some of the problems in our democratic system, and I had a student who kept saying, ‘What do we do?’” Eken says. “That student sent me a note after I ran for office and said, ‘You finally answered my question — to get involved and try to change the way things are.’”

Eken, now in his first term in the Minnesota House of Representatives, is one of many examples of teachers serving in Midwestern state legislatures, juggling the schedules of the two professions is not easy; such conflicts often force an individual to choose one job or the other. Others, though, have been able to take on the dual role of educator and legislator. For both past and current teachers, the classroom experience gives them unique insight into a public policy area that is at or near the top of every state’s priority list.

“It is important that there are teachers in the legislative process,” Kansas Senate Minority Leader Anthony Hensley believes. “I think it is important that we have people from all walks of life in the process.”

A teacher for only one year before he successfully ran for the Legislature, Hensley served 16 years in the House and is now in his 11th year in the Senate. He is currently a social studies teacher for children with behavior disorders.

“Based on my day-to-day experiences in the classroom, I have a unique perspective in terms of public policy and a compassion for really trying to improve our public school system and provide quality education for all kids, regardless of what their disability or exceptionality may be,” Hensley says.

Every year, Hensley has to take a leave of absence from his teaching job during the 90-day legislative session. When it ends, he heads right back to school. The Topeka Democrat teaches during the summer months as well, splitting his time between school and his Capitol office.

North Dakota Rep. Margaret Sitte has just begun to adjust to her new role as an educator and a legislator. Although she took the second semester off from her position as a high school English teacher, the last two weeks of the fall semester corresponded with the first two weeks of the legislative session.

“I had all my lesson plans and recorded the daily grades,” she recalls. “I had a wonderful sub, and then on the weekends, I was just booked correcting essays.”

One of the two legislative committees that the Bismarck Republican served on this year was Education. “My biggest surprise was how little we discussed learning and how much we discussed money,” says Sitte, adding that the committee also focused much of its efforts on working through the federal No Child Left Behind Act.

“I do think one thing that I contributed was the private school perspective. A lot of times I would speak up and ask, ‘What is the impact of this going to be?’ in a variety of areas that otherwise would have never been raised.”

For all three, the experience of teaching has clearly impacted their legislative work. For example, Eken, who taught for 12 years before quitting to move back to the family farm and run for office, sponsored a bill this year to help sustain and strengthen small schools. For now, he has had to put his teaching career on hold. State law in Minnesota protects the job of teachers who subsequently become legislators, but school districts might shy away from hiring an individual they know will only be able to teach in the fall, Eken says.

Although the dual teacher-legislator role doesn’t work for everyone, Hensley believes states should do whatever they can to make sure that “average working people” are able to serve.

“We remain a citizen legislature, and that is one of the strengths of our system,” he says. “Always one of the big debates we have in Kansas, and I think they have this in other states as well, is to be able to adequately compensate people for the time they do take off from their jobs. Whether they are a teacher or a factory worker or an attorney, you have to make the compensation level such that they can serve for the 90 days.”

One of the many services provided by the Midwestern Office of The Council of State Governments is its Information Help Line, a research service intended to help lawmakers, legislative staff and state officials from across the region. The CSG Midwest staff is always available to respond to members’ inquiries or research needs regarding various public policy issues. The Question of the Month section highlights an inquiry received by this office. To request assistance through CSG Midwest’s Information Help Line, call 630/810-0210 or use the online form available at www.csgmidwest.org.

**Question of the Month**

**Question:** Which states cover prenatal health care for noncitizens?

**Answer:** Prior to the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act, legal immigrants were generally eligible for public benefits on the same basis as citizens. However, the 1996 welfare law established restrictions on legal immigrants’ eligibility for Medicaid and the State Children’s Health Insurance Program (SCHIP). Under these rules, states may provide coverage to most legal immigrants who entered the United States before Aug. 22, 1996. States cannot use federal Medicaid dollars to provide health coverage to legal immigrants entering the country after that date for the first five years they are in the United States. After the five-year period, states may provide legal immigrants with Medicaid coverage, and most (43) have elected to do so, including all of the Midwestern states except North Dakota.

To address the health needs of legal immigrants during the so-called “five-year bar,” some states have chosen to develop state-funded replacement programs, particularly to cover special populations such as children, the elderly and the disabled. According to the Center on Budget and Policy Priorities, fourteen states fund replacement programs for pregnant women.

It is well-documented that comprehensive prenatal care is critical to child and maternal health and well-being. Women who have access to early and regular prenatal care are less likely to deliver preterm and low-weight infants, factors in 60 percent of infant deaths. It is estimated that half of all maternal deaths could be prevented with appropriate prenatal care that provided for early diagnosis and treatment of pregnancy complications. In the Midwest, Minnesota and Nebraska (outpatient only) fund prenatal health coverage for pregnant women regardless of immigration status.

In October 2002, the U.S. Department of Health and Human Services published new rules granting states the option of using SCHIP funds to provide health insurance coverage to fetuses. The regulations amended the definition of an eligible, low-income child to include “the period from conception to birth,” and they apply to fetuses regardless of the immigration status of their mothers. To date, only three states have elected to provide immigrants with prenatal coverage using this option, including Illinois and Michigan in the Midwest.
Deep budget shortfalls test Michigan, Wisconsin policymakers

by Tim Anderson

The 2003 legislative year in Michigan and Wisconsin brought with it new governors and different divisions of partisan control, but one overriding public policy concern carried over from last year: deep shortfalls in the state's budgets.

In both states, it was left up to a mix of new and experienced leaders to devise solutions to serious state budget problems. The combination of large deficits and new roles for the parties sometimes made the search for compromise difficult.

In Michigan, the estimated shortfall for fiscal year 2004 was $1.7 billion, while Wisconsin's projected deficit for the next biennium was $3.2 billion.

These numbers, divided partisan control of government and intense public scrutiny, put significant pressure on Michigan and Wisconsin lawmakers. The following is a look at how the budget crisis in each state was handled.

'Huge bipartisan success'

Announcing a cut in school aid isn't the way a newly elected governor wants to start a term in office. Just weeks after her inauguration, though, Democratic Gov. Jennifer Granholm had to do just that. With the state's school aid fund facing a shortfall of about $140 million for fiscal year 2003, and a constitutional requirement that the deficit be balanced with prorated cuts to schools, the governor delivered the "personally painful" news to legislators.

It was a reminder early in the year of not only the extent of the state's budget difficulties, but of the challenge that lawmakers and the governor would face in crafting a new fiscal year 2004 budget. The projected deficit in the school aid fund was even greater for 2004, while the state faced an overall shortfall of $1.7 billion. (Michigan's school aid fund is completely separate from the general fund.)

Michigan lawmakers, though, managed to reach a final solution well before the start of the new fiscal year (Oct. 1). In July, Granholm and Republican legislative leaders announced a budget agreement that Speaker Rick Johnson of LeRoy deemed a "huge bipartisan success."

The fiscal year 2004 budget contains no state tax increases, but it does rely partly on fee increases. According to Greg Byrd, director of communications for the Michigan Office of the State Budget, the governor's original budget called for fee increases totaling about $125 million. He says additions by the Legislature will increase that amount. The new or increased fees will be directed at various groups, from pet shop owners to state park users, while penalties were increased for driving violations.

The state also expects to generate money through the closure of some tax loopholes. For example, a new claim it Correctly program has been created to stop the improper use of homestead exemptions by multiple homeowners or out-of-state residents with vacation homes in Michigan. Based on a county pilot project, Claim it Correctly is expected to generate an additional $35 million to $40 million in revenue in 2004.

In addition to closing tax loopholes and raising fees, Michigan lawmakers filled the budget hole by tapping into their share of the recent federal aid package for states. (About $338 million of the money had no restrictions on use, while the rest was earmarked for Medicaid-related expenses.)

"It was used in different ways, but always with the knowledge that it is one-time money," Byrd says. "That is why a lot of the federal aid money ended up in reserves and not to fund ongoing programs."

About $200 million was set aside in various state savings accounts, including the budget stabilization fund ($75 million) and a newly created education savings account ($75 million). Lawmakers hope this new savings fund will better protect the financing of K-12 education during economic downturns and prevent a repeat of the kind of across-the-board cut to local schools that had to be made in early 2003.

To balance the budget fully, Michigan policymakers chose to complement their revenue enhancements with spending cuts. Expenditures for higher education were reduced by 10 percent and aid to local governments was sliced by 3 percent. Lawmakers did keep the per-pupil funding level for K-12 education students at $6,700 and also preserved a merit scholarship program for high school students.

The most contentious issue between the Democratic governor and Republican lawmakers involved transportation funding. Earlier this year, Granholm announced a "fix it first" road strategy that focused on repairing old roads and would have delayed the funding of 34 projects. Lawmakers resisted this proposal. As the result of a compromise reached by legislative leaders, 17 of the 34 projects will move forward. The state's Transportation Commission will issue up to $200 million in bonds to pay for the roadwork.

Power of the gubernatorial veto

Despite the unavoidable budget-related policy differences that arose during the 2003 session in Michigan, the final agreement seemingly satisfied both the Republican-led Legislature and Democratic governor.

Finding compromise proved to be much more difficult in Wisconsin. Last month, Democratic Gov. Jim Doyle signed the state's new biennial budget, but he also announced a total of 131 vetoes to the bill that had been passed by the Republican-controlled Legislature.

The most highly publicized veto involved a levy limit that the Legislature placed on local governments. The legislative plan would have allowed municipalities to raise property taxes only to pay for new construction costs or through voter-approved referenda. Tighter spending caps also would have been placed on local school districts.

"Both the Legislature and governor have been in agreement about the fact that we shouldn't raise state taxes, but we shouldn't allow a shift to take place where the taxes get passed down to the local level," argues Rep. Suzanne Jeskewitz, a Republican from Menomonie Falls.

"We've been told by our Legislative Fiscal Bureau that we could see a property tax increase of more than 4 percent [without the levy limits]. People just can't afford that kind of increase."

Doyle, though, says local governments need and deserve flexibility in their taxing decisions, especially since the state decided to cut revenue sharing by $50 million in the new budget. The levy limits would cut essential services and curtail municipalities' ability to secure bond financing for various economic development projects, he argues.

The governor also vetoed some previously approved transportation spending while adding money for certain education and health insurance programs. In addition, the governor's final budget creates a $205 million budget reserve fund.

The Legislature and governor did agree on the need to cut the state bureaucracy and raise various fees. According to Doyle, the state's payroll will be trimmed by 2,300 jobs as part of a 10 percent funding cut to state agencies, which amounts to about $400 million in savings.

More than $400 million in fee increases also were enacted. These range from steeper co-payments for health benefits and higher automobile registration costs, to increases for hunting and fishing licenses and court fees.

In addition, the state has given the University of Wisconsin's regents the authority to increase tuition by $150 million over the next two years as a way of helping offset a $250 million reduction in state funding. The state will increase funding to local school districts, but it will fall short of a previous commitment to pay for two-thirds of K-12 education.
Four Midwestern states enact new anti-spam laws in 2003

by Matthew Kemeny
for Stateline Midwest

On the heels of a legislative trend that saw many states create do-not-call lists for telemarketers, another consumer protection/privacy movement has spread quickly in state capitols across the Midwest and nation: governmental regulation of unsolicited e-mail, or "spam.”

The issue’s popularity with lawmakers demonstrates its widespread resonance with constituents. The rise in Internet use has made e-mail a popular commercial marketing tool, and this proliferation of spam has caused some of the same concerns associated with telemarketing. Whether they are viewed as an annoyance, a means to conduct deceptive sales practices or both, these two types of unsolicited communication have become common targets for lawmakers.

According to David E. Sorkin, a law professor at The John Marshall Law School Center for Information Technology and Privacy Law, at least 35 states now have some kind of spam legislation on the books (a state-by-state summary of the laws is available at www.spamlaws.com). This year, four Midwestern states — Indiana, Michigan, Illinois and North Dakota — passed new bills designed to curb or regulate unsolicited commercial e-mail.

A measure passed in Indiana this year will require the senders of spam to tag the messages and will allow recipients to stop receiving the advertisements. Indiana Rep. Jonathan Weinzapfel, a Democrat from Evansville, says the law is a "logical progression from the state’s ‘no call’ list that protects Hoosiers from telemarketers.”

"This law makes it easier for a person to determine if he or she is getting an ad via e-mail, which makes it easier to decide whether or not to open the mail,” he adds. "You will be able to tell the person sending the mail that you don’t want to get these messages anymore. If they persist, you can take them to court.”

Under the new law, spam senders could be fined up to $500 per unsolicited e-mail for not honoring the requests of individual recipients. In addition, unsolicited e-mail now must be tagged in the subject line by using "ADV" for commercial or "ADV:ADL” for pornography or credit offers. Senders also must show the origin of the mail and are forbidden from using a third-party domain name without permission.

In Michigan this year, lawmakers considered creating a "do-not-spam” list, similar in intent to the "do-not-call” registries for telemarketers enacted by many states and eventually the federal government. Under the plan, individuals could place their electronic mail addresses on a "do-not-spam” list that would have to be honored by potential senders.

Federal legislation to create such a registry also has been introduced. Proponents say a state or national list would more successfully stop the delivery of unwanted e-mail than the laws passed so far around the country. Some, though, argue that this kind of list would be unworkable, inhibit the activity of legitimate businesses or other groups, and not effectively curb deceptive sales practices.

The Michigan bill signed into law ultimately did not include a do-not-spam registry. Instead, like the Indiana measure, the law requires that spam senders include a subject line informing recipients that they have received unsolicited commercial e-mail. In addition, certain contact information and a valid method for consumers to opting out of receiving future e-mails must be included. The sender also is required to establish and maintain the necessary policies and records to ensure that a recipient who opted out of receiving e-mail solicitations does not receive future spam.

Violation of the Michigan law will result in a misdemeanor punishable by imprisonment for up to one year and/or a fine of up to $10,000. A civil action can be brought by the attorney general’s office or by the recipient.

"Spam accounts for nearly half of all e-mail,” says Michigan Rep. Bill Huizenga, who sponsored the Michigan House measure. “I have heard from countless people, and I know from personal experience, that deleting unwanted e-mail is a time-consuming burden.”

The Republican from Zeeland adds that spam reduces business productivity and can introduce unsolicited pornography and harmful viruses into computers.

Illinois’ new law also will require subject lines for advertising, including one for pornographic spam (like other state measures, it will read "ADV:ADL” for adult-oriented messages). Fines for a violation of the new law will be $10 per e-mail or $25,000 for each day of the violation, whichever is lower. The measure also requires senders to list a toll-free telephone number or return address so that recipients can "opt out” of future messages. North Dakota’s 2003 legislation contains similar provisions. Under its new consumer protection law, "damages to the recipient of a commercial electronic mail message … are $500, or actual damages, whichever is greater.”

Need to do more?

One of the biggest concerns about unsolicited e-mail is the possibility that it can lead to children accessing, either intentionally or unintentionally, adult-oriented Web sites. As mentioned above, much of the new spam legislation attempts to address these concerns by requiring that pornography-related e-mails make the content known in the subject line.

States have other tools at their disposal as well. For example, earlier this year, the Illinois attorney general’s office filed suit against two companies after receiving numerous phone calls from concerned parents. Among their complaints was the fact that their children were opening up innocent-looking spam that connected to online adult Web sites. In some cases, the companies then billed the consumer for logging on to the site.

The work of attorneys general and state lawmakers clearly illustrates a concern about spam and a willingness to regulate it. But have their efforts been effective? Privacy advocates note that people are continuing to receive more and more unsolicited e-mails. They say state statutes are sometimes too lax on penalties and even give legitimacy to the senders of spam.

Because technical solutions, such as anti-spam software, have not proven satisfactory to Internet users, there will be mounting pressures on lawmakers to do more. Until strong federal legislation is enacted, it will be left to state policymakers to take a lead role, much like they did with previous efforts to regulate telemarketers.

The case against unsolicited commercial e-mail

The Coalition Against Unsolicited Commercial Email believes spam is a threat to the viability of Internet e-mail and a danger to electronic commerce. Here are some key points CAUCE makes in its argument against spam.

• Cost-shifting — Unsolicited e-mail can boost bandwidth costs by causing Internet service providers to either raise rates or increase their bandwidth. It also takes time for an Internet service provider to process spam, which can affect access, speed and reliability for users.

• Fraud — Spammers utilize tricks and deception (such as the use of a third party) to lure recipients to open the messages.

• Waste of Others’ Resources — When a spammer sends an e-mail message to a million people, it is carried by numerous other systems en route to its destination, shifting cost away from the originator. Also, as a result, unsolicited e-mail creates inefficiencies on the Internet.

• Displacement of Normal E-mail — E-mail has become a critical business tool, but spam can and will overwhelm one’s e-mail box. The eventual effect may be to eliminate e-mail as a useful and effective communication tool.

• Annoyance Factor — A person’s e-mail address is not public domain, and he or she should have better control over what is in the e-mail box.

CAUCE believes that spam is not only a nuisance but a threat to electronic commerce and a threat to your privacy. Take a stand against spam. Log on to the site.
Leaders learning to adapt to changes in U.S.-Canada relations

by Ilene K. Grossman

When people are asked to describe the relationship between Canada and the United States, the border is often one of the first things mentioned, and with good reason. Not only is the border unique — it is the longest undefended boundary between two countries in the world — it also impacts many other aspects of the multifaceted relationship between the two friendly neighbors. The way both countries view management of the border is changing, and as a result, many modifications and new cooperative ventures are occurring in the U.S.-Canada relationship.

Michigan Rep. Lauren Hager, whose district is located across the river from Sarnia, Ontario, says the relationship between states and provinces, and the two federal governments, is important for many reasons. People cross the border every day, he says, and the strong economic, social and even familial ties that have developed need to be maintained and strengthened.

The flow of goods and services between the two countries makes for the largest trading relationship in the world. Two-way trade averaged $1.3 billion every day. In 2001, Canadians bought $163 billion worth of American goods, more than all of the countries in the European Union. In addition, Canada is the largest trading partner for nearly every state in the Midwest. Between 1994 and 2001, thanks in part to the North American Free Trade Agreement, trade between the two nations grew by 50 percent.

Trade, of course, relies on effective border management. This always-challenging governmental task has become even more difficult since the Sept. 11 terrorist attacks, which heightened concerns about security and the movement of goods and people between countries. Without effective management, new security measures can conflict with the countries’ important trading partnership, because delays at the border cause tremendous losses for businesses, especially with the “just-in-time” manufacturing chain that has developed between the two countries.

The northern boundary of Minnesota Sen. LeRoy Stumpf’s district runs along the Canadian border. He concedes that “some problems have crept into the U.S.-Canada relationship following Sept. 11.” In the aftermath of the terrorist attacks, there was a major increase in the time it took to cross the border. Some of these problems were caused by a more intense inspection process, along with a U.S. decision to shift about 100 inspectors from the northern border to the southern border with Mexico. These changes, coupled with the reorganization of several key immigration and border-related agencies into the new Department of Homeland Security, “have brought some ups and downs, and this has been a test of our relationship,” Stumpf, a Democrat from Thief River Falls, says.

In an effort to improve border management and security, Canada and the United States signed the Smart Border Accord in December 2001. One of the agreement’s primary goals is to collaborate in a way that better identifies security risks but, at the same time, expedites the flow of low-risk travelers.

The countries’ NEXUS program offers dedicated lanes at busy border crossings for frequent travelers who have applied to participate. FAST, a similar initiative for low risk, pre-approved commercial traffic, has been launched at two Michigan-Ontario locations.

The Smart Border Accord also focuses on the secure flow of goods, including the development of joint standards for screening cargo both before it arrives in North America and then at its first point of entry. At the same time, both countries have agreed to explore ways to speed the movement of low-risk goods by moving screening away from the border to rail yards and ports. New, secure technologies to relieve congestion at key border crossings also are being implemented.

The role of states and provinces in maintaining and improving approaches to ports of entry is especially important, and as technology improves crossings at land borders, the infrastructure to support increased trade and travel will have to be in place.

As part of efforts to boost security, both nations are strengthening coordination and cooperation between law enforcement agencies. For example, Canada has been participating in a U.S.-led counterterrorism exercise involving government leaders and first-responders.

State and provincial leaders will want to continue to be involved in many aspects of implementation of the Smart Border Accord, not just those areas (such as the counterterrorism exercise) where they have a specified role to play. More than ever before, information sharing and cooperation at all levels of government will be relied upon to ensure improved border management and security.

New chances for collaboration

Emergency management, involving both natural and human-caused disasters, is another area where closer collaboration is taking place. A pilot project on regional medical surge capacity is currently being conducted between the six New England states, Quebec and the Maritime provinces. (The project has been organized with assistance from the National Emergency Management Association, which is staffed by The Council of State Governments.)

This program seeks to provide hospital beds, supplies and medical teams for areas where an attack involving biological weapons or other weapons of mass destruction has occurred, but it could easily be applied to problems caused by natural disasters as well. As part of the initiative, some of the rules regulating temporary immigration and customs matters have been set aside. Meanwhile, according to NEMA, states and provinces in the Pacific Northwest are in the process of adopting a similar mutual aid agreement.

There are other areas where leaders on both sides of the border can work to strengthen their relationship. The harmonization of regulatory standards — or, at the very least, the mutual recognition of regulations — is important to maintaining the flow of commerce across the border.

States and provinces regulate truck size and weight standards. Differences between them, even slight ones, can make it difficult for truckers to move freight. And while the federal governments maintain a major role in transportation, the harmonization or mutual recognition of standards at the sub-national government level could greatly improve the flow of goods.

The role of states and provinces in the U.S.-Canada relationship is likely to increase as many of the new border-related, collaborative efforts already under way continue. As has happened in the past, conflicts are bound to arise as the relationship touches new policy areas.

“There are challenges, but they are being met by cooperation between the two countries,” Hager, a Republican from Port Huron, believes. One challenge, in fact, is to make sure that potential disputes are resolved before they become serious problems. The most efficient way to work through them is to cooperate wherever possible and to have mechanisms in place to address any problems informally before they become major trade disputes.
Elderly mobility, urban sprawl among key transportation issues

(Continued from page 1)

compromise with the Legislature, ultimately agreed to move forward with 17 of the 34 projects.

The new fiscal realities exist at the same time there is a need for more infrastructure improvements and transportation investments. Across the Midwest, people are driving more miles and dealing with more traffic congestion. In some of the region’s cities, transportation has become the single greatest household expense, surpassing even the cost of housing.

Another common transportation concern in the Midwest is the rise in the senior citizen population, particularly in rural areas where public transit options are limited. Iowa, for instance, has a higher percentage of people 85 and older than any other state in the country. By 2040, Minnesota demographers predict that 21 percent of the state’s population will be 65 or older (compared to 12 percent in 2000).

Mobility is an essential part of a senior citizen’s ability to remain independent, and some community-based programs already have tried to address those needs.

Kansas Sen. Larry Salmans, a Republican from Hanston, says parts of Kansas have had success with a Senior Companion Program, which provides people age 60 and older the opportunity to provide assistance to elderly individuals who are homebound and often living alone. That help includes meeting the frail elderly’s transportation needs.

“If we would expand that program, it would be a tremendous help for all rural areas in the state,” he says. “The fact of the matter is that a lot of communities in Kansas just don’t have the infrastructure for public transportation, but we do have a strong neighbor-helping-neighbor attitude. The companion program really lends itself to that idea. It builds on the strengths we know we have in Kansas.”

Some states also have begun to change road designs (by improving lighting, enlarging highway signs, etc.) to improve the safety of seniors who continue to drive.

Forkenbrock says Iowa’s transportation strategy can help rural areas in other ways as well. In small communities relatively close to urban centers such as Des Moines, the state should ensure that a strong network of roads allows for safe commutes. In more isolated rural areas, an improved freight rail system that provides for growth in the value-added agriculture industry is needed.

“A lot of times, people in rural areas live close to where they work; that’s not the problem,” he says. “The issue is moving the goods they produce, and freight rail is a way to accomplish that.”

Needs in urban areas

The Midwest’s cities and suburbs, meanwhile, have a unique set of transportation needs. Increases in population and concerns related to urban sprawl have placed more pressures on states to intervene in decisions that have traditionally been left to local communities. Wisconsin’s Smart Growth Law now requires every community in the state to develop a comprehensive land use plan by 2010. This summer, Gov. Granholm’s Michigan Land Use Leadership Council issued a series of recommendations on how the state can curb urban sprawl.

Among the council’s suggestions is one calling on the state to invest more in public transit. A recent report by the Joyce Foundation, a Chicago-based organization, found that the Midwest has so far lagged behind other regions in the country when it comes to developing transportation alternatives to roads. There have been notable exceptions, such as Minnesota’s investment in a $675 million light-rail project for the Twin Cities. Legislators also are discussing the possibility of constructing that state’s first commuter line.

Overall, though, this region’s policymakers have not taken full advantage of the flexibility given to them in recent federal transportation laws, says James Seidita, a program officer with the foundation.

“Building roads can be a good way of getting people around, but it shouldn’t be the only way,” he adds. His hope is that future state strategies will recognize the need to invest more fully in multiple modes of transportation.

Future modes of regional transportation could include high-speed rail

One potentially useful mode of transportation that has so far gone untapped in the Midwest is high-speed rail, but a group of lawmakers and transportation officials has been working to advocate and plan for such a system.

Proponents envision a 3,000-mile, regional high-speed rail network using existing, but upgraded, tracks that would have 110 mph trains servicing intercity travelers in the Midwest. Chicago would serve as the system’s hub. Trains would not only run faster, but much more frequently as well.

The Midwestern Office of the Council of State Governments has actively promoted high-speed rail for this region, providing staff support for the Midwest Interstate Passenger Rail Commission. Formed by the compact agreement in 2000, the commission includes state legislators and transportation department officials. Thus far, six Midwestern states — Indiana, Minnesota, Missouri, Nebraska, North Dakota and Ohio — are part of the MIPRC (every state in the region is eligible to join).

In addition, nine states are currently involved in the Midwest Regional Rail Initiative, a project that has studied the feasibility of an improved passenger rail system for the region and developed implementation plans. Despite growing support among policymakers in the region, the development of a revamped rail system for the Midwest is contingent on help from Washington, D.C.

For that reason, much of the MIPRC’s work has focused on lobbying efforts.

Commissioners traveled to the nation’s capital in June to meet with members of the U.S. Congress about the American Passenger Rail Agreement, which calls for the development and preservation of a nationwide, interconnected passenger rail system. The proposal, which has the support of more than 100 groups nationwide, including CSO, also calls for a dedicated source of federal funding similar to what already exists for mass transit, airport and highway programs.

Rail advocates have been keeping a close eye on developments related to the federal reauthorization of Amtrak and the Transportation Equity Act for the 21st Century (TEA-21). Funding for an improved rail system in the Midwest would most likely come from one of these two sources.

If a regional high-speed rail network becomes a reality, proponents say it would greatly improve the Midwest’s transportation structure by reducing congestion on roads and limiting the need for new ones. The system also could provide a viable alternative to air travel for passengers moving from one Midwestern city to another.

For example, according to the Midwest Regional Rail Initiative’s plan, someone traveling between Chicago and Minneapolis could choose among six different daily roundtrips. Time on the train would be cut by 2.5 hours, one way. Daily roundtrips between Chicago and St. Louis would take under four hours.
Rep. Matt Entenza: Minority leader takes on new challenges in career devoted to public service

by Tim Anderson

Matt Entenza grew up a long way from the world of politics. Raised in the small town of Worthington, located in the southwest corner of Minnesota, Entenza lived hundreds of miles away from even the state capital of St. Paul. But once a year, the world of U.S. politics came to Worthington for its famous King Turkey Day festival.

Some of the biggest names in state and national government, everyone from Spiro Agnew to Hubert Humphrey, visited during Entenza's childhood. And though they might have only been passing through town, the nationally known politicians left a lasting impression.

"It was a big deal in a small town," he recalls. "They all talked about public service, and what it meant to be involved in it."

Thanks to the influence of those politicians' visits, along with his mother's work as a nurse, Entenza decided early on that he wanted to pursue some kind of career in public service.

Years later, Entenza is now the familiar politician taking part in local parades and festivals. He has been a member of the Minnesota House since his first election in 1994 and was chosen by his caucus last November to serve as minority leader.

Move to the Capitol

Entenza's commitment to a career in public service didn't mean he was destined to seek elective office. After studying law at Oxford University, he came back to his home state and eventually began working as an assistant attorney general. He enjoyed his work in the office's charities division, taking particular satisfaction in the prosecution of fraudulent telemarketers.

"There was a point that I really put thoughts of running for office out of my head," he says. However, Entenza was becoming more and more involved in children's and education issues in the St. Paul community where he and his wife, Lois Qualm, were raising their three boys. That work gave him both the opportunity and desire to run for a House seat.

After his successful campaign, Entenza began a new job in a place that had become quite familiar to him: the state Capitol. Even before his work in the attorney general's office, the St. Paul Democrat had worked there in college as an intern for then Senate Majority Leader Roger Moe.

"I was very lucky to have worked for him," Entenza says. "It [the internship] was a real eye-opener for me."

"I grew up four hours from the Capitol and had never even been there before. So I guess part of me had thought that politics might be limited to a much narrower class of people. But that experience taught me that it wasn't, and that an individual could really have an impact and get things done."

As a representative, Entenza has put that knowledge to work. His past legislative initiatives have included a major reform of the state's child protection system and the strengthening of penalties for various white-collar crimes.

His efforts to improve child protection services have led to a reduction in the amount of time children spend in foster care and more help for abused young people. The state's goal now is to resolve foster care cases in a year's time, and to place a child 8 or younger in a home within six months.

"We put an accountability system in place so it wouldn't be possible to put these kids in limbo," Entenza says. "[Before] we just had huge backlogs of children who were stuck in foster care for years, not getting the chance they should to be adopted or find a family."

Changes to Minnesota's white-collar crime laws arose out of Entenza's work as an assistant county prosecutor, a job he held during his first few years in the House.

"I saw a lot of white-collar criminals who would say, 'Well, I'll just pay the fine and move on,'" he recalls. "We needed to find a way that made them pay for the crime."

"People who were taking pension funds or destroying the jobs of thousands of people were getting comparatively lighter sentences than, say, a person who robbed a 7-11. It wasn't a reasonable approach."

His previous experience as prosecutor has been used in other instances as well. For instance, when he served as the chief author of a 2002 bill that created a do-not-call list for telemarketers, the legislative work was partly an extension of his previous efforts in the attorney general's office.

Taking a leadership role

Entenza's career in public service now finds him leading the House Democratic caucus during a challenging period for everyone in state government.

"We have big deficits like every other state in the upper Midwest, so that creates an opportunity to define what your party and what your caucus stands for," says Entenza, who previously served as minority whip in the state's lower chamber.

Republicans control the House and governor's office, while Democrats enjoy a majority in the Senate. Early this year, the GOP pledged not to raise state taxes, and much of its budget priorities eventually were enacted. Democratic leaders like Entenza argue that the Republicans' plan will substantially raise local property taxes and doesn't adequately fund priority policy areas such as education.

The policy differences between the two parties were sharp this year, but that is OK with Entenza.

"We knew this was going to be a tough year for everybody, and the two parties just had very different visions on what the direction of the state should be," he says. "The upside is that voters are able to see the differences. There is more accountability that way."

"We just went through an experiment in 'tripartisanship' with [Independent] Gov. Ventura, which I think a lot of us found was not effective. We had a lot of gridlock, things became less defined, and it became harder for the public to figure out what was going on here."

With the return of two-party rule, Entenza is responsible for helping shape a Democratic agenda that wins over Minnesotans. He plans to rely heavily on the talents and points of view of individuals in his caucus — a leadership style he first learned from his old boss, Sen. Moe.

"He gave people ownership in policy and gave them a real strong sense that they could have an impact," Entenza recalls. "And with the talent we have here, it only makes sense to do it that way."
In 1954, the United States Supreme Court ruled in Brown vs. Board of Education that separate but equal was inherently unequal and that public education school systems should be integrated with all deliberate speed. In the last five decades, public education has undergone many changes and experiments. But in the most fundamental sense, the state of public education is best described by a word that was equally applicable before the Brown decision: disparity.

Until 1999, racially-disaggregated proficiency test data was only readily available at the state or macro level for all school districts. At that time, the Ohio Department of Education was prohibited by law from reporting racially-disaggregated data on local school district report cards. Discussions with the department revealed that although the department had been collecting racially disaggregated data since the inception of proficiency testing in the early 1990s, it had never undertaken any efforts to analyze or present it. As a member of the Ohio House at the time, I advocated to put into state law that this disaggregated data be made available. The numbers showed startling disparities.

In 1999, only 22 percent of black students passed the fourth-grade proficiency test in math, compared to a 57 percent passage rate for white students. Similar results were shown in the other four subject areas (reading, citizenship, science and writing). In 2002, the graduation rate for black students in Ohio was 60 percent, while the graduation rate for white students was 85 percent. Additionally, only 11.5 percent of black students passed all five sections of the fourth-grade proficiency tests, compared to a 43.1 percent passage rate for white students.

As part of an overall strategy to reduce the achievement gap, the National Black Caucus of State Legislators (NBCSL) adopted the following goals in the winter of 2000: (1) produce a research paper that both documents the extent of the achievement gap, the National Black Caucus of State Legislators (NBCSL) released a report titled “Closing the Achievement Gap: Improving Educational Outcomes for African American Children.” This report analyzes the black-white achievement gap and makes recommendations to help black students increase their performance and meet high academic standards. (A full copy of the report is available at www.nbcsl.com.)

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In the most fundamental sense, the state of public education is best described by a word that was equally applicable before the Brown vs. Board of Education decision: disparity.

During the next several years, the campaign will focus on ensuring that local school districts and the Ohio Department of Education comply with Ohio State Senate Bill 1, which specifically states that each school district shall provide prevention/intervention services in pertinent subject areas to students who score below the proficient level, and Federal House Resolution 1, also known as the No Child Left Behind Act. Both of these laws, if fully implemented, will dramatically close the achievement gap between children of color, children in poverty and white children as well as raise the level of achievement for all Ohio students through building shared responsibility. The campaign has chosen to focus on two of the extensive provisions in the No Child Left Behind Act. The first is ensuring that all students have a highly qualified teacher by 2005, and the second is that all students participating in Title I programs are taught with research-based reading instruction programs.

As part of efforts to ensure compliance with Senate Bill 1 and No Child Left Behind, we are currently working with stakeholders to establish locally-based Ohio Close the Gap Campaign Committees. These committees will assist local districts in meeting the mandates of the two pieces of legislation by building shared responsibility for closing the achievement gap among all stakeholders of local school districts. The stakeholders and their roles in building shared responsibility to close achievement gaps are as follows:

- Ohio elected officials — Fully fund the intervention services required in Senate Bill 1.
- School districts — Provide a highly qualified teacher as required by the No Child Left Behind Act and monitor implementation of Senate Bill 1.
- Schools — Ensure that all staff members know, understand and appreciate the communities and families of the students whom they teach.
- Primary teachers — Use research-based reading strategies.
- Parents — Create literacy-friendly homes with shared reading.
- Students — Actively participate in intervention programs.
- Community, religious, business and civic organizations — Monitor the implementation of existing law, advocate for the resources to fund legal entitlement initiatives, support parents to create literacy friendly homes, and motivate students to participate in intervention programs.

As members of the Legislature, we need to stop looking at Ohio’s struggling schoolchildren as “other people’s children.” We have to embrace the idea that each and every one of our state’s children are OUR children, and we need to do everything we can to provide them with an education. And that can only come from a campaign for shared responsibility.
Thirty-six state and provincial lawmakers took part last month in the ninth annual Bowhay Institute for Legislative Leadership Development, an intensive five-day program of leadership training and public policy analysis.

Conducted each year by the Midwestern Legislative Conference, in partnership with the University of Wisconsin’s Robert M. La Follette School of Public Affairs, the BILLD program is designed to help newer legislators develop the skills they need to become effective leaders and informed decision-makers.

This year’s BILLD graduates took part in sessions that included panel discussions on legislative strategies with past and current state leaders; professional development workshops on issues such as time management and media relations; and analyses of key public policy issues such as education and the regional economy.

Legislators from all 11 member states of the Midwestern Legislative Conference participated in the 2003 Bowhay Institute. They were selected by a panel of fellow Midwestern Legislators from all 11 member states of the Midwestern Legislative Conference. They included panel members selected by a panel of fellow Midwestern Legislators.

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Legislators from all 11 member states of the Midwestern Legislative Conference participated in the 2003 Bowhay Institute. They were selected by a panel of fellow Midwestern Legislators through a competitive, nonpartisan application process. Ohio Sen. Kevin Coughlin is chair of the BILLD Steering Committee. Two members of the Legislative Assembly of Saskatchewan also participated in this year’s program. A listing and group photo of this year’s BILLD Fellows will appear in the September issue of Stateline Midwest.

BILLD is funded through grants from foundation and corporate sponsors as well as an in-kind contribution provided by the Midwestern Office of The Council of State Governments.


For more information on the leadership development program, contact Laura A. Tomaka in CSG’s Midwestern Office at 630/810-0210 or ltomaka@csg.org.

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**Calendar**

Upcoming Midwestern Legislative Conference and Council of State Governments events:

- **58th Annual Meeting of the Midwestern Legislative Conference**
  - August 24-27, 2003 (Milwaukee, Wisconsin)

- **The Henry Toll Fellowship Program**
  - September 13-18, 2003 (Lexington, Kentucky)

- **The CSG Annual State Trends and Leadership Forum**
  - October 23-26, 2003 (Pittsburgh, Pennsylvania)

- **34th Annual Meeting of the Midwestern Governors’ Conference**
  - November 6-7, 2003 (St. Louis, Missouri)

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The Council of State Governments was founded in 1933 as a national, nonpartisan organization to assist and advance state government. The headquarters office, in Lexington, Kentucky, is responsible for a variety of national programs and services, including research, reference publications, innovations transfer, suggested state legislation and interstate consulting services. The Midwestern Office supports several groups of state officials, including the Midwestern Governors’ Conference and the Midwestern Legislative Conference, an association of all legislators in 11 states: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin. The 13 state MGC includes the governors of Kentucky and Missouri. The Canadian provinces of Ontario and Saskatchewan are MGC affiliate members.
Acknowledging the importance of technology start-ups and the role of business incubation to the development of the knowledge-based economy, the United States Department of Commerce’s Technology Administration has released a report that highlights 17 of the nation’s top business incubators.

The “National Benchmarking Analysis of Technology Business Incubator Performance and Practices” uses data on employment and sales revenue growth to classify the top-performing incubators. According to the study, the best programs are found to offer a variety of services, have a strong relationship with research universities or medical research institutions, or are located in metropolitan areas with a large presence of technology-based companies and related support firms. Among the report’s conclusions is that, in addition to having a sound incubator program, economic developers need to pay attention to the economic and community contexts in which they operate. The report is available at www.technology.gov/Reports.htm.

**ECONOMIC DEVELOPMENT, TECHNOLOGY & LABOR**

**EDUCATION**

During its annual meeting in July, the National Education Association announced that it is preparing a lawsuit to challenge unfunded mandates imposed on states by the No Child Left Behind Act. Lawyers for the member organization, which is composed primarily of teachers, says states will have to spend billions of dollars in new testing requirements, data collection and other services. A May 2003 U.S. General Accounting Office report referenced by the NEA puts the testing costs to states between $1.9 and $5.3 billion for the years 2002 through 2008.

The NEA plans to pay for the suit and is seeking states to serve as plaintiffs. The organization has proposed legislation that would grant flexibility to states in measuring schools’ academic progress and fully fund programs such as Title I, teacher quality and after-school programs. For more information, visit the National Education Association’s Web site, www.nea.org. The GAO report, “Characteristics of Tests Will Influence Expenses; Information Sharing May Help States Realize Efficiencies,” can be found at www.gao.gov.

**ENVIRONMENT, NATURAL RESOURCES & ENERGY**

Saying water resources are being “strained by overdevelopment, flooding, stormwater runoff and increased demands for drinking water,” Gov. Tim Pawlenty in June introduced a multifaceted plan to protect Minnesota’s rivers, streams and lakes.

The governor already has directed the formation of a Clean Water Cabinet that will be composed of leaders from various state agencies. In addition, he wants the state to initiate projects that target specific watersheds for improvement. Under this regional approach, the state would lead cooperative efforts between various local and federal officials. Together, they would set and reach goals for a particular watershed in the state. Pawlenty says the state also should create an ambitious plan to take full advantage of new opportunities under the 2002 federal farm bill, which increases the U.S. government’s commitment to conservation programs that create buffers between waterways and agricultural activity. Finally, the plan calls for the state to do more to protect the Mississippi River by eliminating the flow of untreated sewage and reducing fecal coliform runoff. The governor also would like to improve public access to the river.

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**HEALTH & HUMAN SERVICES**

More and more states are seeking federal Medicaid waivers to incorporate home and community-based services (HCBS) into their long-term care programs. Since 1992, the number of waivers granted has grown by about 70 percent. These cover almost 700,000 beneficiaries, 55 percent of whom are elderly. According to a new report from the U.S. General Accounting Office, federal oversight of the waivers must be strengthened. There are currently no federal requirements for HCBS quality assurance systems, and waiver applications and annual reports provide little or no information on state mechanisms for assuring quality. The GAO found more than 70 percent of waivers for the elderly had one or more problems with quality of care.

The report recommends that the Centers for Medicaid and Medicare Services develop protocols for ensuring that state quality assurance efforts are adequate to protect beneficiaries and improve how state waivers are monitored. As of June 2002, almost one-fifth of waivers in place for three or more years had either never been reviewed or had been renewed without a review. The report (GAO-03-576) can be accessed online at www.gao.gov.

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**MIDWEST-CANADA RELATIONS**

Just before leaving office, U.S. Environmental Protection Agency Administrator Christine Todd Whitman joined with David Anderson, Canada’s minister of the environment, to announce three joint air-quality pilot projects aimed at reducing cross-border air pollution.

One of the three projects, the Great Lakes Basin Airshed Management Framework, will focus on pollution concerns in southeastern Michigan and southwestern Ontario. Along with increasing information exchanges, the project aims to move toward a regional airshed management approach. Environmental officials also announced that a joint U.S.-Canadian study would be conducted to look into the feasibility of emissions trading for nitrogen oxide and sulfur dioxide, both of which contribute to smog and acid rain problems. Transboundary air pollution is a critical problem for both countries. Whitman and Anderson say these new projects, which are designed to better coordinate air quality management, will serve as a foundation for further cooperative efforts. For more information, visit www.epa.gov/airmarkets/wwa/index.html.

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**LOOKING FOR MORE?**

For the latest on key policy issues impacting the Midwestern states, turn to Firstline Midwest. You’ll find the following past issues of our policy briefs on the CSG Midwest Web site: www.csgmidwest.org.

**2003**

**JULY/AUGUST:** Expanding Access to Health Care
**JUNE:** Improving Recycling Programs
**MAY:** Legislative Budget Processes
**APRIL:** Tech-led Economic Development
**MARCH:** State DUI Laws
**FEBRUARY:** Water Quality Protection
**JANUARY:** Charter and Private Schools

**2002**

**DECEMBER:** Prescription Drugs
**NOVEMBER:** Foster Care
**OCTOBER:** Animal Welfare
**AUGUST/SEPTEMBER:** After School and Summer School Programs

**2001**

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proposed by the Unicameral Legislature's Education Committee would have changed the aid formula by comparing school systems of similar sizes and looking at how much they spend on programs for low-income children and students with limited English-speaking skills.

Other legislative ideas have included a doubling of state aid to schools or a complete shift of K-12 school funding to the state.

Gov. Mike Johanns has said increased school consolidation also should be considered as part of a state solution to improving the current aid formula. Three school districts announced their intentions to sue the state this summer.

Tuition plan puts schools to work
Beginning in fall 2004, Illinois' public universities will have to guarantee to students that their tuitions will not rise during their four years in school. The tuition guarantee was signed into law by Gov. Rod Blagojevich in July.

According to the Springfield Journal Register, incoming freshmen could have higher school costs next fall because of the new state law. Schools are already preparing to implement the changes, and administrative officials say a likely option will be to "front-load" tuition increases.

Sharp increase in organ donors
A Minnesota law requiring that driver's education curricula include information about organ donation is being credited with helping lead to a single-year, 26 percent increase in the number of people who have declared themselves as potential donors.

According to the St. Paul Pioneer Press, more than 1.9 million of the 3.6 million licensed drivers have the donor designation on their licenses. That is up from the 3.5 million in 2002. The public education campaign about organ donation also has included the distribution of brochures to various driver's license facilities around the state. In Minnesota last year, 511 people received help from 146 donors.

State contracts under scrutiny
South Dakota lawmakers serving on the interim Government Operations and Audit Committee have begun what is expected to be a lengthy review of thousands of state contracts with private businesses.

Concerns have been raised about no-bid contracts, some of which have received little public scrutiny in the past. Another focus of the committee will be the contractual arrangements that exist between state agencies. Lawmakers worry that this practice allows the executive branch to use money in a way not authorized by the legislative branch.

The committee's review is expected to take months to complete. According to the Rapid City Journal, Gov. Mike Rounds also has been scrutinizing various state contracts since taking office earlier this year.

Nebraska faces school aid suit
A lawsuit by three Nebraska school districts claiming that the state's school funding formula is unconstitutional has focused more attention on various proposals to modify or overhaul the current system.

According to the Lincoln Journal Star, a bill proposed by the Unicameral Legislature's Education Committee would have changed the aid formula by comparing school systems of similar sizes and looking at how much they spend on programs for low-income children and students with limited English-speaking skills. Other legislative ideas have included a doubling of state aid to schools or a complete shift of K-12 school funding to the state.

Gov. Mike Johanns has said increased school consolidation also should be considered as part of a state solution to improving the current aid formula. Three school districts announced their intentions to sue the state this summer.

Tuition plan puts schools to work
Beginning in fall 2004, Illinois' public universities will have to guarantee to students that their tuitions will not rise during their four years in school. The tuition guarantee was signed into law by Gov. Rod Blagojevich in July.

According to the Springfield Journal Register, incoming freshmen could have higher school costs next fall because of the new state law. Schools are already preparing to implement the changes, and administrative officials say a likely option will be to "front-load" tuition increases.