HOT TOPIC: Poverty

Remembering
Alan Rosenthal
1932—2013

Who’s Poor?
Rethinking the Way We Measure Poverty

What Works To End Poverty?

Hungry in America

What You Need To Live Here

“Unlike his colleagues who speak largely to one another, he thrived as a different kind of academic, a student not so much of political science as of politics. Neither legislatures nor scholars are likely to find another like him.”

Ruth B. Mandel, professor and director, Eagleton Institute of Politics, Rutgers University, remembers Alan Rosenthal
The Council of State Governments congratulates the outstanding state leaders selected to participate in the

2013 Henry Toll Fellowship Class

Applications for the 2014 Toll Fellows Class will be open Oct. 1, 2013–May 2, 2014. The program will run Sept. 5–10, 2014. For more information, visit www.csg.org/TollFellows or email tolls@csg.org.
ON THE COVER
Alan Rosenthal, a Rutgers University political science professor and former director of the Eagleton Institute of Politics at the New Jersey university, died July 10. Rosenthal is widely credited with helping to build state legislatures into more powerful branches of government.

Photo by The Star-Ledger, Newark, N.J.

SEPTEMBER/OCTOBER 2013

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It all starts with a dream.

As I write this, the world is commemorating the 50th anniversary of the March on Washington and Martin Luther King Jr's “I Have a Dream” speech, which provided us with the opportunity to reflect on how far we have come and to challenge ourselves with how much remains to be done for Dr. King's dream to be realized.

Since its founding, our nation had been unique among the countries of the world. Our nation's birthright that “all men are created equal” and our Constitution's stated purpose of creating “a more perfect union” provide a constant call to conscience to continue the quest to perfect our union and live up to our birthright. The Emancipation Proclamation of 150 years ago and the March on Washington of 50 years ago show the great capacity America has to evolve and live out its creed.

In his speech, Dr. King said, “1963 is not an end but a beginning.” Blacks made up 11 percent of the U.S. population in 1960 and now make up 14 percent. About 25 percent of black families now live below the poverty line. That’s down from 41 percent in the mid-1960s. In the 88th Congress of 1963, only five members of the House of Representatives were black. Today, in the 113th Congress, 43 members of Congress and one member of the Senate is black. In 2008, an African-American was elected president of the United States. That same president recently wondered aloud whether, as a black man, he would have trouble hailing a cab outside the White House.

Despite this progress, disparities remain. African-American unemployment hovers at roughly double white unemployment. Whites outlive blacks by nearly four years. The median income for black men is 67 percent that of white men. The median income for black women is 92 percent that of white women. Blacks make up 37 percent of the prison population, 42 percent of death row inmates, 32 percent of juvenile arrests and 45 percent of the drug offenders in prison. Educational attainment lags for blacks when compared with whites as well.

Economic disparities fall hard on blacks. In this issue we examine poverty. Today, more than 48 million Americans—including 16.2 million children—live in households that struggle to put enough food on the table. One in every two babies born in the U.S. is enrolled in the Women, Infants and Children Program (WIC). According to the Urban Institute, most Americans (51.4 percent) will live in poverty at some point before age 65. More than one in seven people in the U.S. lives below the poverty line and more than one in five children in the U.S. lives below the poverty line. The widening gap between rich and poor corrodes the American Dream.

Research recently published in the journal Science suggests that rather than the poor being poor because they make bad decisions, they make bad decisions because they are poor. The study found that the strain of being broke damages a person's ability to make good decisions in a way roughly equivalent to losing 13 IQ points.

If we are to address the challenges of poverty, all of our IQ points will be required. Thankfully, state leaders are smarter than ever before as they work to create and implement lasting solutions. The Council of State Governments is honored to partner with them as together we develop new ideas and pursue old dreams.
"The stereotypes of poor people in the United States are among the most negative prejudices that we have."

—Susan Fiske, a Princeton professor who has studied people’s attitudes toward the poor for more than a decade, as quoted in The New York Times

“If a man doesn’t have a job or an income, he has neither life nor liberty nor the possibility for the pursuit of happiness. He merely exists.”

—Dr. Martin Luther King Jr., in a sermon in the 1960s talking about poverty as part of his “Poor People’s Campaign,” according to CNN

“It will not be a short or easy struggle, no single weapon or strategy will suffice, but we shall not rest until that war is won.”

—President Lyndon Baines Johnson, in his State of the Union address Jan. 8, 1964, declaring a war on poverty

“(W)e need more rungs on the ladder if we are to help children and families truly escape the pockets of poverty that pervade this country.”

—Mark Shriver of Save the Children, in response to President Obama’s State of the Union address in February, as quoted in The Washington Post

“Unfortunately, poverty—suburban or otherwise—isn’t very high up the congressional agenda right now.”

—A new report from The Brookings Institute, authored by Alan Berube, Elizabeth Kneebone and Jane Williams, that shows suburban poverty in the United States is rising

“If poverty is a disease that infects an entire community in the form of unemployment and violence, failing schools and broken homes, then we can’t just treat those symptoms in isolation. We have to heal that entire community.”

—President Barack Obama, in an August 2012 interview with The New York Times magazine
SEA LEVEL RISE
Maryland is making plans for an anticipated rise in sea level of up to six feet along its coast by the end of the century. The Washington Post reported in July, Gov. Martin O’Malley in December signed The Climate Change and “Coast Smart” Construction executive order directing state agencies to consider the risk of coastal flooding and sea level rise for capital investment. A technical working group is revisiting the Maryland Climate Action Plan of 2008 to explore ways to counter the threat of sea level rise.

INMATES’ RIGHT TO KNOW
A pair of bills under consideration in the Pennsylvania House of Representatives would curb or end inmates’ use of the open records law. According to the Pittsburgh Post-Gazette, inmates filed 1,527 requests with the Pennsylvania Department of Corrections last year under the state’s Right to Know law, which aims to increase government transparency. The corrections department handles more Right to Know requests than any other state agency, the Post-Gazette reported.

INDUSTRIAL SITES TO SCHOOLS
Revisions to a Rhode Island environmental law will make it easier to redevelop blighted industrial sites into schools, but also will require safeguards to prevent exposure to toxic vapors, The Providence Journal reported. The revisions alter a 2012 law prohibiting school construction on sites where toxic gases may pose a health risk. They also establish new standards requiring developers to physically remove or eliminate the threat of vapor-causing chemicals from any soil or groundwater at potential school sites.

TEACHER STANDARDS
Vermont education officials are revising state standards for elementary school teachers, according to the Burlington Free Press. The revisions aim to align teacher standards with the common core state standards, which identify the expectations for student learning at various grade levels. A team of education officials and professionals working to rewrite the standards is expected to present the revisions to the Vermont Standards Board of Professional Educators this fall.

PRIVACY RIGHTS
Key rulings by the New Jersey Supreme Court this year demonstrate a continued focus by the court on upholding privacy rights, the Star-Ledger reported. The court ruled unanimously in July that police officers need warrants to obtain information about a crime suspect’s cell phone location, the first such ruling in the country.

Massachusetts Undertakes Efforts to Turn Food Waste into Energy
Massachusetts is offering $3 million in low-interest loans to companies that can help develop new industrial plants that will convert commercial food waste into energy.

The Department of Energy Resources also is offering $1 million in grants to public agencies as an incentive to build anaerobic digesters. Those anaerobic digesters help convert methane found in food waste into power.

The state is making the loans and grants available in anticipation of regulations slated to take effect in July 2014 that will prohibit hospitals, universities, hotels and large restaurants from throwing food waste in the trash.

Those new rules require companies and organizations that produce more than a ton of organic waste—including food waste, weeds and manure—to dispose of it by composting it, donating edible food waste to food pantries or sending such waste to one of the new anaerobic digestion plants planned across the commonwealth, according to The Boston Globe.

In addition to contributing energy to the region’s electrical grid, the digesters also will prevent methane, a powerful greenhouse gas, from being released into the atmosphere.

Businesses covered by the regulations will be responsible for paying private food haulers to deliver food waste to the new plants. Some businesses have expressed concern about the cost of hauling food waste, as well as the amount of time the waste will remain on their properties before being hauled away.

Officials with the Massachusetts Department of Environmental Protection suggest, however, that most businesses will likely save money on trash bills in a state where solid waste disposal rates are among the highest in the country.

Up to one-fourth of what is sent to state landfills is organic waste, and officials suggest that the food waste ban will help to reduce waste by 30 percent by 2020. Officials plan to ultimately extend the ban to residential food waste as well.

To learn more about these and other developments in the Eastern Region, visit: capitolideas.csg.org and www.csgeast.org.
The South

PUBLIC HOUSING
Tennessee will receive $49.5 million this year from the U.S. Department of Housing and Urban Development for public housing repairs, according to The Tennessean in Nashville. The funding, down slightly from $50.2 million received last year, can be used for a variety of improvements to public housing units, such as roofing and plumbing or to improve the energy efficiency of the housing.

BONDS
Two Alabama boards in August voted to issue $33 million in bonds and to refinance roughly $140 million in old bonds, The Associated Press reported. The new bonds will go toward projects such as an aircraft parts manufacturing plant and an aviation training facility. The refinancing of bonds previously issued to improve state parks and provide incentives for new and expanded industries will save the state nearly $12 million, the AP reported.

COURT TASK FORCE
The Arkansas Supreme Court in August created a special task force to review portions of the state Rules of Civil Procedure, according to The Associated Press. The newly created panel was formed after legislators’ unsuccessful effort to place an amendment on the ballot that would have changed the state’s constitution to allow the legislature to write rules for civil cases. The nine-member panel will submit a report by Dec. 31.

TRANSPORTATION FUNDING
A Mississippi legislative task force in August presented a proposal that would raise $700 million in new taxes to fund highway and bridge maintenance, The Clarion-Ledger reported. Taxes on gas, diesel, car tags and titles, residential utilities and tires would increase under the proposal. If passed, it would be the largest tax increase for state consumers since the sales tax was raised in the early 1990s.

GRADUATION RATES
The number of high school graduates in North Carolina is on the rise. In 2013, 82.5 percent of the state’s public high school students graduated in four years, according to The News & Observer in Raleigh. This year’s numbers are up 2 percentage points over the 80.4 percent graduation rate in 2012. The state’s high school graduation rate has increased by 14.2 percent over the past seven years, due to efforts such as increased career and technical programs and early-college programs.

South Carolina’s First School-Choice Program

During the 2013 legislative session, lawmakers approved up to $8 million in tax credits for contributions made to organizations that give private school scholarships to special needs students, The State of Columbia reported.

Under the new law, beginning Jan. 1, South Carolinians may claim a tax credit for donations made to organizations giving grants to special needs students to attend private schools. The grants for each child will be for the cost of tuition or $10,000, whichever is lower.

The state’s Education Oversight Committee has approved 12 private schools to enroll special needs students paying with tuition grants funded by the state’s first school-choice program. The private schools must be in good standing with the Southern Association of Colleges and Schools, the South Carolina Association of Christian Schools or the South Carolina Independent Schools Association.

Approved schools must have programs to serve special needs students and regularly test students to measure their progress, according to Dana Yow, the Oversight Committee’s communications director. The committee has contacted more than 200 private schools about participating and expects the number of approved schools to increase.

Three organizations currently plan to offer grants. Advance Carolina, a Columbia-based organization, will provide grants to special needs student to attend private schools belonging to the South Carolina Association of Christian Schools. The Roman Catholic Diocese of Charleston plans to fund students attending Charleston-area Catholic schools. The Palmetto Kids First Scholarship Program of Mount Pleasant will provide grants to students to attend private schools that are not affiliated with the Association of Christian Schools or the Catholic Diocese.

The legislature must approve the program again next year for it to continue.

To learn more about these and other developments in the Southern Region, visit: capitolideas.csg.org and www.slcatlanta.org.
The Midwest

GUN SAFETY
After Illinois legislators passed a new concealed carry law in July, some gun shop owners say they are not seeing a boom in gun sales, but rather a spike in interest in firearm safety classes, the Quad City Times reported. Illinois became the last state in the country to allow residents to carry concealed firearms.

CHARTER SCHOOLS
A growing number of Michigan’s students are enrolling in charter schools, The Detroit News reported in July. Charter school enrollment has increased more than 500 percent since the mid-1990s, while enrollment in traditional schools has declined. Thirty-seven new charter schools will open across the state this fall, The Detroit News reported.

PRISONS
Kansas’ state’s prisons have reached capacity, and agency officials anticipate more than 2,000 additional offenders will enter the system within the next two decades, The Wichita Eagle reported in July. About one-third of newly released inmates in Kansas will return to prison within three years, the Eagle reported. Department of Corrections Secretary Ray Roberts said programs and policies to reduce recidivism rates are critical to avoid significant increases in state spending for new prison bed space.

UNEMPLOYMENT
Minnesota’s unemployment rate continues to drop, according to the Brainerd Dispatch. The jobless rate in June was 5.2 percent, down 0.1 percent from May. Despite a loss of 2,100 government jobs in June, the state experienced overall job growth due to the addition of 2,500 private sector positions. In the past year, Minnesota has experienced a 2 percent job growth rate. The state now has recovered 95 percent of the jobs lost during the recession, the Dispatch reported.

RAW MILK REGULATIONS
Raw milk producers and consumers in South Dakota have asked state officials to reject proposed regulations they say would make it too expensive and too difficult to produce and sell unpasteurized milk, the Rapid City Journal reported. The South Dakota Agriculture Department has proposed new standards for the production, testing and labeling of raw milk offered for sale. The proposed regulations, if approved, would apply to raw or unpasteurized milk from cows, sheep, goats and other hoofed animals.

Ohio Takes on Workers’ Comp Fraud
Ohio state government has invested in efforts to tackle workers’ compensation fraud and it is paying off. The Ohio Bureau of Workers’ Compensation’s Special Investigations Department has identified $55 million in savings during the past year through increased staffing and new tools, according to The Columbus Dispatch.

During the past year, the division referred 236 cases for prosecution, resulting in 134 indictments and 140 convictions.

The $55 million in savings to the agency last year was down slightly from the previous year, when the division identified $59 million in fraudulent activity, but the division showed gains in several important categories, including prosecuting those who fraudulently received workers’ compensation benefits.

Special agents and criminal investigators were hired to help in the effort. Additionally, the division’s digital forensics unit doubled the amount of data it was able to analyze from a variety of devices, including computers, laptops, servers, iPads, smartphones and even social media.

More than half of the $55 million in savings—$30.2 million—resulted from cases of individual workers wrongfully collecting benefits. Meanwhile, $11.9 million in savings came from fraud committed by health care providers, including doctors, hospitals, pharmacies and managed care providers.

Other areas of workers’ compensation fraud activity that resulted in savings include employer-committed fraud, which generated $3.5 million in savings, and prescription drug abuse by workers and health care providers, which led to $9.5 million in savings.

According to an official from the Ohio Bureau of Workers’ Compensation, every dollar spent on investigating allegations of fraud results in $5 in saving to the agency.
POLLUTION CONTROL
The California Air Resources Board in July unanimously passed regulations to increase pollution controls on most new off-road vehicles, U-T San Diego reported. The regulations crack down on emissions from gas lines and fuel tanks rather than tailpipes. The rules go into effect with 2018 vehicles and could add 4 to 9 percent to the cost of the vehicles.

VOTER REGISTRATION
The Arizona Secretary of State’s office in July announced a 2,300 increase in voter registration numbers since April, according to The Associated Press. Numbers for the major political parties decreased, while the number of nonaffiliated voters increased slightly. The state’s more than 3.2 million registered voters are comprised of 1.1 million Republicans, about 973,000 Democrats and more than 1 million independents.

WRONGFUL CONVICTIONS
A Washington state law allowing those who have been wrongfully convicted of a crime to file a claim for damages against the state took effect in July, The Associated Press reported. Under the law, an unjustly convicted person would receive $50,000 for each year of imprisonment and $25,000 for each year on parole, community custody or as a registered sex offender.

CONCEALED CARRY
The number of Coloradans applying for concealed carry permits in 2013 increased by 87 percent over 2012, according to The Denver Post. The Colorado Bureau of Investigation processed 31,518 background checks for concealed carry permits from January to June 2013. During the same period last year, the bureau processed only 16,886 background checks.

TAX CUTS
Supporters of a referendum to repeal Alaska’s new oil tax cuts collected enough signatures to put the measure on the 2014 ballot, the Anchorage Daily News reported in July. The state Division of Elections announced 31,673 qualified voters—slightly more than the 30,169 required—signed petitions to place the referendum on the 2014 primary ballot. The new oil tax cuts place a cap at 35 percent of net profits, a departure from the old system based on tracking oil prices, according to Reuters.

Nevada Community Colleges to Adopt Merit Pay System
Nevada colleges and universities will change the way they award pay raises for faculty starting July 1, 2014, the Las Vegas Review-Journal reported in late July.

Both community colleges and four-year institutions in Nevada will begin using merit pay systems for faculty instead of the current system of raises based on experience and education. The state’s four-year colleges and universities have frozen merit pay raises since 2009 due to budget cuts, but will resume them at the start of next fiscal year.

The Nevada legislature this year approved more than $7 million for merit pay in 2014–15. Many community colleges are in the early stages of developing merit pay systems and determining performance-based measures. The structure will differ at each college; Great Basin College President Mark Curtis told the Review-Journal.

“It’s going to be merit-focused and how that merit is going to be established and decided upon will also be different from institution to institution and is yet to be decided,” Curtis said.

Some institutions, such as the College of Southern Nevada, are working with consultants to help with the development process, according to the Review-Journal. The College of Southern Nevada has established a committee to work on its merit pay policy. The policy will be sent to the faculty senate for approval and on to President Michael Richards for final approval.

Daniel Klaich, chancellor for the Nevada System of Higher Education, believes the new merit pay system will help put community colleges more in line with four-year institutions.

“I think this is just a matter of changes in the way colleges and higher education are run and bringing faculty at community colleges more in line with (four-year) college and university faculty,” Klaich said.
Powerful expressions of admiration, respect, grief and loss poured into the Eagleton Institute of Politics at Rutgers University as word spread of Alan Rosenthal’s death in July. It wasn’t surprising to hear from devoted former students and academic colleagues—for almost a half century Alan was a highly productive, successful university professor.

What was unexpected and unique was the stream of accolades from current and former elected officials and their staffs, lobbyists and leaders of public interest groups. Politicians and professors commonly keep a distance, regarding each other warily. Their styles and the pace of their lives, the ways they think and speak, how they measure success or experience professional failure— their worlds could hardly be less alike. But over a long and heralded career, Alan Rosenthal had breached the divide, winning respect and affection from both sides of the political/professorial divide. An extraordinary achievement!

Unabashedly, he returned the warmth. Rarely did a day go by when he was not in his office with his door wide open, talking loudly and laughing affectionately with a student from one of Eagleton’s graduate or undergraduate programs, or in a long, animated telephone conversation with a Midwestern legislator, a former governor or senator, a capitol lobbyist or the legislative staff director in a state far away.

Students and politicians—he enjoyed them all, and they enjoyed him.

Since his death, much attention has been paid to Alan’s advocacy of reforms to strengthen and professionalize state legislatures. While true, that focus doesn’t capture his unique professional perspective and approach, which was that of an academic, a one-of-a-kind academic at that. Alan’s paycheck for almost 50 years was issued by a university—Rutgers, The State University of New Jersey. He moved up the academic ranks from assistant to associate to full professor and later to professor II, the rank accorded the most distinguished faculty members. Through all his years at Rutgers, 1966 to 2013, he was based at the Eagleton Institute of Politics, the university’s unit that links the study with the practice of American politics—not an ivory tower, but a hands-on research and education center that values and promotes interaction with the people and institutions under study.

This environment suited Alan very well. Over the years, he was proud of the airline miles he racked up visiting state capitols to hang out with their denizens. He was fond of describing his job as easy because it paid him to do what he liked, when and how he liked to do it. That meant meeting with elected representatives, their staffs and the lobbyists who populate their corridors.

The thousands of notes he took on 4-by-6 cards were organized into the piles that became the chapters that turned into the many books he wrote and edited. Among his best-known titles: Legislative Life, Engines of Democracy, Heavy Lifting, The Decline of Representative Democracy and The Best Job in Politics (this last book focusing on governors).

In the classroom, Alan emphasized the process of legislating and the institution of the legislature as he had come to know them first-hand. He invited guest speakers to class, practitioners whom he knew personally from years on the legislative trail. He taught students to understand and respect how the democratic system works, giving them the opportunity to examine it close up and messy.

Assigning readings from his own books, he relied less on theoretical and methodological scholarly debates than is typical in university courses. While he himself read everything, kept up with the field and admired good scholarship, the empirical data he shared with students most often came from decades of direct observation and his deep knowledge from being on the ground.

In current parlance for war correspondents, one could say Alan was embedded with the troops, writing about what he saw at the legislative frontlines. He had little patience for armchair generals who hadn’t met the troops or seen the action up close. Over the years, Alan worked with legislatures in 35 states and played a major role in helping to develop the National Conference of State Legislatures and other legislative forums. He spoke at innumerable NCSL national and regional meetings, as well as at meetings of The Council of State Governments and the State Legislative Leaders Foundation. Alan repeatedly opened legislative orientation sessions, trained newly elected lawmakers and staff, consulted with leaders about ethics and campaign finance, advised legislators about improving policy-making processes in their states and taught partisan staff how to gather and analyze information for lawmakers.

He was learning about government even as he taught its practitioners to hone their craft. A colleague and I were fond of commenting that traveling with Alan to a gathering of state legislators was like accompanying Elvis on tour. In the territory he had staked out at the intersection of academe and politics, he was indeed a rock star.

The varied appreciations of Alan’s life and career bring into sharp focus how unusual he was as a professor of political science. He stayed on his own course, swimming against a strong tide in his field—the trend toward scholarship based on metrics, dependent on careful measurement and quantitative analysis.

One pictures a faculty member at a computer, designing sophisticated methodologies to study and analyze political trends and patterns, not one jotting down notes while perched in a van accompanying a couple of Oklahoma legislators to observe a cow chip pitching contest in Beaver, or visiting a

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**Students and Politicians—He Enjoyed Them All**

by Ruth B. Mandel, Professor and Director, Eagleton Institute of Politics, Rutgers University, New Brunswick, N.J.
sausage factory to discover whether making laws and making sausage really were comparably distasteful processes.

Alan thought of his immersion approach—direct contact with the people and institutions he studied—as “soaking and poking,” the descriptor associated with the University of Rochester’s professor Richard Fenno, another venerable political scientist who danced to his own music in studying Congress.

Alan didn’t just study people in the world of politics—he actually enjoyed hanging out with them. He kept a low profile, laughing at anyone who accused him of trying to change the world; he had little patience for idealists and ideologues, and he regularly rebutted my insistence that our government would be improved by the inclusion of more women. (In fact, he had little patience for identity politics of any kind.) But in developing strategies to make a once-weak branch of government stronger and more effective, he was in fact altering institutions every day.

Today’s professors of political science spend much of their time training graduate students to follow in their footsteps as researchers and teachers, speaking the current jargon of the academy. Alan’s former graduate students are more likely to turn up as directors of legislative staffs, lobbyists or attorneys specializing in government affairs—hands-on political participants. I would often query him about where we might find the small cadre of young scholars whose interests dovetailed with his, the up-and-coming generation who might be invited to sit at his feet and prepare to take up where he left off. While I lamented, he simply acknowledged that the current fashions are different. Today, precious few fledgling political scientists—especially those with ambitions to be hired and tenured at research universities—would opt for Alan’s approach.

As it turned out, the Eagleton Institute of Politics, where Alan spent almost 50 years, including 20 as its director, was the perfect place for him. A graduate of elite institutions (Harvard and Princeton), he built his illustrious career at a state university. Unlike his colleagues who speak largely to one another, he thrived as a different kind of academic, a student not so much of political science as of politics. Neither legislatures nor scholars are likely to find another like him.

It’s a simple declaration, but no exaggeration: Alan was one of a kind.
‘IF YOU CAN MANAGE YOUR MONEY, YOU CAN CONTROL YOUR LIFE’

My colleague, Idaho State Treasurer Ron Crane, likes to say that, “if you can manage your money, you can control your life.” Unfortunately—when it comes to financial literacy—it seems a lot of Americans are out of control. This is unfortunate, because financial literacy is a clear first step toward financial stability.

A recent study by the Center for Financial Literacy at Champlain College assigned grades to the states, ranking the quality of their financial literacy education from A to F. Only seven states received an A ranking, while 22 garnered a D or F.

Crane’s home state is one of the few that received an A. And I know that financial literacy is near and dear to his heart. Crane uses his office as a bully pulpit to teach students and adults about financial literacy topics. He created a private nonprofit 501(c)(3) organization that has produced a “Smart Women, Smart Money” conference for the past 15 years.

More than 19,000 women have attended these conferences, learning about everything from creating a budget to estate planning. Crane also regularly goes into schools to teach students the ABCs of credit card finance. He figures he’s spoken with at least 1,000 kids since he took office.

An early leader in financial literacy education is another colleague, West Virginia State Treasurer John Perdue. Perdue has said he believes it is a treasurer’s “duty and responsibility” to take the lead in this effort and that he is putting his money where his mouth is.

In 2008, Perdue’s office partnered with the West Virginia State Board of Education to implement NetWorth, a comprehensive financial education program designed to teach personal financial management in all of West Virginia’s public schools. In 2009, NetWorth received the Excellence in Financial Literacy Education Award from the Institute on Financial Literacy.

NetWorth trains teachers to implement financial literacy education into the existing curriculum. Perdue has said he believes this approach is the best way to produce financially literate adults, that financial literacy education must be implemented all the way from kindergarten through high school.

Many of our peers in other states also have made financial literacy education a priority. In Utah, I serve as chairman of the Utah Council on Financial and Economic Education. This organization serves as a centralized access point for financial literacy information, linking state residents to programs and resources that meet their needs. The National Association of State Treasurers Foundation, a private 501(c)(3) organization affiliated with NAST, has adopted financial literacy as a primary focus.

Utah was one of the first states that had a requirement for financial literacy courses before graduating from high school. There are lots of programs and a lot of resources focusing on the younger population in my state. Perhaps that’s why Utah also received an A ranking in the Center for Financial Literacy’s recent study.

As chairman of the NAST Foundation, one of my goals has been to have treasurers across the country link to a financial literacy website called tomorrowsmoney.org from their own sites.

More than 1 million people, including many Spanish-speaking residents, have used this site over the past year to gain information about handling their finances. Beginning this fall, the NAST Foundation is planning to produce a series of webinars on financial literacy topics as a resource for treasurers throughout the United States.

Many more of my colleagues are equally active in promoting financial literacy. Often referred to as the people’s bankers, state treasurers, I believe, are seen as officials who have expertise in this area. After all, treasurers serve as the chief financial officers of the states and, collectively, we are responsible for the management and oversight of trillions of dollars in state funds.

This makes treasurers a natural fit for advocating for financial literacy programs. And—as this most recent study indicates—there is a continued need for these programs.
We’re Still Fighting

The War on Poverty

When he launched the war on poverty in his Jan. 8, 1964, State of the Union address, President Lyndon Baines Johnson warned, “It will not be a short or easy struggle, no single weapon or strategy will suffice, but we shall not rest until that war is won.” The U.S. is still fighting that war today and states are doing what they can to help the impoverished people living within their boundaries. Johnson recognized poverty as a national problem, requiring national organization and support. “But this attack, to be effective, must also be organized at the state and the local level and must be supported and directed by state and local efforts,” he said in his address. Here’s a look at poverty in America today and what states are doing to address it.
If you head a family of four and you earn more than $23,283, your family is not considered to be in poverty by federal government guidelines.

That’s regardless of whether you live in Harlington, Texas, the city with the lowest cost of living according to Kiplinger, or New York City, which has the highest cost-of-living in the U.S. It’s how the federal government measures poverty, and that measurement tool hasn’t changed in nearly 50 years. While it has been adjusted for inflation over time, the basic formula is the same as it was when Mollie Orshansky, an economist with the Social Security Administration, developed it in 1963.

But many people believe the federal poverty level, often referred to as FPL, doesn’t accurately reflect the reality of economic status across the U.S. It also doesn’t illustrate the effectiveness of many anti-poverty programs states have put in place, they say.

The measurement was based on survey data from the 1950s that found the average household used a third of its income on food.

“That ratio is no longer relevant,” said Steven Wallace, associate director of the UCLA Center for Health Policy Research. “Now, housing has become much more expensive.”

That’s why the National Academy of Sciences in 1995 suggested focusing more on housing as a core component in measuring poverty, Wallace said.

He’s part of a group working on the American economic security standard, specifically focused on elderly Americans. The national initiative, in which about 20 states are participating, aims to develop cost-of-living data at the county level for older adults and then get a more realistic poverty measure embedded into state law and nonprofit practices, Wallace said.

“The poverty line is one number for the entire country,” he said. “We know the cost of living varies dramatically from region to region, so that’s not accurate.”

Elder Index

In California, for instance, the actual cost of living for an elder adult ranges from 170 percent to 300 percent of the federal poverty level. That’s just for minimum basic needs, Wallace said.

He said some people were concerned that living in an urban area would be “dreadful expensive,” while rural areas were not. On average, he said, everywhere the cost of living was about double the poverty rate.

“When you are looking at policies and saying, ‘how is this related to the poverty level?’ you’re looking at about half the need level you should be looking at,” he said.

But the costs that raised the cost of living came in various sectors depending on where the elderly person lived.

For instance, Wallace said seniors in large urban areas could easily access Medicare Advantage plans to help with prescription drug coverage, while seniors in more rural areas would have higher out-of-pocket costs for health care.

“In some rural areas where housing is relatively cheap, we find that a couple may end up spending more on medical care than they do on housing,” he said.

In addition, food prices, because of limited competition, are often higher in rural areas and people have further to travel, which increases transportation costs, according to Wallace.

“The problem with the federal poverty line is that it gives you an inaccurate picture of who doesn’t have enough resources and then, because of that, it really does mask the levels of need and the distribution of need in different regions and different groups,” said Wallace.

REDDUCING POVERTY

Kaylee Freight, left, said a minimum wage increase would affect her job at Quiznos in Helena, Mont. Montana’s minimum wage workers got a small pay raise on New Year’s Day when an automatic cost-of-living increase took effect. At right, U.S. Agriculture Secretary Tom Vilsack spoke in March at Maine Medical Center in Portland, Maine. Vilsack announced the expansion of the StrikeForce initiative, a program intended to reduce poverty and improve life in rural areas.
The poverty rate hit 11.4 percent in 1977, its lowest point. In the ‘80s and ‘90s, the poverty rate rose and fell, but never grew above 15.2 percent. Since 1999, the poverty rate consistently has been on the rise, landing at 15 percent in 2011.

The Wisconsin Way

Wisconsin is one state trying to change that. Tim Smeeding, director of the Institute for Research on Poverty at the University of Wisconsin-Madison, was a member of then-Gov. Jim Doyle’s poverty commission in 2008 and convinced him to not follow the lead of a number of governors setting a goal to cut poverty levels in half within 10 years.

“None of them have achieved it,” he said.

Smeeding suggested the Great Recession would force poverty numbers higher or, at the very least, it would be hard to keep the numbers down. So he told the governor, “what you could do is more accurately measure poverty and you could do a better job measuring the effects of the programs we use to fight poverty, which aren’t included in the overall poverty rate.”

Smeeding was head of the economic status subcommittee and recognized the two big federal programs—the Supplemental Nutrition Assistance Program, or SNAP, and the earned income tax

### Federal Poverty Thresholds

In 2012, the federal poverty threshold for a single person under age 65 with no children was $11,945. For a single parent with one child, that number increased to $15,825. For two adults and two children living in the same household, the poverty threshold was $23,283.

#### Related Children Under 18 Years Old

<table>
<thead>
<tr>
<th>SIZE OF FAMILY UNIT</th>
<th>0</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8+</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ONE PERSON</strong></td>
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<tr>
<td>(unrelated individual)</td>
<td>11,945</td>
<td>15,374</td>
<td>17,959</td>
<td>23,681</td>
<td>28,558</td>
<td>32,847</td>
<td>37,795</td>
<td>42,271</td>
<td>50,849</td>
</tr>
<tr>
<td>Under 65 years</td>
<td>11,945</td>
<td>15,374</td>
<td>17,959</td>
<td>23,681</td>
<td>28,558</td>
<td>32,847</td>
<td>37,795</td>
<td>42,271</td>
<td>50,849</td>
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<tr>
<td>65 years and over</td>
<td>11,011</td>
<td>15,825</td>
<td>18,498</td>
<td>24,069</td>
<td>29,741</td>
<td>34,017</td>
<td>38,745</td>
<td>43,387</td>
<td>51,095</td>
</tr>
</tbody>
</table>

| **TWO PEOPLE**      |       |      |      |      |      |      |      |      |     |
| Householder < 65 years |    15,374 | 23,815 | 26,369 | 31,924 | 37,489 | 43,054 | 48,619 | 54,184 | 60,749 |
| Householder 65+ years |      13,678 | 15,765 | 18,498 | 23,283 | 28,087 | 32,978 | 37,870 | 42,762 | 48,654 |

| **THREE PEOPLE**    |       |      |      |      |      |      |      |      |     |
|                     | 17,959 | 18,498 | 18,498 | 18,498 | 18,498 |       |      |      |     |

| **FOUR PEOPLE**     |       |      |      |      |      |      |      |      |     |
|                     | 23,681 | 24,069 | 23,283 | 23,283 | 23,283 |       |      |      |     |

| **FIVE PEOPLE**     |       |      |      |      |      |      |      |      |     |
|                     | 28,558 | 28,974 | 28,087 | 28,087 | 28,087 |       |      |      |     |

| **SIX PEOPLE**      |       |      |      |      |      |      |      |      |     |
|                     | 32,847 | 32,978 | 32,298 | 31,647 | 30,678 | 30,104 |       |      |     |

| **SEVEN PEOPLE**    |       |      |      |      |      |      |      |      |     |
|                     | 37,795 | 38,031 | 37,217 | 36,651 | 35,594 | 34,362 | 33,009 |       |     |

| **EIGHT PEOPLE**    |       |      |      |      |      |      |      |      |     |
|                     | 42,271 | 42,644 | 41,876 | 41,204 | 40,249 | 39,038 | 37,777 | 37,457 |     |

| **NINE PEOPLE OR MORE** | 50,849 | 51,095 | 50,416 | 49,845 | 48,908 | 47,620 | 46,454 | 46,165 | 44,387 |

Source: U.S. Census Bureau
credits from the federal government and the state—were important to keeping the poverty rate low. The state worked hard to ensure everyone who was eligible for those programs was enrolled.

As a result, when the recession hit, Wisconsin’s participation in the SNAP program jumped more percentage-wise than other states. But, because of the state’s efforts to track those who needed the benefit, it also withdrew people who were no longer eligible quicker than other states, Smeeding said.

In doing that, Smeeding started to wonder what impact these programs had on poverty in Wisconsin, since they are not included in the official poverty measure.

“We needed to find a Wisconsin poverty measure that takes into account the things Wisconsinites care about,” he said.

So state officials talked to people around the state about what should be factored into such a measure. The things they suggested ranged from out-of-pocket child care costs, health care and transportation, as well as the benefits the state provides to help low-income people, Smeeding said.

“By the time we added in refundable tax credits, food share, public housing benefits and LiHEAP (a low income heating assistance program)—the in-kind benefits not counted in a public measure—it gives a more realistic poverty line,” said Smeeding.

He said the Wisconsin measure was more similar to the National Academy of Sciences measure that actually looks at what low-income people spent money on.

While the poverty rate using the state method is lower than the one used by the Census Bureau to measure poverty, Smeeding said it illustrates the effectiveness of anti-poverty programs.

“Wisconsinites should feel good that the programs they put in place and pushed really helped fight poverty,” he said.

The Wisconsin Way, as the state calls its measure, also can help communities more specifically target impoverished areas. For instance, Smeeding got a call from the state demographer seeking information about locations of people within 150 to 200 percent of the federal poverty line because the state was expanding the LiHEAP program.

“We told them exactly so they knew what to anticipate in terms of enrollment increases and where to anticipate them,” Smeeding said.

Measurements Across States

While the official federal poverty measure allows for comparison among states and for change over time, Smeeding and others believe it doesn’t accurately reflect the true status of individual states or communities. The official federal poverty measure doesn’t include the anti-poverty programs offered by the states.

“Because it doesn’t, you really don’t understand what is going on within our state in terms of poverty,” said Smeeding. “You don’t understand that the programs we put in place to help people work or the programs we put in place to help people eat or the programs we put in place to help supplement earnings worked.

“So you need something like a Wisconsin poverty measure to understand and explain exactly what is going on and the way the policy is affecting poverty.”

Other states are starting to take notice.

Smeeding is working with California and Colorado, among other states, to develop their own state-specific measures.

In Colorado, Sen. John M. Kefalas has been working on expanded economic opportunity for some time. Addressing poverty is a part of that.

“The thing that is important to me, especially if we’re going to look at public policy, is how do we evaluate whether that public policy is making a difference in people’s lives,” he said.

While the federal poverty measure helps states determine eligibility for programs like Medicaid and the supplemental nutrition program, he said, “it’s not a very good measure of family well-being, child well-being.”

Kefalas has, for the past few legislative sessions, introduced legislation calling for a poverty impact statement of bills considered by legislators.

“If a piece of legislation met certain criteria, we could ask for qualitative and quantitative analysis of what the impact might be on addressing poverty,” he said. “We want to make sure that we’re using our limited resources as effectively as possible.”

Kefalas believes a better way to measure individual well-being is through a capability approach, not a specific poverty measure.

“The capability approach doesn’t focus on income as a measure of well-being,” he said. “It focuses on other indicators, those that allow for a person or family to lead the kind of life they want to lead.”

Colorado includes education, mobility, employment, shelter and health as indicators for individual well-being. Kefalas would like that information to supplement the federal poverty measure.

“That’s my goal so we can see where the differences are and see where we’re actually helping with people’s lives,” he said.

An interim legislative committee will explore the issues surrounding an economic well-being index that will help the legislative council staff produce reports that can address those issues.

“Policymakers, the general public will
have this information, in addition to other metrics, that can better inform decision-making," he said.

**Reframing Poverty Discussion**

Using these alternative measures, proponents say, can help reframe the discussion surrounding poverty.

For instance, Wallace said the perception of programs to help the poor in California would change using the elder index. Instead of tying eligibility for programs to 135 percent of the federal poverty line, it would be called 65 percent of the elder index.

"Then, all of a sudden, instead of sounding generous, it sounds very meager, which it is, and the general public and advocates and recipients will advocate for more adequate eligibility levels and that, then, would drive increased demands on government resources," he said.

But it would also show programs work, Smeeding said. Many anti-poverty programs in Wisconsin require people to work and help them with expenses their wages might not cover.

"Inheriting welfare from your mother is gone because there is no welfare to inherit," he said.

"You don’t get (earned income credit) unless you work. The SNAP program is for people who can’t afford to eat. You put those programs together with a $9 to a $10 an hour job and you really help make people better off and keep them from absolute destitution," he said. "That’s what we should be doing."

Better understanding programs aimed at helping the poor will help states in the long run, Kefalas said.

"Fundamentally, it’s an issue that’s important to workforce, business issues," he said. "If we can better address poverty, save taxpayer money, we can redirect those resources and ultimately, people can lead their lives with greater dignity because they’re not struggling from paycheck to paycheck."

While the war on poverty is almost 50 years old and many states are looking for new ways to fight it, Kefalas believes it is a battle that can be won.

"We can do it and one way that helps us is if we develop a set of tools to evaluate how well we’re doing and what kind of difference we’re making," he said.  

"The thing that is important to me . . . is how do we evaluate whether that public policy is making a difference in people’s lives."

—Colorado Sen. John Kefalas

**WORKING WAGES**

Volunteer Pat Hunziker of Delmar, N.Y., in photo at left, loaded food items for a client at the Emmanuel Baptist Church food pantry in Albany, N.Y. Advocates for the working poor and undernourished last November urged New York’s government leaders to raise the minimum wage. The groups used their annual Thanksgiving appeal for aid for hungry New Yorkers to push for the wage initiative during a march and rally held in downtown Albany. Above, “Coconut” Larry is one of the many homeless residents of South Beach, Fla., making a living harvesting wild coconuts that grow everywhere and selling them, chilled, to thirsty visitors.
The U.S. Census Bureau uses the federal poverty threshold to determine the poverty rate and count the number of people in poverty each year. That threshold, which has been calculated the same way for nearly 50 years, is often criticized for being outdated and inaccurate.

The Economic Policy Institute offers an alternative measure of the income needed to afford an adequate standard of living. The institute publishes that measure each year in its Family Budget Calculator. For many areas of the country, the difference between the federal poverty threshold and the alternative necessary minimum income reported by the institute is significant.

“The Census Bureau’s traditional poverty measures fall far short of the level needed for a family to live modest but secure lives, which is the standard we use for our Family Budget Calculator,” said Douglas Hall, director of the Economic Analysis and Research Network at the Economic Policy Institute.

For example, even in the least expensive area in the country—Marshall County, Miss.—the institute’s reported minimum income for a family of four, $48,144, is nearly twice that of the federal poverty threshold, $23,283. In the country’s most expensive area—New York City—that ratio increases to 4-to-1.

In addition to understating how much it really costs to live, Hall said the federal poverty threshold also doesn’t take into account differences in the cost of living across the states. For example, the U.S. Census Bureau would treat the income of a family in San Francisco the same as a family in rural Alabama, despite the major differences in the cost of living between these two areas.

To resolve this, the institute’s Family Budget Calculator uses “geographically appropriate data across all variables, like housing, which is not addressed at all in the federal measure,” said Hall.

The institute’s report looks at a number of essential household costs that vary across jurisdictions, including housing, food, child care, transportation, health care, other necessities and taxes, to calculate a minimum annual income. Housing and child care costs are the biggest drivers of differences in costs between geographic areas, Hall said.

For example, child care costs for a two-parent, two-child household range from slightly more than $500 a month in rural Mississippi to more than $2,000 a month in many parts of New York. The same household would spend $575 on housing in rural Kentucky, but more than $1,800 in Hawaii.

CHEAP TRANSIT
NEW YORK, N.Y.—Alex Engel, with New York City Department of Transportation, rides a Bike Share bicycle during a demonstration of the program at the Brooklyn Navy Yards. The bike share system allows those who join to use bicycles and return them. The bike program, as well as the public transit system in New York City, helps keep the cost of transportation down.

© AP Photo/Craig Ruttle
The Economic Policy Institute’s Family Budget Calculator measures the income needed in order to attain a “secure yet modest living standard” for different family sizes in different geographic locations. The information in the map breaks down how much a family with two parents and two children needs to spend on essential household costs to reach that standard of living. The monthly and annual totals represent the minimum income the family would need to afford those household costs.

### Cost of Living

**Data Source:** Economic Policy Institute, 2013 Family Budget Calculator

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**LINCOLN, NEBRASKA**
- **Housing:** $693
- **Food:** $733
- **Transportation:** $1,324
- **Child Care:** $1,194
- **Other & Taxes:** $624

- **Monthly Total:** $5,195
- **Annual Total:** $62,364

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**NEW YORK CITY, NEW YORK**
- **Housing:** $1,474
- **Food:** $753
- **Transportation:** $1,378
- **Child Care:** $653
- **Other & Taxes:** $757

- **Monthly Total:** $7,789
- **Annual Total:** $93,492

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**RURAL IDAHO, IDAHO**
- **Housing:** $648
- **Food:** $753
- **Transportation:** $1,355
- **Child Care:** $845
- **Other & Taxes:** $519

- **Monthly Total:** $4,836
- **Annual Total:** $58,068

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**RURAL CONNECTICUT, CONNECTICUT**
- **Housing:** $1,023
- **Food:** $753
- **Transportation:** $1,360
- **Child Care:** $993
- **Other & Taxes:** $716

- **Monthly Total:** $6,551
- **Annual Total:** $78,636

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**SAN FRANCISCO, CALIFORNIA**
- **Housing:** $1,795
- **Food:** $887
- **Transportation:** $607
- **Child Care:** $960
- **Other & Taxes:** $657

- **Monthly Total:** $7,005
- **Annual Total:** $84,132

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**DALLAS, TEXAS**
- **Housing:** $590
- **Food:** $753
- **Transportation:** $1,312
- **Child Care:** $251
- **Other & Taxes:** $603

- **Monthly Total:** $4,009
- **Annual Total:** $48,144

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**MARSHALL COUNTY, MISSISSIPPI**
- **Housing:** $500
- **Food:** $753
- **Transportation:** $1,351
- **Child Care:** $500
- **Other & Taxes:** $607

- **Monthly Total:** $4,093
- **Annual Total:** $48,144

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**WINSTON-SALEM, NORTH CAROLINA**
- **Housing:** $678
- **Food:** $753
- **Transportation:** $1,378
- **Child Care:** $1,061
- **Other & Taxes:** $653

- **Monthly Total:** $5,130
- **Annual Total:** $61,596

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### Cost of Living | Hot Topic

Data Source: Economic Policy Institute, 2013 Family Budget Calculator
Many experts believe the reason poverty is still a problem for humanity is because it is such a hard problem to solve.

Housing, the growing income gap, providing an affordable education, services for the poor and even how those services are delivered—all of these are complex and costly issues that must be confronted if state policymakers want to start making a dent in their state's poverty rate.

Here, briefly, are some of the big issues facing those who live in poverty and some innovative ideas states are using to try to address those issues.

As student loan debt continues to rise along with tuition, some states are working to help cut costs for higher education.

Oregon has developed a creative idea to replace tuition with post-graduate contributions into a state trust fund.

“It’s sort of like Social Security in reverse,” said Rep. Michael Dembrow, who proposed the legislation in the House. “With Pay It Forward, you get the benefit up front and the state picks up the cost of tuition.”

The concept is the brainchild of a capstone course, “Student Debt, Economics, Policy and Advocacy,” at Portland State University. In cooperation with the Economic Opportunity Institute in Washington state, research turned up a similar program in effect in Australia. Students lobbied legislators and the ensuing bill passed both chambers unanimously in July. House Bill 3472 directs the Higher Education Coordinating Committee to design a pilot program that will be considered by the legislature in 2015.

In essence, the program would be a deferred tuition payment program with income-based repayment after students graduate. The Oregon Department of Revenue and the IRS are discussing how the payment collection process will work. It will not replace need-based aid, federal aid, institutional or other financial assistance such as Pell Grants. The Economic Opportunity Institute in Seattle calls Pay It Forward a “pragmatic business model for funding higher education.”

Students will attend college without upfront costs and, upon graduation, contribute a fixed percentage of their income for a predetermined number of years to a higher education trust fund. This fund will enable access for future postsecondary students.

Students who earn an associate degree will pay 1.5 percent of their monthly income, while those receiving a four-year degree will pay 3 percent.

Startup funding for the pilot is likely to come from state bonds allowing for “human infrastructure.” Voters will consider a constitutional amendment on the project in November 2014. In the interim, the Higher Education Coordinating Commission is working with state legislators and other stakeholders to develop the pilot program.

“We aren’t doing away with tuition,” said Dembrow. “It really does have potential to tackle this big problem in a creative way.”
The state of homelessness in America is getting better. The National Alliance to End Homelessness, based in Washington, D.C., issued a report in April showing that, overall, the homeless population decreased by less than 1 percent from 2011 to 2012, but the number of people experiencing chronic homelessness decreased significantly.

The alliance attributes the improvement primarily to increased federal investment in solutions, such as permanent supportive housing and more aid to communities. But some states are working to increase aid to homeless individuals and families as well. Massachusetts, for instance, is partnering with nonprofit social service providers to expand programs for the homeless. The state, under a directive of the Executive Office for Administration and Finance, will provide financing after its partners have shown some success in the program. The legislature authorized spending up to $50 million on this initiative in 2012.

The goal of the initiative will be to improve the well-being of homeless people while simultaneously reducing housing and Medicaid costs for the state. The provider chosen to negotiate a contract for the homeless initiative is the Massachusetts Housing Shelter and Alliance, which works with housing organizations. The alliance will provide housing and support services such as medical care and vocational training.

"Its greatest achievement will be utilizing social innovation financing to leverage better integrated use of current resources, incentivizing long-term systems change and reducing reliance on emergency resources," Joe Finn, president of the alliance, told Capitol Ideas. The group will work with both the Department of Housing and Community Development and the Department of Health and Human Services to achieve its goals. Project partners anticipate service delivery will start in late 2013 or early 2014.

Since its adoption in 1969, the official federal poverty measure has undergone few changes despite growing concern over its accuracy. The current poverty measure used by the U.S. Census Bureau—called the federal poverty threshold—uses before-tax cash income to determine what qualifies as "poor" for statistical purposes. For several years, policymakers, researchers and advocates have increasingly called for an alternative means of estimating poverty, which led the Census Bureau to release the Supplemental Poverty Measure in 2011.

**Federal Poverty Threshold**

**Rate of poverty—15 %**

- Uses before-tax cash income to determine what qualifies as "poor" for statistical purposes
- One measure for the continental United States
- Poverty rate for those age 65 and older is 7.8 percent

**Supplemental Poverty Measure**

**Rate of poverty—16.1 %**

- Adjusts income for tax and transfer programs, like the earned income tax credit and food stamps
- Takes into account geographic differences, which are based on differential housing costs
- Poverty rate for those age 65 and older is 12.6 percent
While states are working to open higher education to more students, The American Council on Education also characterizes the last decade as a push by states toward higher completion and graduation rates. That’s one reason states are offering financial aid based on a combination of need and merit.

“Over the last couple of years, states have been looking at their budgets with an eye toward the return on their investments,” said Frank Ballmann with The National Association of State Student Grant & Aid Programs. “States are looking to attract employers with higher education programs.”

In addition, Ballman said states want to fund programs students are most likely to complete.

In fact, 20 percent of state grants for higher education in the 2011–12 school year were based on a combination of need and merit, according to the most recent annual survey report from Ballman’s association. Aid with both need- and merit-based components has increased each year for the past six years. A January 2013 National Bureau of Economic Research paper found that linking financial aid to academic achievement was more effective at boosting graduation rates than utilizing needs-based aid alone.

States increased total aid to students by 1.8 percent to $11.1 billion in the 2011–12 school year. Seventy-four percent of those grants had some need-based component in 2011–12, up from 71 percent over the previous year. Twenty-six states had some sort of grant program based solely on merit; these programs accounted for 19 percent of all aid. Grant programs based solely on need represented 47 percent of aid dollars to undergraduates in the 2011–12 school year.

Despite the growth in need-based aid, four states—Georgia, New Hampshire, South Dakota and Wyoming—award no grants based on need. With an eye toward college readiness, South Dakota puts all of its $4.1 million in grants toward its merit-only Opportunity Scholarship, which requires four years of math, science and English at a higher standard than the minimum graduation requirement.

States also are investing at different levels. Eight states—California, Illinois, New Jersey, New York, North Carolina, Pennsylvania, Texas, and Washington—represent 70 percent of all need-based aid dollars. Those states represent only 43 percent of the U.S. population, according to the Census Bureau.

**FINANCIAL AID**

BURLINGTON, VT.—Many states are targeting financial aid grants for higher education to students, like these at the University of Vermont, based on a combination of merit and need.

© AP Photo/Toby Talbot
While states may save money by using electronic benefit transfer—or EBT—cards for cash benefits such as unemployment and welfare assistance, the cards can be costly for people who get those benefits. That’s because recipients may have to pay surcharge and transaction fees when withdrawing cash from the cards, which results in a reduced benefit amount.

The move to electronic cards started with food stamps; all states and territories are required to use them. The U.S. Department of Agriculture says EBT cards have reduced food stamp fraud by eliminating trafficking in the benefits. The illegal sale of benefits for cash has been reduced to one penny out of every dollar, according to the USDA.

In California, there is a charge of 80 cents for ATM withdrawals over a set limit of four free withdrawals per month. ATM surcharge fees can range from $1 to $4. Some California ATMs do not charge surcharge fees and county welfare officials try to publicize the surcharge-free ATMs. In West Virginia, recipients have two free cash withdrawals per month; after that, they’ll pay an 85 cent transaction fee plus any applicable surcharge fee for the ATM after that.

Washington state came under fire after a 2011 media report publicized that JP Morgan Chase collected more than $100,000 a month in ATM fees from welfare recipients. During subsequent contract negotiations in 2012, JP Morgan Chase eliminated the 85 cent transaction fee and reduced the administrative costs the state pays. ATM card holders may still be charged a surcharge for cash withdrawals from ATMs.

### INCOME INEQUALITY GAP IN THE UNITED STATES

The Congressional Budget Office in 2011 reported the top 1 percent of the population realized a 275 percent increase in their real income after federal taxes and transfers between 1979 and 2007, whereas the income of the middle 60 percent grew by slightly less than 40 percent. On average, the top 1 percent brought in more than $1 million in after-tax income, while the middle 60 percent earned $51,400 in after-tax income in 2005 dollars.

Part of the problem is globalization and rapid technological advances, former U.S. Labor Secretary Robert Reich, now a professor of public policy at the University of California-Berkeley and an expert on income inequality, told Capitol Ideas.

In addition, he said, "less-educated and less-connected Americans (are) in direct competition with low-wage workers abroad or with software that can replicate their jobs at lower cost."

A 2012 Heartland Monitor poll found that 46 percent of Americans believe only the upper class is able to pay for their children’s college education, and another 40 percent believe only the upper class can save enough to retire comfortably.

The individual savings rate bears that out. An analysis of data by the Federal Reserve Bank of St. Louis shows that Americans are not putting money away for a rainy day like they used to. That is, the personal savings rate—the fraction of personal income set aside as a cushion for bad times or retirement—has declined from 8.8 percent of income to 2.4 percent from 1979 to 2007.

Reich blames this inequality on “the failure of government policies to adapt much of the American workforce to these structural changes.”

He cites the lack of investment in education, policies that favor business outsourcing, deregulation of Wall Street and capital and labor markets, changes in tax policy and the decline of labor unions among the factors that have led to greater income inequality.

INCOME INEQUALITY

PITTSBURGH—Protesters nationwide last year participated in rallies to demand an end to income inequality and housing foreclosures.

© AP Photo/Gene J. Puskar
EARNED INCOME TAX CREDITS TO FIGHT POVERTY

The federal earned income tax credit has proved to be one of the most effective tools for alleviating poverty among the working poor, according to the Center for Budget Policy and Priorities. Twenty-four states and the District of Columbia have followed the federal government’s lead.

The earned income tax credit reduces the tax bill of working families and, for those in the lowest income ranges, provides a refund. The state credits often piggyback on the federal program and pay a percentage of what the federal program pays to an eligible family. The center estimates that the federal EITC program in 2009 lifted 6.5 million people out of poverty, with state tax credits bringing even more people out of poverty.

In 1987, Maryland was the first state to adopt the program. Since then, states have steadily added programs to their anti-poverty efforts, according to Michael Leachman, director of state fiscal research at the Center on Budget and Policy Priorities.

Three states—Michigan, New Jersey and Wisconsin—have scaled back their programs since 2008, but most states have held steady despite the Great Recession. In fact, Iowa recently expanded its program by increasing the phase-out threshold so the families keep more money, Leachman said. Oregon’s law was due to sunset, but lawmakers extended the program.

Washington state approved an earned income tax credit despite having broad-based income taxation, but it is currently unfunded. The Center on Budget and Policy Priorities reasons the tax credit helps to offset some of the regressive nature of property taxes common to such states. The center also cites this as evidence that states without income taxes can still implement an EITC program.

Because these tax credits can be a little confusing, the Internal Revenue Service offers a program called VITA—Volunteer Income Tax Assistance—that uses trained volunteers from local organizations to help poor families fill out their tax forms.

A Brookings Institute/Urban Institute study found that those seeking assistance filling out tax forms tend to be lower earners.

SENIORS AND POVERTY

While Social Security and Medicare have long been thought to reduce poverty among the elderly, a new report finds that nearly half of all seniors live in such tenuous financial situations that they are just one shock away from real hardship or destitution.

“Seniors are particularly vulnerable because they live on fixed incomes and it is not easy for them to adjust to shocks, such as a major health issue,” said David Cooper, co-author of a recent study on the economic security of the elderly completed this summer by the Economic Policy Institute. He said older Americans who suffer an unexpected financial shock may not recover because, unlike younger people, working more to increase their income is seldom a realistic option.

“More shocking than our finding that nearly half of seniors are economically vulnerable is that for certain groups, the numbers are even higher,” Cooper said. “The majority of elderly blacks and Hispanics—63.5 percent and 70 percent—fall below two times the supplemental poverty threshold, as do 58.1 percent of seniors over 80 years old.”

The majority of older women also are likely to be economically vulnerable—52.6 percent compared to 41.9 percent of men.

Like many poverty researchers, Cooper finds the official federal poverty level to be an inadequate measure of economic insecurity. While Social Security payments typically keep seniors just above the official poverty line, the EPI report points out, “this support is by no means lavish and households that rely on Social Security for a significant share of their income often live dangerously close to the poverty line.”

For that reason, the EPI report relies on the Census Bureau’s supplemental poverty measure and defines seniors with incomes below two times the supplemental poverty measure as economically vulnerable.

In 10 states—Arkansas, California, Florida, Georgia, Hawaii, Louisiana, Mississippi, New York, Rhode Island and Tennessee—plus the District of Columbia, more than half of the elderly are economically vulnerable. In another 21 states, 45 percent or more of seniors are economically vulnerable.

New data on the financial insecurity of seniors comes at the same time the federal sequester has reduced funding to states under the Older Americans Act. According to the National Association of States United for Aging and Disabilities, 9 percent of funding, or $180 million, has been cut from the 2013 fiscal year funding for senior services, including nutrition programs, home-based supportive services and caregiver support programs.

SENIOR LIVING

FREDERICK, MD.—Retired couple Harvey and Cora Alter are among retirees who moved to lower their cost of living. A new study shows many seniors are just one financial shock away from hardship. © JASON REED/Reuters/Corbis
Spending on early childhood development programs regularly ranks near the top in terms of return on state investment. But with shrinking state budgets, those programs are often among the first to go, a move that California Assemblymember Anthony Rendon warns against.

“It makes no sense for government to ignore the tremendous return on investment that building up early education can produce with regard to reducing dropout rates, criminal behavior and, ultimately, poverty,” Rendon told Capitol Ideas.

The National Institute for Early Education Research, in its yearly report on pre-k education, “The State of Preschool,” found that total pre-k funding fell more than half a billion dollars, adjusted for inflation. Per child funding is now $1,000 less than a decade ago, and state funding decreased in 27 of the 40 states examined.

Rendon, the former executive director of Plaza de la Raza Child Development Services Inc. that provides Head Start and Early Head Start services, touts the benefits of early education and its far-reaching effects on public policy.

“California is facing a problem with declining student test scores and a prison overcrowding crisis,” he said. “These are also major factors that play a role in societal poverty. All research shows that the investment in quality early education improves student performance and reduces the likelihood of criminal conduct.”

Universal early child development programs help all children, but are especially beneficial to disadvantaged children. This occurs for two reasons, according to Steven Barnett of the National Institute for Early Education Research.

Disadvantaged children benefit from attending preschool programs with their more privileged classmates. In addition, when children have more classmates who have attended preschool, they see substantial spillover benefits in kindergarten through third grade, according to Barnett’s research.

Forty states offer state funded pre-k to 4-year-olds. Of these 40 states, Florida tops the list with 79.4 percent of 4-year-olds enrolled, while Rhode Island has less than 1 percent of 4-year-olds enrolled.
More than 50 million people nationwide were food insecure in 2011—that’s one in six people in the United States, according to Feeding America, a hunger-relief charity based in Chicago. People who are food insecure sometimes lack access to enough food for an active, healthy lifestyle, according to the U.S. Department of Agriculture. Some households aren’t food insecure all the time, according to Feeding America; they may have to make a choice between basic needs and nutritionally adequate food.

Feeding America produced “Map the Meal Gap” to illustrate the face of hunger at the local and state level. It found an additional $22 billion would be needed to meet the needs of all the food insecure people in the U.S. in 2011. Nationwide, 57 percent of the food insecure people in America fell below the threshold for the Supplemental Nutrition Assistance Program guidelines of 130 percent of the federal poverty level, 18 percent were between 130 percent and 185 percent of that level, and 26 percent were above the 185 percent of the federal poverty level.

By state, North Dakota had the lowest percentage of population found to be food insecure at 7.4 percent, while Mississippi had the highest percent of population found to be food insecure at 21.4 percent. North Dakota also had the lowest percentage of food-insecure children at 10.2 percent, while New Mexico had the highest percentage of food-insecure children at 30.6 percent.
STATES WITH THE HIGHEST AND LOWEST FOOD INSECURITY RATES IN 2011

NATIONAL FOOD SECURITY IN 2011

OVERALL FOOD INSECURITY RATES

CHILD FOOD INSECURITY RATES

16.4%

22.4%
Florence Coleman lives in a desert. Perhaps her neighborhood in Houston isn’t the image most people have of a cracked, crusted, sunbaked region. But make no mistake, it’s still a desert—a food desert.

“We have only one supermarket in our community and it serves tens of thousands of people,” Coleman said. “The people of this community have very limited access to get out of this community because they don’t have cars, a lot of them.

“We have very limited fresh vegetables at our supermarket. We tell them that we want things, but it never happens,” she added. “I have rarely seen fresh broccoli.”

Coleman, a senior citizen, says it would take her two bus rides to get to the next closest supermarket.

“We have a lot of fast food places in the area, which is not a good thing,” she said.

Coleman lives in an area in north Houston known as Kashmere Gardens. Most of the people living there are African-American or Hispanic. That’s not unusual. Disproportionately, people living in food deserts tend to be low income and racial or ethnic minorities.

Food Deserts

Every state has food deserts. Many are found in cities, others in rural areas. In general, the U.S. Department of Agriculture defines a food desert as an area with few or no grocery stores providing access to healthful food choices. That accounts for nearly one-third of everyone in big cities and 10 percent of this country’s rural population—more than 23 million people in all.

When access to fresh fruits and vegetables is scarce, people tend to eat fast food. They buy snacks and other processed foods from convenience stores, which fuels diabetes and obesity. A survey conducted by Healthy Living Matters, a Houston initiative fighting childhood obesity, found more than half the children living in Kashmere Gardens are overweight or obese.

“For folks living in areas where it’s very hard to find quality, healthy foods, their default is going to be what’s available in their immediate environment,” said Yael Lehmann, executive director of The Food Trust, a national nonprofit organization promoting better food access. “And so you’ll have people eating a lot of low-quality food, which can have a very negative impact on their health.”

State Response

Some states have responded by creating incentives to develop more supermarkets in food deserts. Large supermarkets generally have lower prices than smaller markets and convenience stores. They offer a larger selection of fresh fruits and vegetables and whole grains. This promotes healthy eating, which helps fight obesity, prevents many diseases and contributes to childhood health. Supermarkets have the added benefit of spurring job growth.

Pennsylvania has been a leader in providing incentives for supermarkets to locate in food deserts. The state established the Fresh Food Financing Incentive program in 2004 to increase the number of grocery stores in underserved areas in the state. It partners with private organizations to provide one-time grants and loans for the startup of qualified food retail stores. Those startup costs include land acquisition, equipment financing, capital...
grants for funding gaps, construction and workforce development.

The state committed $30 million in seed money to the fund: private investors from The Reinvestment Fund, an organization investing in community revitalization in the mid-Atlantic region, provided an additional $145 million. By the time the project spent the last of its funds in 2010, the Fresh Food Financing Incentive approved 93 projects providing 400,000 residents with better access to healthful food.

Pennsylvania state Rep. Dwight Evans has been one of his state’s leading proponents of the incentive program. He said helping to fund supermarkets is important not only for the food it puts on people’s tables, but also for the jobs it creates.

“Job development is essential to the growth of a community,” Evans said. “A supermarket can create up to 250 jobs. That’s just the jobs within the supermarket. That’s not talking about the construction. And they tend to be anchors or magnets and they draw other kinds of business development.”

Evans would like to see a national program modeled after Pennsylvania’s initiative.

“I believe we have accomplished what we wanted to accomplish and now it has moved to a market perspective,” he said. “It has gotten the attention of banks and now we’ve gotten the attention where people see there’s gold in those hills. And now investors, developers, grocery store owners are seeing that our case has been made. We have proven that there’s a market for this.”

Growing Support

Some contend a community can support a supermarket, the free market will take care of it without government prompting.

Lehmann’s response: “We’ve talked to a lot of grocers who say, ‘I’m really interested in expanding my business or opening a new business, but in particular areas the math just doesn’t add up.’ They’re saying, ‘We don’t want ongoing subsidy. If we could get this little bump then the equation starts to add up for us.’”

Pennsylvania’s Fresh Food Financing Incentive program is widely viewed as a model that has influenced similar programs in Colorado, Illinois, Louisiana, New Jersey and New York.

In 2009, New York created the Healthy Food and Healthy Communities initiative. It’s a public-private partnership that awards grants and loans for predevelopment costs such as real estate acquisition, construction or rehabilitation and infrastructure to eligible supermarket operators to locate in needy areas.

When the only supermarket in Highland Falls, N.Y., closed in 2011, the town of 5,000 had to negotiate with a town 11 miles away to provide bus service once a week so residents could have access to a grocery store. The New York initiative provided a grant to a couple to open a new 16,000 square foot grocery store with a produce section even larger than the previous supermarket.

Now, this grocery store has become a sort of oasis in, well, the desert.
In 1973, the average, full-time male worker was earning about $42,000 a year. Today, that same average worker is still earning about $42,000 a year.

That is a big problem, said Gordon Berlin, president of MDRC, a nonprofit, nonpartisan research group based in New York that develops and scientifically evaluates new approaches to social problems.

Berlin said America came out of the Great Depression and World War II with a set of policies and laws—such as minimum wage and collective bargaining—that tied increases in productivity and the gross domestic product to increases in wages and earnings for workers. A big portion of those increases in wealth went to workers in the lower and middle classes, he said.

“For 30 years, it was as if the whole country was on an up escalator,” Berlin said. “The economy and productivity was growing 2.5 percent to 3 percent a year and wages, income and earnings were all growing 2.5, 3 percent, moving up in lockstep. After the mid-1970s, that historic 30-year relationship just began to fall apart.

“This economic growth continued, not as fast as we might have liked, but it continued, but the wages and earnings and incomes just stagnated,” he said.

If economic growth and wages had continued to grow together in
tandem from the 1970s to today, the average male worker’s annual salary would be in the $90,000s in real dollars.

“If that relationship had continued, we would not have a substantial poverty problem in America today,” Berlin said.

With more than 46 million Americans living in poverty in 2011, the latest year for which data was available from the U.S. Census Bureau, it’s clear that poverty is still a problem.

The Federal War on Poverty

Next year will mark the 50th anniversary of President Lyndon Johnson declaring a war on poverty in his first State of the Union speech. What followed was the creation of many major anti-poverty programs still in existence today: Medicare, Medicaid, Head Start, food stamps and an expansion of Social Security benefits.

Sheldon Danziger, director of the National Poverty Center at the Gerald R. Ford School of Public Policy at the University of Michigan, said the federal government did what states couldn’t do at the time. Danziger is co-author of a new book, The Legacies of the War on Poverty.

“We didn’t get Medicare and Medicaid without the federal government,” he said. “The whole purpose of the war on poverty was to override the discrimination in most Southern states that kept African-Americans from getting the benefits to which they were entitled.”

The federal government still does most of the heavy lifting in anti-poverty programs, said Michael Leachman, director of state fiscal research at the Center on Budget and Policy Priorities.

“It’s still true that, by far, the biggest anti-poverty programs are federal programs,” Leachman said. “Food stamps, Medicaid/CHIP (Children’s Health Insurance Program) and Temporary Assistance to Needy Families—those three are the biggest public programs that we have.”

But just like the country has changed over the past three decades, so have some of the federal anti-poverty programs. Leachman thinks the big story is when the former Aid to Families with Dependent Children program, now known as Temporary Assistance to Needy Families—or TANF, was turned into a block grant during welfare reform in the 1990s.

“In addition to that, there were lots of changes in how the program operated, much more a focus on work, work requirements,” Leachman said. “In the ’90s when the economy was strong, a lot of people moved out of TANF and into the workforce. But when the recession hit in the early part of the 2000s, … it didn’t work so well when the economy wasn’t in such good shape.”

The change sent significantly less money to the states to help poor families with kids get into the workforce and move up because of the block grant structure.

“Inflation eats that (federal block grant funding) away and it doesn’t readjust when recession hits,” said Leachman.

Leachman said states also began scaling back or eliminating state-funded general assistance programs, which only intensified once the Great Recession hit. That has left the very poor, particularly if they are single, in a bad spot.

“The general assistance programs have been really important,” he said. “They’re really the only major public assistance, cash assistance support for low-income people with no kids. … With states eliminating these programs or scaling them back, there’s really not much else.”

Although federal programs remain important anti-poverty tools, states and localities now are leading the innovation to help the country’s most vulnerable.

Earned Income Tax Credits

Poverty experts say the federal earned income tax credit, known as EITC, is one of the most effective tools for lifting people out of poverty. The credit is available for the working poor to help offset payroll taxes and is particularly valuable for parents. A family with three children making less than $50,270 in 2012 could qualify for almost $6,000 in credits.

“(II) is a fantastic anti-poverty policy that has been shown to reduce poverty, increase work ethic, benefit children’s educational attainment and is a bipartisan federal success,” said Danziger. “It was supported by Ronald Reagan, the first President Bush and greatly expanded by President Clinton and expanded again in the stimulus act (in 2009).”

Twenty-four states and the District of Columbia have enacted their own earned income tax credits, according to the Center on Budget and Policy Priorities. But both the federal and state credits favor people with children. A childless single person may not earn more $14,000 a year to qualify for the $475 federal credit. Most states also stipulate a single person without children can earn no more than $14,000 annually to qualify.

New York City is starting a first-of-its-kind research project to see how expanding the earned income tax credit for childless people affects poverty.

“Over the years, we kind of continued to come back to the EITC as a real important solution,” said Kristin Morse, executive director of the New York Center for Economic Opportunity. The center, part of the mayor’s office, is charged with identifying and evaluating effective solutions to poverty.

“But when we look at the employment data for single adults, particularly low-skilled men, the EITC feels like a tool that’s largely missing from our tool box,” Morse said.

The $11 million research project will be designed and evaluated by the New York-based MDRC. A group of 3,000 residents who make less than $26,800 annually will receive up to $2,000 a year for three years, while a control group will not receive the tax credit. Both groups will be compared to see the credit’s effect on employment, earnings and whether the credit helps improve compliance with child support requirements for noncustodial parents.

“What we’re trying to do here is begin to think about the EITC as a labor market policy designed to make work pay at the low end,” Berlin said, “as opposed to just sort of an income maintenance policy that’s targeted to families with children.”

“The whole concept is not just to make policy, but to change a culture.”

—West Virginia Senate Majority Leader John Unger
Children Poverty

Another tack many states have used is creating special poverty commissions. West Virginia created its own Senate Select Committee on Children and Poverty during the first day of the legislative session in February.

The committee is comprised of leadership from both sides of the aisle as well as chairs of the Education, Finance, Judiciary, Health and Agriculture committees, said Senate Majority Leader John Unger, who chairs the committee. It is conducting meetings across the state to see how poverty is affecting the children of West Virginia.

“The whole concept is not just to make policy,” Unger said, “but to change a culture.”

Unger said lawmakers should consider all legislation based on how it will impact children.

One of the first pieces of legislation to be passed as a result of the committee was Senate Bill 663, the West Virginia Feed to Achieve Act. The bill aims to provide a breakfast and lunch for every student in the state regardless of his or her ability to pay. It encourages school districts to maximize student participation in the federal free and reduced price school lunch program and authorizes districts to enter into public-private partnerships to help pay for food for children.

“[It allows for the community to come in and donate money, be it an individual … or the private sector, to the Feed to Achieve Foundation in each county or the state],” Unger said. “Some counties may not have as much economic activity as others, so they can go to the state to get some help. Every penny goes toward buying food for the children.”

Poverty Impact Statements

Minnesota Rep. Carlos Mariani agrees that legislators need to reframe discussions about poverty. He co-authored House File 1278, which would have allowed legislators to call for a poverty impact statement on any piece of legislation. First introduced in 2009, a poverty impact statement is much like the more traditional budget impact statement. The bill has not passed yet.

Mariani said the idea came to him as he was traveling the state as co-chair of the Minnesota Legislative Commission to End Poverty during the 2007–08 legislative session. During one meeting, he heard from a person who said he had to go on public assistance when legislators defunded a rural transportation program and he could no longer get to his job.

“In this case of rural public transit, how often do we think about it in terms of either contributing to dependency on public assistance and/or increasing poverty,” Mariani said. “The idea here then was to be very intentional and conscious about that. (The bill would) create some kind of trigger that would compel us to look at policy decisions, no matter what it was, and filter it through an exploration of what its impact would be relative to increasing or decreasing poverty.”

Although ideology and passion have their place in politics, Mariani said, so do data and objectivity.

“I’m not naïve; we’re not going to do away with ideological approaches,” he said. “I hope we don’t. (We need) to be able to have something that provides a base where people can all commonly agree. We have this number of people in poverty; we have this level of income, etc. You can interpret it anyway you want, but at least have this base here as central to deliberation.

“Antipoverty work, unfortunately, tends to suffer, I think, from some of the most ideological clashes exclusively, as opposed to good, solid empirical evidence and trying to do objective analysis as to the way the numbers are coming out.”

FOCUS ON NEIGHBORHOODS

PHILADELPHIA—Mayor Michael Nutter in July announced an anti-poverty plan called “Shared Prosperity Philadelphia” in an effort to address impoverished neighborhoods, like the blighted neighborhood pictured at right. © AP Photo/Matt Rourke
“I think we can solve it because we’re the ones who created it. If we were the ones who created it, then we ought to be the ones who solve it. I’m convinced of that, but it’s a matter of convincing others.”

—West Virginia Senate Majority Leader John Unger

“Most advanced countries have poverty rates a lot lower than we have and many of those countries have adopted policies that look just like our policies, based on our experience. . . . But they fund them better and they do it at the national government level.”

—Sheldon Danziger, director of the National Poverty Center at the Gerald R. Ford School of Public Policy, University of Michigan

“I think there’s the political will to ask the question. Whether there’s the political will to solve it remains to be seen. I think in the end, we won’t have a choice. Inequality today is back to where it was in the Roaring ’20s.”

—Gordon Berlin, president of MDRC, a nonprofit, nonpartisan research group that develops and scientifically evaluates new approaches to social problems

“Divorce, death, the birth of a child, all of these sort of big things in life can make families vulnerable to spells of poverty. . . . I think the piece we need . . . is making sure these really are short-term situational events and that we don’t have intergenerational poverty.”

—Kristin Morse, executive director of the New York Center for Economic Opportunity

“Can poverty ever be solved?”

—I think we can solve it because we’re the ones who created it. If we were the ones who created it, then we ought to be the ones who solve it. I’m convinced of that, but it’s a matter of convincing others.”

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Across the country, states are contending with a challenging reality: How to effectively help growing numbers of struggling families when safety net budgets are shrinking.

It’s clear that more families need help. In 2011, the child poverty rate stood at 23 percent overall, or 16.4 million children, and 26 percent for children younger than 3, according to the 2013 KIDS COUNT® report released by the Annie E. Casey Foundation. That’s an increase of 3 million poor children since 2005. And the number of children whose parents lacked full-time, year-round employment was 18 percent higher than in 2008.

Year after year, research reveals the growing chasm between rich and poor, white families and families of color, and children born to privilege and those born into poverty.

The Corporation for Enterprise Development, in its latest annual Assets & Opportunity Scorecard, found close to half of U.S. households—44 percent—are “liquid asset poor,” meaning they lack sufficient savings to withstand a three-month loss of income. The story was especially disturbing for households of color, which were almost twice as likely as white households to be liquid asset poor.

Smart policy choices can make a real difference for a low-income family, while encouraging attachment to the workforce. For example, federal and state earned income tax credits can provide a small cushion, helping the family make ends meet, pay down debt and begin to accumulate savings. Health insurance, nutrition assistance and child care subsidies decrease the burden on a stretched family budget and give the family a realistic shot at moving up the economic ladder. But, first, the family needs to be able to easily and efficiently access the benefits they are entitled to receive.

That’s where a unique public/philanthropic partnership comes in. Work Support Strategies: Streamlining Access, Strengthening Families offers significant multiyear grants to states willing to overhaul their inefficient bureaucracies. The partnership is funded largely by the Ford Foundation and directed by the Urban Institute in partnership with the Center on Budget and Policy Priorities. The Annie E. Casey Foundation, the Open Society Foundations and the Kresge Foundation also are participating.

This approach does not involve increasing benefits or adding new government programs. It is not partisan. Rather, it demonstrates how philanthropic organizations can play a supportive role at a time when states with severely strained budgets are being asked to help so many hard-pressed residents.

The initiative aims to make public programs more efficient, boosting the share of families who receive and keep all the public benefits for which they qualify, while minimizing the administrative burdens on states to deliver those benefits. Successful approaches then are disseminated to inform state and federal policies and practices.

The Work Support Strategies initiative began in 2010 with 27 states competing for first-year planning grants to find ways to reduce administrative burdens in order to deliver benefits more effectively and efficiently. The states identified problems in their own systems, including overloaded staff, outdated computer systems and inflexible practices.

Nine states were selected for the planning phase after review by an advisory committee, which included experts from the National Governors Association and National Conference of State Legislatures. Then, last year, six states were awarded three-year grants to test and implement their ideas for fast delivery, easy-to-navigate public benefit systems. The six states—Colorado, Idaho, Illinois, North Carolina, Rhode Island and South Carolina—have now completed the first year of implementation.

It’s been a successful debut:
- State and county staff in Colorado slashed a 26-page application for Medicaid, welfare, food assistance and adult financial support down to eight pages.
- North Carolina conducted a pilot in two counties, allowing workers to use income information from nutrition assistance to determine child care eligibility, aligning the certification periods and simplifying the process for families and state workers.
- In South Carolina, Express Lane Redetermination helped sustain health coverage for tens of thousands of children and is projected to save $1 million a year by using data in families’ nutrition program records to certify children’s eligibility.
- Idaho amended its application for child
nutrition assistance and child care subsidies can provide a small cushion, helping the federal and state earned income tax credits reduce poverty and promote opportunity while also improving government operations. It’s a great model.

CHILD POVERTY
ALBUQUERQUE, N.M. — William Roper holds his 4-year-old son William Jr. and 2-year-old daughter Kacie during an interview at Joy Junction homeless shelter. A report released by the Annie E. Casey Foundation shows the number of children living in poverty increased to 23 percent in 2011. The survey ranks New Mexico as the worst in the nation when it comes to child well-being. © AP Photo/Susan Montoya Bryan
1. Why is poverty an important issue for your state and the entire country?

“I recognize poverty as being one of the underlying causes of so many other issues. In a lot of impoverished communities, you see a lot of unemployment and there’s a lot of crime, a lot of violence and there’s a lot of homelessness. … Until we address the issue of poverty, I believe we’ll never be able to get some of these problems under control. … I think if we can focus our resources more in a particular area and really try to address poverty, it will help everyone. … I think poverty affects us all.”

2. What do you mean when you say, ‘focus resources in a more particular area’?

“I think if we recognize unemployment to be a challenge, crime, violence, homelessness, the lack of having a quality education. I believe those are the areas that we need to focus resources in because you can help the lives of people who are stricken by poverty by giving them a chance. If we say, ‘we need to create more jobs and target them for individuals who live in poverty,’ what’s challenging is recognizing that many of them are uneducated. … I believe we should do a better job of putting resources in areas that can help with these systemic problems.”

3. Why have you focused on the minimum wage with regard to fighting poverty?

“If you work 40 hours a week, I don’t understand that you still are poor and live in poverty. It’s not that you’re home and say, ‘I’m going to wait for government to give me a handout.’ … No one should work a minimum wage job and that job not keep up with the cost of inflation. Our current minimum wage is failing us as a society and it’s allowing minimum wage-earning people to still be a part of the poverty numbers.”

4. How do you convince skeptics that minimum wage jobs affect poverty?

“I’ve addressed the business community quite a bit over the years. … Our children may have a minimum wage-paying job because it’s just the gas money to put in the brand new car you bought them. Or it’s the weekend money to go to the movies or hang out with their friends. When you look at minimum wage in instances for other people, it’s their pay that pays their rent. It’s the pay that buys their family food. And it’s the pay that takes care of the gas and light. … I don’t think raising the minimum wage will solve all our problems. I know that it will give people that are poor more resources to live on. It would better their lives. It will give them the opportunity to give back to the economic structure.”

5. What can states do differently to address some of those problems?

“We know education can do it. I think education is like a really, really big onion that you have to peel and there are layers to it. So just starting with the opportunity to allow young people to start school. … Early education, investing more dollars in making sure preschool is available in these poverty-stricken areas. … I also believe we should do a better job acknowledging that we have an academic achievement gap and it stems across economic boundaries. … I think having quality teachers in poverty areas is just as important as having quality teachers in wealthy districts. The way we fund our schools based around property taxes—that’s a huge structural problem that we have to fix, because if … you live in a community and the property values are very low, that means that right off the bat you have less of a chance of receiving a quality education because of where you were born and the area you live in.”
Illinois Assistant Senate Majority Leader Kimberly Lightford has worked for years to raise the profile of issues affecting poverty in her state. While she acknowledges there are no simple solutions and that it takes years of prodding to take even small steps, she believes every step can add up to make a significant difference.

How do you address the so-called ‘cycles of poverty’?

“How do you build a person who doesn’t know any better? If I had the answer, I think I would go door to door and knock in poverty-stricken areas and say, ‘hey, you don’t have to continue to live this way’. … I meet a lot of kids, they have not even been out of their neighborhood. … They’ve not seen what they could be or do or see outside this little box that they’re in. A lot of programs I support are programs that are willing to take kids … outside of their communities so they can see there is way more to life and, perhaps, it will help them to begin to dream and have a vision and see themselves differently than their parents and their grandparents.”

What challenges do you face in focusing colleagues’ attention on poverty?

“It’s not an easy subject. There are no simple solutions in getting it done and the real driver I think is, it costs money. … There is this one pot of money that every interest group that you could ever imagine is fighting for. They’re fighting for the same dollars, the same resources. These big businesses, they can afford … to hire hundreds of lobbyists and pay them well. They have a better chance in reaching, in getting their mission and agenda across the minds of people who make the decisions because people who are poor, they don’t have that. They don’t have the lobbyist efforts. They don’t have the group efforts. They don’t have the resources or time.”

What about society in general?

“Poverty sure isn’t sexy. It isn’t something you’re going to see on TV. It’s not a cable-driven subject to be poor. … It’s not something people are driven to watch or see or want to know about. It doesn’t really make the headlines. The only thing that reaches the headlines is the crime; the unemployment rate is talked about. The crime is discussed but the actual person living in poverty is never addressed in the media. … It’s the symptoms that are driven by poverty that make the headlines.”

How do you make sure people who live in poverty have a voice?

“I’ve been trying to educate my colleagues that it’s OK to speak up for poor people who can’t speak up for themselves. It’s hard and there isn’t a simple solution, so it’s going to take those long meetings. It’s going to take those big debates. The big businesses that do well will be able to bring more people to the table for that discussion, but … allow some of those people to be removed from the table and bring in some of the people who live in poverty and who are stricken by it. Let them represent themselves at that same table and give them a listening ear and understand. Then maybe from that, we can shape policy that will help them more.”

What advice would you give to other legislators across the country?

“Have compassion and just know there is no simple solution. We’re challenged as legislators on many issues and I think this is an issue that we should always keep in the forefront. … I don’t know that I’ve tackled any of these issues in one single year. It’s just coming back and keep bringing these issues back over and over and over until you get some good results. Even if it’s a small step, every step can add up and make a significant difference.”
Oregon, California, Washington and Alaska had the lowest percentage of workers at or below the minimum wage in 2011. All four states had rates less than 2 percent.

Children from families with incomes at or below 130 percent of the federal poverty level may receive free meals through the National School Lunch Program. That means for the 2012–13 school year, a family of four could earn no more than $29,965 to qualify.

Almost 34 percent of women over age 25 who were paid an hourly wage in 2011 earned at or below the minimum wage. That compares to almost 17 percent for men.

Four out of five adults have dealt with being homeless, near poverty, jobless or had to rely on welfare at some point in their lives, according to The Associated Press.

For the 2012 tax year, a single person with no children could earn no more than $13,980 to qualify for the maximum $475 federal earned income tax credit.
BUILD PARTNERSHIPS.
The issues related to poverty are on the streets and neighborhoods in cities. “If we are really going to deal with the issue of poverty, it has to be that partnership and conversation between the state leaders and the city and county leaders,” said Anthony. He said state leaders should try to build partnerships with municipal leaders. “If we don’t address this issue as a team and work with the state and cities, local governments, I’ll tell you that we will leave a whole generation of families behind, and in our states and in our cities we cannot afford to do that,” he said.

FIND WHAT WORKS.
States and local governments, Anthony said, must recognize “there continues to be a growing gap between the haves and have-nots in America.” Many initiatives all levels of government have tried have not worked. Leaders must recognize that, he said. “If we try to do the same thing that we’ve done before, we won’t close that gap we have in America between those that live in poverty to those living the American dream,” he said.

CREATE BEST PRACTICES PANEL.
Because not everything has worked in the past, Anthony said states and local leaders should jointly look at the successes and failures in the past. The National League of Cities convenes bimonthly calls of a peer-to-peer network on poverty in which city leaders discuss how they are approaching various issues. He thinks that could work on a state level. “The most important thing is that we try to get this information out so we can attack this issue,” he said.

KNOW THE IMPACT OF POLICIES.
Anthony said all levels of government should consider the impact of their policies on things like poverty. “We need to measure the impact,” he said. “I do think there should be a strategic, targeted question that’s posed when we are passing legislation on the state, local and national level.” When legislation is adopted, he said, government should be able to set a measurable goal, such as lowering the poverty rate in children, for instance, by 10 percent.

REMEMBER YOUR ROOTS.
Anthony said many state leaders served at the city or county level before being elected to the legislature or executive branch. Many times, he said, city leaders think about city issues; county leaders think about county issues; and state leaders think about state issues. “I would first advise state leaders to don’t forget that they, too, grew up in neighborhoods and cities and to try to develop policy that is implementable around poverty for cities,” Anthony said.

Clarence Anthony, executive director of the National League of Cities, said many issues affecting states also affect cities. That’s why it’s important for state governments to have a good relationship with cities and counties to tackle stubborn issues such as poverty. Anthony offers this advice to state leaders on how to work with cities to help improve the lives of those in poverty.
What are the most promising solutions for state governments to address poverty?

Address Root Causes of Poverty

“Recognizing as a matter of policy that poverty is both a human tragedy and a serious drain on our economy and workforce is allowing Oregon to address root causes of poverty, not just symptoms like hunger and homelessness. Poverty is complex. It requires comprehensive, integrated strategies and investments in education (especially early learning), health care services, crime prevention and re-entry, and economic development systems. It is crucial to ask hard questions and question assumptions. This isn’t just about working harder; it’s also about creating jobs that pay a living wage. Engaging businesses in poverty reduction efforts can be helpful.”

Use Research-Based Response

“Connecticut … created a Poverty and Prevention Council to integrate proven poverty reduction responses with prevention policies. … The Urban Institute then performed an economic model analysis on the policies (recommended by national experts) and proposed the following to reduce child poverty by at least 35 percent in a decade. For families with incomes of less than 50 percent of the state median, provide child care subsidies. Provide enough education and training programs to result in associate degrees for half of the adults with high school diplomas, GEDs for all high school dropouts, wage increases of 20 percent to those already employed and a 6 percent increase in employment for the unemployed. Increase participation to 85 percent in safety net programs. Ensure full payment of child support awards. Provide case management and a wage supplement for recent TANF leavers.”
HELP TRANSITION TO SELF-SUFFICIENCY

“When you enter any of the organizations like the food stamp office or public housing or TANF, anything like that, you’d have one intake process. … If we had one point of entrance and they were assigned a navigator … who determines where they are in their life. … From there, make a plan with the participant on how to move to self-sufficiency. The trick is, we would like to be able to say to the people, ‘We’re going to get you all the resources.’ … But what we would like is if they would sign an agreement with us, that says yes, I will do X, Y, Z as a requirement to continue to receive my benefits (over a certain time period).”

PATRICIA TODD
Alabama Representative
Member of the Alabama Commission to End Poverty by 2020

KEEP TALKING ABOUT POVERTY

“We tried to frame (Minnesota’s poverty commission’s final report in 2008) as powerfully as we could, how the great economic meltdown of the recession said a lot about our current efforts to help citizens prosper, perhaps the strong link between the collapse and some of the issues we uncovered, like a huge need for financial literacy. … But the fear just really dimmed our voices and our recommendations. I think there are some really important lessons there and I’m not sure I really figured them all out yet. It has to do partly with the ability to maintain a steady, steady conversation that makes this (poverty) connect with legislators.”

CARLOS MARIANI
Minnesota Representative
Co-chair of the expired Minnesota Commission to End Poverty by 2020

IMPLEMENT HEALTH CARE REFORM

“I think the single most important and effective thing that states are doing that is available to every state is to vigorously implement the Affordable Care Act. Bringing health insurance to millions of the lowest income people who were previously not covered by Medicaid is an immense blow against poverty, not just because of health care and the improvement in people’s quality of life, but in their quality of opportunity to move up. It just helps in so many different ways and it is so big and so important on issue of quality of life and quality of opportunity for upward mobility for people in poverty.”

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September is College Savings Month

The College Savings Plans Network has been joined by more than 410 states in declaring September “College Savings Month.” Section 529 plans make it easy and affordable for the average family to plan ahead for the cost of college attendance and are available in 49 states and the District of Columbia.

Many activities are held across the nation during September to recognize the importance of saving for college. Go to www.CollegeSavings.org for details.

CSG West Fahrenkamp Award

The Council of State Governments West awarded the Bettye Fahrenkamp Award for Distinguished Legislative Leadership on Behalf of Western States to former Nevada Co-Speaker Lynn Hettrick at its 66th annual meeting in July.

Hettrick served in the Nevada Assembly from 1992 to 2006, including a stint as co-speaker of the Assembly in 1995 and minority leader for 10 years. During that time, he also served as CSG West chair from 2001 to 2002 and as the national chair of The Council of State Governments in 2005. Today, he continues his public service as deputy director of the Nevada Department of Agriculture.

The Fahrenkamp Award, which is awarded annually, recognizes leaders whose legislative careers demonstrate the ability to see and work beyond the border of their own states in the interest of the West. The award is named in honor of Bettye Fahrenkamp of Fairbanks, Alaska, who served with distinction in the Alaska State Senate until her untimely death in 1991.

Outgoing Nevada Sen. Kelvin Atkinson, chair of CSG West, presented the Bettye Fahrenkamp Award to former Nevada Assemblyman Lynn Hettrick at CSG West Annual Meeting in Las Vegas in July.

Photo by Mary Bragdon

Arflack Retires from MIC3

Retired Brig. Gen. Norman E. Arflack has retired from his position as the first executive director of Interstate Commission on Educational Opportunity for Military Children, known as the MIC3.

During Arflack’s tenure, the compact has grown from 34 member states in 2010 to 46 member states and the District of Columbia today.

“Gen. Arflack has been tireless in his efforts to recruit the balance of the states into the compact so that the law will cover 100 percent of the military children in the nation’s public schools,” said Commission Chair Kathleen Berg.

The interstate compact now covers 97 percent of those children.

Arflack said it was the right time for him to turn over the reins.

“This was not an easy decision or one that I take lightly, but I feel it’s the right thing to do at the right time,” he said. “We are nearing 100 percent membership and we now need to shift our focus toward educating the military and civilian population on the many benefits and requirements of being a resident of a compacted state. This has been and continues to be a complex process and it is the appropriate time for a new director with vision and a long-term plan to take the reins.”
NASPE Announces Winners

The National Association of State Personnel Executives has announced the winners of the 2013 NASPE Awards program. The NASPEs recognize outstanding work and leadership among state government human resource management professionals.

Kathy Nesbitt, executive director of the Colorado Department of Personnel and Administration, was named winner of the Eugene H. Rooney Jr. Leadership Award. Within weeks of her appointment in 2011, Nesbitt proposed an ambitious plan called The Talent Agenda to ensure Colorado was best positioned to recruit, retain and reward top talent. In addition, she also worked to pass legislation to create a merit pay system.

Pennsylvania’s Emerging Leader Program received the Eugene H. Rooney Jr. Innovative State Human Resource Management Program Award. The program, developed in 2010, is an intensive 10-month program available to mid-level managers who exhibit leadership qualities and demonstrate potential to assume more significant job responsibilities.

Colorado’s State Employee Assistance Program Workforce Outcomes received an Award of Merit for the Rooney Award. In 2008, the Colorado Department of Personnel and Administration launched a new initiative through the Colorado State Employee Assistance Program to better identify and assist employees at risk for depression, suffering from untreated depression, and/or engaging in risky substance use.

Louisiana’s Realistic Job Preview Videos Program was awarded the Eva N. Santos Communications Award. The job preview videos are a product offered by the Department of State Civil Service to agency customers to address troubled, high turnover jobs.

“We are pleased to have an outstanding set of award winners for the 2013 NASPEs,” said Leslie Scott, executive director of NASPE. “Which is an affiliate of CSG. What state officials have done to innovate and lead in these challenging times are to be commended. While state funds may have diminished, innovation and leadership are alive and well in state government across the country.”

Legislators Attend CSG Transportation Policy Academy

Eleven state legislators from around the country, many of them transportation committee chairs, attended the CSG Transportation Policy Academy July 18-20 in Portland, Ore. The group received extensive briefings on Oregon’s new mileage-based road user fee program and the future of transportation funding. They also toured transit-oriented development in the city’s South Waterfront and Pearl District neighborhoods and cargo facilities at the Port of Portland.


Photo Courtesy of First Stop Portland
Residents of Oregon, Washington state and southwestern British Columbia had been preparing for the big one for years, so when the 6.8 magnitude earthquake finally hit, no one was really surprised.

The ground shook for 184 seconds and, in that three-minute time span, the face of this part of the world changed irrevocably. Office buildings collapsed, neighborhoods crumbled and landslides swept away huge sections of roads. As gas lines ruptured, ensuing fires consumed entire business districts. The final blow was a tsunami that fanned out across the Pacific Ocean, inundating an 800-mile coastline from California to Canada.

It’s just a scenario, but one emergency management officials have played out numerous times: A major disaster occurs somewhere along the U.S./Canadian border and resources must be sent immediately from one country to the other. Until 15 years ago, state-to-province assistance—or vice versa—wasn’t clear-cut. While help would come, it probably would be delivered on a piecemeal basis, replete with urgent phone calls and emails, and plenty of long-distance negotiation.

That is no longer the case. Now, three international mutual aid agreements—modeled after the Emergency Management Assistance Compact, known as EMAC, in the U.S.—can facilitate that exchange. Congress approved the newest agreement, the Northern Emergency Management Assistance Compact, through a joint resolution in January 2013.

The agreements provide an operational framework for eligible members, which include 20 states, 10 Canadian provinces and one territory, to share resources. The compacts also allow for joint planning, exercising and training, so if a real-world event occurs, all the players will be familiar with the proper provisions and protocols.

Help is Close By

Rob McAleer, director of the Maine State Emergency Management Agency, has been a key player in two of the agreements. From December 2008 to May 2012, he served as the U.S. co-chair of the International Emergency Management Group, the governing body for the International Emergency Management Assistance Compact, which includes states and provinces in the eastern U.S. and Canada.

“We look at it just the way we do with EMAC,” McAleer said.

EMAC, which in 1996 became the first national disaster-relief agreement to be ratified by the U.S. Congress since the Civil Defense Compact of 1950, allows assistance across state lines. Administered by the National Emergency Management Association, an affiliate of The Council of State Governments, EMAC has been credited with successful responses in numerous disasters, from Superstorm Sandy to the 2001 terrorist attacks.

Like EMAC, none of these international agreements replace assistance from a central, national government, but they do represent another potential source of assistance.

“We’re much closer to New Brunswick than we are to most of the United States, particularly in the northern end of our state,” McAleer said, “so it’s natural for us to look in that direction if we need assistance.”

The Canadian partners agree.

“I’m a small province with a staff of 15,” said Aaron Campbell, manager of the Prince Edward Island Office of Public Safety. Campbell served as the Canadian co-chair of the International Emergency Management Group from fall 2009 to spring 2012. In the event of a disaster, he said, “I’ve made it known that Prince Edward Island will be a jurisdiction that’s asking early and likely be looking for a deep bench from our colleagues to assist.”

Mike Templeton, manager of the Yukon Emergency Measures Organization, faces the same situation.

“I’m looking for the most efficient and effective response to provide support to the Yukon. I don’t care where it’s coming from.”

— Mike Templeton, manager, Yukon Emergency Measures
“We’re the farthest west in Canada that you can get,” he said. “With the exception of some of the high Nunavut (Territory), we’re also probably the furthest from any help. If we got into a need, being where we are, I’m calling my closest neighbors.”

His closest neighbors may very well be Alaska, Idaho, Oregon and Washington state in the U.S., as well as British Columbia, which all are members of the Pacific Northwest Emergency Management Arrangement.

John Madden admits he didn’t know about the Pacific Northwest Emergency Management Arrangement until he was named director of the Alaska Division of Homeland Security and Emergency Management in 2007. The agreement, he said, just makes sense. Roughly 500 miles extend between the southernmost tip of Alaska and its nearest U.S. community in northern Washington state.

“If there’s a way to shortcut that tyranny of distance, I always thought it was a good idea,” Madden said.

Agreements Offer Other Benefits

Proximity of assistance is the most obvious advantage of these agreements. The benefits,
however, extend far beyond that. Because of their relationship through the International Emergency Management Group, Maine and New Brunswick have linked two systems that provide situational awareness during and after a disaster. Virtual Maine and the New Brunswick Multi-Agency Situational Awareness System are tools that provide real-time information on areas impacted by a disaster.

“They can see what’s going on here in Maine and we can pull down (Multi-Agency Situational Awareness System) data off of their system,” McAleer said.

In the Northwest, emergency management officials in Canada and the U.S. used the framework of the Pacific Northwest Emergency Management Arrangement and the alliance among its members to help prepare for the 2010 Winter Olympics in Vancouver. Without such a framework that had already established contingencies and developed potential outcomes, the group would have had to start from scratch and would have lost valuable time in preparations.

The planning elements within all the agreements allow members to discern their jurisdiction’s disaster resources more precisely—and more easily identify gaps in those resources.

“By sharing our scenarios both ways across this border, we can better understand the assumptions,” Madden said. “We can better understand the capabilities and we can prepare our own way in which to contribute and maintain essential services.”

While investments by individual states and provinces are beneficial to the international agreements, coordinating these purchases can be a good way to stretch shrinking tax dollars. “We’ve even got examples of towns on both sides of the border synchronizing their budgets so that they’re both not buying the same piece of equipment. That’s a beautiful thing,” McAleer said.

Final Piece of Mutual Aid Network

McAleer was actively involved in the launch of the most recent international agreement and the final piece in the mutual aid network along the Canadian/U.S. border—the State and Province Emergency Management Assistance Memorandum of Understanding, now known as the Northern Emergency Management Assistance Compact.

“The intent was to have one umbrella agreement between Canada, the United States and Mexico,” he said. “At some point in time, we thought we could get something accomplished in the middle part of the Canadian and U.S. countries. So we focused on that piece.”

Once the agreement was completed, the group went to work this summer on the nuts-and-bolts components.

“We’ve got the agreement,” McAleer said. “Now, here’s how we breathe some life into this thing and take on some of those operational aspects,” such as requesting resources and completing paperwork correctly.

It’s the same growing pains the other two agreements have worked through and necessary steps to a successful implementation. Those include face-to-face meetings and regular conference calls throughout the year. Participating states and provinces have held joint training and exercises to allow both countries to test their cross-border processes and push the system to find the points of vulnerability.

In August, for example, the Yukon Territory participated in Operation Nanook, an annual disaster preparedness exercise conducted by the Canadian Armed Forces. At the invitation of Templeton and the Yukon emergency management agency, Alaska provided support.

In June 2012, Washington state and British Columbia joined several cities, counties and the private sector in the first-ever cross-border exercise, using a 7.1 magnitude earthquake as the scenario.

The International Emergency Management Group held an exercise in early September in advance of the region’s Vigilant
Guard 2014, which will be held in November 2013 and will identify weaknesses in current plans for a major disaster.

These simulated events serve as great learning opportunities, Templeton said. “We might as well learn all the hoops we need to hop through now versus when something is really happening,” he said.

While none of the agreements have been activated for an actual disaster, a wildland fire in the Yukon Territory this summer raised the likelihood for one of them. Some 20,000 acres burned near the Alaskan border. As the fire edged closer to a small, isolated community, Templeton started planning for an evacuation and reached out to Alaska.

“There are really only two routes out of town,” he said. “There’s one highway, which is about a six-hour drive. Or it’s up and across the border into the state of Alaska. I quickly made a call to my counterparts over in Alaska, and said, ‘Hey, if we had to send people to you, can you guys help us out?’ And they said, ‘No problem at all. Just let us know when.’”

In the end, the rains came and no evacuation route was necessary, but the fact that the relationships established through Pacific Northwest Emergency Management Arrangement afforded Templeton that option was crucial.

“I’m looking for the most efficient and effective response to provide support to the Yukon,” he said. “I don’t care where it’s coming from.”

Ready for the ‘Big One’

All the emergency management experts agree the “big one” is coming at some point. “We’ve been knocking on wood,” said Templeton. He pointed to Superstorm Sandy as a sign of threats to come. Another 100 miles north and the Canadian provinces of the International Emergency Management Group would have been “in a world of hurt,” he said. “The longer it’s been since we’ve had our severe incident, the closer we’re getting to our next one,” Campbell said. “It’s going to be a matter of time.”

Regardless of whether that disaster is a massive earthquake, devastating flooding or some kind of manmade event, these international agreements provide tools so both the U.S. and Canada can work seamlessly together to respond and, eventually, recover.

THE THREE INTERNATIONAL MUTUAL AID AGREEMENTS ARE MODELED AFTER THE EMERGENCY MANAGEMENT ASSISTANCE COMPACT. EMAC, WHICH ALLOWS ASSISTANCE ACROSS STATE LINES, HAS BEEN CREDITED WITH SUCCESSFUL RESPONSES IN NUMEROUS DISASTERS, FROM SUPERSTORM SANDY TO THE 2001 TERRORIST ATTACKS.
RENA MORAN
Minnesota State Representative

When Rena Moran talks about poverty, she knows from whence she speaks. Moran, a mother of four sons and three daughters, was living in her native Chicago and was ready to change the path of her sons’ lives. Moran and her children started their lives in Minnesota at Mary’s Place, a temporary homeless shelter in Minneapolis. She learned to navigate the human services system that helps those in poverty and set goals for herself to improve her life. She eventually worked as a Wellstone fellow to engage, educate and empower the African-American community politically. That led to her seeking, and winning, a seat in the Minnesota House of Representatives. Her brush with poverty affects her work in the legislature. “It has shaped a lot, especially as I look at the child welfare system and the people we call, ‘those welfare folks,’” she said. She is a strong advocate for that system, but through a different model, “one where we are creating laws and policies that help people climb up and out, not ones that keep them stuck at a place.” Her experience also impacts other legislators. “My story and my journey help other legislators see that system differently,” she said. “It’s not one of dependency, but one there as a safety net to move people to another place.”

Do you know someone in state government who deserves a shout out? Email Mary Branham at mbranham@csg.org.
“The Council of State Governments hopes that you will enjoy it; the Council knows that it can be useful to you.”

—Former Colorado Sen. Henry W. Toll
Introduction, 1937 volume of The Book of the States

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