SPOTLIGHT: A Look Ahead at 2016

MEET YOUR CSG REGIONAL CHAIR FOR 2016

Top Policy Priorities for State Leaders

States Put It to a Vote

Prioritizing the Budgetary Wish List

PLUS: New Year, New Home for CSG
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ON THE COVER
Chairs of CSG regions are featured on special editions of the January/February Capitol Ideas.

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IN THE KNOW: PREPARING FOR THE POLLS
As the 2016 election approaches, it’s not just candidates who are getting ready for the busy year ahead. There are three major jobs for election officials between now and Election Day.

TOP ISSUES—POLICY
CSG policy experts explore the top issues in 2016 in the areas of fiscal and economic development, education, transportation, rural America, health, energy, international issues and federal affairs.

STATES PUT IT TO A VOTE
The 2016 presidential election season kicks off when the Iowa caucuses convene Feb. 1. Here’s a look at the election year ahead across the states.

LEAPING THE SKILLS GAP
In today’s advanced manufacturing world, anticipating the needs of business and industry is the name of the game. It requires looking beyond, not at, the horizon.

10 QUESTIONS
CSG regional chairs share insights on the most critical issues facing state leaders in their regions in a special regional edition of 10 Questions.

JUGGLING STATE BUDGET PRIORITIES
As 2016 begins, states are fiscally stable—and the financial situation appears to be pretty good in many cases—but challenges loom ahead as few states have been able to restore cuts made during the Great Recession and resources remain limited.

I DO SOLEMNLY SWEAR . . .
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EXPLORING STATES’ PARALLEL UNIVERSES
As secretary of the Senate in Nevada for nearly five years, David Byerman oversaw operations of the Nevada Senate. Having recently accepted a new challenge to serve as director of the Kentucky Legislative Research Commission, he shares tips for translating government experience from one state to another.
Happy 2016! As the holidays come to a close and the season of resolution-making begins—both in our personal lives and in statehouses across the country—we at CSG have identified a few resolutions of our own. We resolve to continue serving state leaders so they are empowered and equipped to serve their constituents and the states. We resolve to continue advocating for states’ rights, fighting to ensure the states’ voices are heard at the federal level. We resolve to continue offering outstanding opportunities for state leaders to gather, network and create problem-solving partnerships through regional and national forums. We resolve to serve you, our members, so that the states remain the laboratories of democracy, leading the way in the development of innovative policy solutions for the important challenges facing the states and the nation.

Here’s what’s happening at CSG.

1. CSG welcomes our new national officers and committee chairs! We look forward to working with these outstanding new officers:
   - Gov. Jack Markell, Delaware, 2016 CSG National President
   - Sen. Beau McCoy, Nebraska, 2016 CSG National Chair
   - Senator Kelvin Atkinson, Nevada, 2016 CSG National Chair-elect
   - Sen. Robert Stivers, Kentucky, 2016 CSG National Vice Chair
   - Gov. Brian Sandoval, Nevada, 2016 CSG National Immediate Past President
   - Sen. Carl Marcellino, New York, 2016 CSG National Immediate Past Chair

2. CSG releases Top 5 Issues for 2016.
   Check out the top issues facing the states this year in this issue of Capitol Ideas! Visit the CSG Knowledge Center at www.csg.org/knowledgecenter for more information and analyses of the top issues facing states in key policy areas such as education; energy and environment; federal affairs; health; rural issues and transportation.

   Save the dates and plan to join us in Colonial Williamsburg, Va., Dec. 8–11 for the 2016 CSG National Conference. Check www.csg.org/2016NationalConference for more details.

4. 2016 CSG eCademy series is back in session!
   Tune In Tuesdays @ 2 p.m. with CSG! Beginning Feb. 2, tune in to CSG eCademy twice monthly for insightful webcast programming on a range of policy issues. As an added bonus, participation in CSG eCademy programming may earn you a free registration to the 2016 CSG National Conference! For a full listing of upcoming sessions, visit www.csg.org/eCademy.

5. 2015 CSG National Conference materials now online!
   Presentation materials from policy sessions at the 2015 CSG National Conference in Nashville, Tenn., are now available in the CSG Knowledge Center. Visit www.csg.org/knowledgecenter to download speakers’ presentation slides and other materials from the conference.
Early voting must be administered in an equitable manner, so that voters can have an equal opportunity to vote. It simply wouldn’t work to have the same standards in the city of Boston as it does for a town like Gosnold.”

» MassVOTE Executive Director Cheryl Clyburn Crawford, as quoted by MassLive.com, discussing the need to avoid delays in some cities as Massachusetts voters take advantage of early voting.

THE UNITED STATES IS ONE OF THE ONLY NATIONS IN THE WORLD, AMONG DEVELOPED COUNTRIES, THAT HAS A REGISTRATION PROCESS LIKE THIS.”

» Brian Miller, executive director of Nonprofit VOTE, as quoted by The Seattle Times, discussing automatic voter registration.

BY HAVING ALL OF THESE (SOUTHERN) STATES LAUNCHING PRIMARIES IN ONE BLOCK, IT CHANGES THE BALANCE. IT GIVES US THE RELEVANCY WE DIDN’T HAVE BEFORE.”

» Georgia Secretary of State Brian Kemp as quoted by The Augusta Chronicle, discussing his SEC primary plan—a reference to the Southeastern Conference collegiate organization—that would have six or more southern states hold primaries on March 1.

HE RAN A CLEAN RACE, ON THE ISSUES, AND I’M SORRY ABOUT THIS. IT’S NOT FAIR TO HIM OR THE PEOPLE OF THE DISTRICT. BUT IT’S THE LAW, AND I ALWAYS FOLLOW THE LAW.”

» Mississippi Rep. Bo Eaton, as quoted in The Clarion Ledger, about his opponent Mark Tullos. Following a tied vote in the general election, the candidates drew straws Nov. 20 to determine the winner. Lacking a run-off provision for state legislative races, Mississippi state law requires tied votes to be determined by lot.

I understand firsthand the frustration of individuals, but it’s certainly no way to exercise that frustration by just not voting.”

» Louisiana Secretary of State Tom Schedler, to WWL radio station, about low voter turnout due to frustration over the election cycle.

“Citizens should not be required to opt in to their fundamental right to vote. We do not have to opt in to other rights, such as free speech or due process.”

» California Secretary of State Alex Padilla as quoted in the Los Angeles Times, regarding the automatic voter registration when residents apply for driver’s licenses in California.

THE STATE MUST ENSURE THAT EVERY ELIGIBLE CITIZEN’S VOTE COUNTS AND IS NOT STOLEN BY FRAUD.”

» New Jersey Gov. Chris Christie, in a statement about his veto of The Democracy Act, legislation aimed to implement automatic voter registration when voters apply for driver’s licenses.
WEAPONS BAN
A federal appeals court in October upheld New York and Connecticut’s statewide bans on assault weapons and large-capacity magazines, reported The New York Times. The unanimous three-judge panel of the United States Court of Appeals for the Second Circuit in Manhattan found that “core provisions” of the laws did not violate the Second Amendment and the states acted “based on substantial evidence” and had “tailored the legislation at issue to address these particularly hazardous weapons.”

JOB NETWORK
New Jersey’s Rutgers University unveiled a free job training program for people age 45 and older who are searching for work, reported USA Today. The New Start Career Network also will offer career coaching and mental health counseling free of charge. The program is meant to help older, more experienced workers participate with younger, less expensive skilled workers in the competitive job market.

OVERDOSE PREVENTION
New Hampshire will distribute 5,000 free opioid overdose prevention kits throughout the state using a $500,000 federal grant, reported the New Hampshire Union Leader. The kits are being allocated to the state’s 10 community health centers and three other clinics, and will ultimately be available for distribution at community events. The state also will run an awareness campaign—“Anyone, Anytime”—to help the public understand the treatment services and resources that are available.

CONFERENCE ON HUNGER
More than 200 professionals, including food pantry supervisors, farmers and state officials, gathered in October to discuss long-term solutions to ending hunger in Massachusetts at the Food for Good Conference, according to the Daily Hampshire Gazette. One in three Massachusetts households are considered food insecure. Participants discussed access to the Supplemental Nutrition Assistance Program, as well as underlying problems that cause food insecurity such as wages, education, housing and child care.

LIQUOR LOTTERY
The Pennsylvania Liquor Control Board is using a lottery system to distribute rare wines and spirits, according to the Pittsburgh Post-Gazette. The board’s previous method of selling limited-edition alcoholic beverages on a first-come, first-serve basis caused a website crash when Pappy Van Winkle bourbon became available for purchase. Pennsylvania residents can register for the lottery online and lottery winners will be selected at random.

MARYLAND TO REQUIRE LEAD TESTING FOR CHILDREN
Maryland will require children to be tested for lead poisoning at age 1 and 2 under a new rule from Gov. Larry Hogan’s office, according to The Baltimore Sun. The plan will have an estimated 175,000 children tested twice in their first two years of life. In the past, health officials have focused on screening underprivileged children and those living in housing built before 1950, which is more likely to contain lead-based paint.

“Lead poisoning has no boundaries,” said Lt. Gov. Boyd Rutherford. He stated that if lead poisoning is to be eliminated, “we must reach all areas of the state.”

Even small amounts of lead can damage children’s nervous systems if ingested. Most lead poisoning is caused by lead-based paint; other sources include tap water from plumbing with lead solder, and lead-glazed porcelain and ceramic dishes.

The number of Maryland children poisoned in 2014 was 355, according to state figures. Another 2,004 children had elevated levels of lead in their blood, which also poses health risks.

Many children who are at high-risk for lead poisoning have to be tested for lead before entering school and advocates believe testing everyone earlier would prevent more children from suffering ill effects from lead exposure.

“If we catch them early, we’ll catch them before they go on to get a chronic lead exposure,” said Clifford Mitchell, Maryland’s director of environmental health. State officials plan to review the results of the expanded testing after three years and may adjust the requirements after that, he said.
AERONAUTICS EXPANSION
Further reinforcing the burgeoning aeronautics sector in the southern region, Delta Airlines recently announced a partnership with top British aircraft engine manufacturer Rolls-Royce to build and maintain advanced jet engines at a 100,000-square foot expanded engine shop at Delta’s Technical Operations, or TechOps, Center in Atlanta, PR Newswire reported. TechOps is located near Atlanta’s Hartsfield-Jackson International Airport, where Delta operates the largest hub airport operation in the world. The expanded facility is scheduled to open in 2019 and will make Delta the first independent Rolls-Royce approved maintenance center.

BUILDING BOOM
Nashville is undergoing an unprecedented wave of construction. The New York Times reported that more than 100 new development projects, representing an investment of more than $2 billion, are underway in the city of 660,000. The boom includes new mixed-use development, high rises, hotels, parks and an athletic stadium. In response to this massive growth, Mayor Megan Barry, who took office in September 2015, campaigned on a platform promoting expanded mass transit options.

TOP GRADES
In a recent report released by Champlain College’s Center for Financial Literacy, southern states lead the nation in high school personal finance education. The 2015 Report Card on State Efforts to Improve Financial Literacy in High Schools found that only five states require a semester-long personal finance course in high school. Of those five states, four are in the southern region, according to TimesDaily.com, Alabama, Missouri, Tennessee and Virginia all earned a top grade of “A.”

HEMP PRODUCTION
Kentucky is using the 2014 Farm Bill to build the nation’s 21st century epicenter for industrial hemp. The Southeast Farm Press reported that the Kentucky Department of Agriculture approved 121 research pilot projects from 24 processors, seven universities and many individual growers for more than 1,700 acres of intended plantings in 2015. Adding more pilot projects in 2016, the department also is working with companies to parlay agricultural success from the first two years of pilot programs into a commercial industry.

CAPITAL COMMUTE
Texas voters approved in November the repeal of a constitutional requirement that top elected officials reside in the capital city. Previously, if the state’s attorney general, comptroller, general land commissioner, agriculture commissioner and three railroad commissioners did not reside in Austin, they were required to relocate upon their election to office. The governor, lieutenant governor and justices for the state Supreme Court and Court of Criminal Appeals still must reside in Austin. Governing magazine reported the resolution “sailed through the Senate on a 29-1 vote and faced only slightly greater opposition in the House, passing 102-43.”

MISSOURI AWARDED RENEWABLE FUEL GRANT
Missouri has been awarded $2.9 million in federal funding to increase the availability of ethanol, a corn-based fuel combined with regular gasoline in the state, The Columbia Missourian reported in October. The funding will be provided by the U.S. Department of Agriculture’s Biofuel Infrastructure Partnership and will aid in the installation of an estimated 171 biofuel pumps, enabling the sale of up to 4.9 million more gallons of ethanol per year. All fuel retailers in the state will have the opportunity to expand their pumps, creating what Richard Fordyce, director of the Missouri Department of Agriculture called a “win-win.”

Missouri is a major corn-producing state and in 2013 was 19th in the nation for ethanol consumption. The state was an early adopter of this alternative fuel; in 2006 the General Assembly passed a law requiring that most fuel contain at least 10 percent ethanol. Expanding access to ethanol is expected to benefit several sectors of the state’s agricultural economy by increasing market demand and prices for corn. Distillers grains, a cereal byproduct of ethanol production, is a major food source for the state’s livestock and poultry. An increase in ethanol production will result in an increase in distillers grains, driving down the feed’s prices.

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FIRST-GENERATION FARMERS

A state survey showed that most new farmers in Wisconsin are first-generation growers, reported Wisconsin Public Radio. A survey from the Wisconsin Farm Center—an agricultural resource center within the state Department of Agriculture, Trade and Consumer Protection—found that 60 percent of farmers who started operating between 2008 and 2012 are first generation. The prospect of trading an office for the outdoors is drawing people from a variety of backgrounds to become farmers, said center director Kathy Schmitt.

VIDEO VISITATION

All 11 Minnesota Department of Correction facilities are starting video visitation programs that allow inmates to video chat with family and friends, according to the Star Tribune. Loved ones can schedule appointments for video visits with inmates online for a fee. The technology, provided by video visitation company JPay Inc., allows inmates to participate in events such as holiday gatherings and see loved ones who may be unable to visit in person.

BRAIN DRAIN

University of Iowa graduate students proposed in October an income tax break for graduate and professional-level students educated in Iowa who stay in the state to work after completing their education, according to The Gazette. The financial retention incentive is meant to keep skilled workers in Iowa, preventing “brain drain” and continuing workforce shortages. If implemented, the 50 percent tax break would be available for the first five years after a student graduates.

EXECUTION DELAYS

Ohio will postpone executions until 2017 due to difficulties procuring lethal-injection drugs, Cleveland.com reported in October. Executions have been delayed already in the state for almost two years as European pharmaceutical companies have stopped selling lethal-injection drugs. The Ohio Department of Rehabilitation and Correction said in a statement that it needs time to acquire the lethal-injection drugs sodium thiopental and pentobarbital from overseas or from small-scale drug manufacturers.

BLIGHT DEMOLITION

Detroit and Flint, Mich. will split $32.7 million in funds from the federal government to take down blighted buildings, according to The Detroit Free Press. The money is part of a $498-million award made in 2010 under the Hardest Hit Funds that U.S. Treasury officials are allowing the Michigan State Housing Development Authority to move to its demolition account.

OFFENDER MENTORING PROGRAM INSPIRES SERVICE FOR THOSE LIVING IN POVERTY

Kansas Gov. Sam Brownback hopes to create a mentoring program to combat poverty similar to a program that is in place for criminal offenders, according to The Topeka Capital-Journal. More than 6,400 people have participated in the mentoring program for offenders and only 8.7 percent of those in the program reoffend in their first year out of prison, compared to 20.7 percent of the general offender population.

Brownback said he would like to see a mentoring program tailored for those living in poverty. “It’s a similar sort of situation where you have a lack of infrastructure for a lot of people,” he said. “The family structure isn’t there, or it’s had difficulties where it’s no longer functioning as a family and we need people with good hearts willing to step up and help out.”

Like the prison mentoring program, the program aimed at people using Kansas’ poverty programs would be voluntary. Mentors in the existing program are required to be over 21 and are unpaid.

Anna Hackett, a 19-year-old adjudicated at age 16 for attempted murder, lives in Kansas City, Kan., and is mentored by Linda Hodgson of Topeka. Despite the distance, Hackett said Hodgson has both supported her when she's needed it and allowed her to develop into an independent adult.

“I think if it really came down to it and I needed her, she would drive an hour there,” said Hackett.
THE WEST
AK • AZ • CA • CO • HI • ID • MT • NM • NV • OR • UT • WA • WY • AB • AS • BC • GU • MP

FANTASY SPORTS
Regulators are requiring fantasy sports websites to acquire Nevada gaming licenses to operate in the state, reported the Las Vegas Review-Journal. The Gaming Control Board issued a “cease and desist” order that bans the wagering websites until they’ve been approved. Some daily fantasy sports companies argue they offer games of skill that do not constitute gambling and therefore should not be subject to gaming regulations.

VOTER REGISTRATION
California Gov. Jerry Brown signed a measure in October that automatically registers Californians to vote when they acquire or renew a driver’s license, reported the Los Angeles Times. The measure allows individuals to opt out of registering when they visit the DMV, rather than requiring them to opt in. The measure, which took effect Jan. 1, was introduced after the November 2014 state election only produced a 42 percent voter turnout.

E-CIGARETTES
More Alaska high schoolers now report using electronic cigarettes than traditional cigarettes, according to the 2015 Alaska Youth Risk Behavior Survey. Alaska Dispatch News reported the survey, administered in spring 2015, showed that 11 percent of Alaska high school students smoked cigarettes at least once in the past 30 days, similar to the 2013 data. In comparison, 18 percent reported that they had used e-cigarettes in the past 30 days.

FREE TUITION
Arizona State University is offering its Master of Business Administration for free in an effort to bring a more diverse group of students to the program. The school will offer full-ride scholarships to a maximum of 120 students; typical class year enrollment is about 70 to 80 students, according to USA Today. The scholarships are funded by part of a $50 million donation from ASU alum William Polk Carey, who died in 2012 at 81 and whose grandfather helped found the business school.

HEALTHY KIDS
New Mexico Gov. Susana Martinez announced the expansion of Healthy Kids New Mexico, a program that provides education and resources to encourage children to eat healthy and be active, reported Ruidoso News in October. The New Mexico Department of Health is expanding the program’s reach from nine counties to 18 and from two tribal communities to eight. The state has seen a 20 percent decrease in childhood obesity among third graders since 2010.

HAWAII DECLARES STATE OF EMERGENCY TO EXPAND AID TO HOMELESS
Gov. David Ige issued an emergency proclamation in October to expedite the state’s response to its homelessness problem, according to Honolulu Civil Beat. The declaration will allow him to use state funds earmarked for “the immediate relief of the conditions created by the disaster.”

The state identified $1.3 million to serve an additional 1,000 homeless people between now and July 31, 2016, predominantly families and the chronically homeless. “It is still a state of emergency when you consider that there are thousands of people in our community who continue to be homeless,” Ige told reporters at a press conference.

The proclamation opens up funds and streamlines the process for building a temporary shelter suitable for homeless families and facilitates the immediate extension of contracts for homeless services, according to a news release.

Just prior to the emergency proclamation, Kaka’ako, a district in Honolulu, moved 54 percent of the individuals and 80 percent of the families from its homeless encampment into shelters.

“The lesson learned is that great things can be accomplished when we all work together. Despite the recent success of enforcement efforts in the Kaka’ako Makai area, homelessness remains a serious issue in every county throughout the state. We plan to replicate the Kaka’ako model as we work to address homelessness in communities across the state,” said Ige.
Preparing for Success at the Polls

As the 2016 election approaches, it’s not just candidates who are getting ready for the busy year ahead. Election officials in every state are already hard at work making sure that voters will be able to cast their ballots and choose the next class of political leaders.

What, specifically, can election officials do to maximize the effectiveness of the voting system and minimize the likelihood of problems at the polls in 2016? There are three major jobs for election officials between now and Election Day.

Know who’s coming.

For all the talk about changes to the process—new machines, new laws, court cases, etc.—no single change has had more of an impact on elections in the last several years than the spread of online voter registration and other tools designed to improve the quality of state voter lists. More than half the states now have online voter registration systems, whereas just two states had such systems in place as recently as six years ago.

Online voter registration is allowing people to add their names to the voter rolls in a fraction of the time it used to take. Even in places where online voter registration isn’t yet in place, other online measures have been taken to improve the process. Ohio, for example, has built, and is encouraging citizens to use, a site that allows them to check their voter record and make updates to their registration information. The result is a better voter list that reduces confusion at the polls.

Plan ahead.

It has become almost cliché to wring our hands at the decline in voter participation, but those concerns are not likely to be as pressing in a year when there is an open seat for the White House and fierce partisan disagreements across the issue spectrum nationwide. In that environment, the danger is not so much a lack of enthusiasm as it is a lack of capacity—the prospect of polling places becoming overwhelmed and under-supplied, resulting in long lines and angry voters. Thanks to the Presidential Commission on Election Administration, election officials across the country now have access to tools that will allow them to see the impact of adding (or subtracting) locations, machines and/or workers at the polls. At the same time, the growth of non-polling place voting options such as absentee, early voting and mail-in voting can have a profound effect on how many people show up on Election Day to cast a ballot. Using all of this information to make an informed forecast of capacity needs on Election Day will be invaluable. Yet even the most well-prepared jurisdiction will know that it needs to be flexible in the event of unforeseen circumstances, such as inclement weather and power failures.

Put the voter first.

Finally, election officials need to be aware that our election system both depends on and is intended to serve individual voters. For that reason, it is crucial that anything or anyone a voter encounters—ballots, voter guides, websites, polling locations or election workers—be thoughtfully designed or thoroughly trained with an eye toward the individual experience. In an era where user experience can make or break a consumer product, election officials must similarly craft an experience that gives the voter the best chance to succeed—and want to return.

These three tasks—voter roll building/maintenance, forecasting and usability—aren’t likely to get the same kind of attention in 2016 as aging voting technology, legal maneuvering or partisan crossfire, but they will help voters do their very important job: choose America’s future.
Entering 2016, state budgets remain a priority as states continue to promote economic growth and recovery from the Great Recession. In states that have expanded Medicaid under the Affordable Care Act, policymakers must determine how to pay for match payments for the program during the 2016 legislative session—all while balancing needed funding for education, transportation infrastructure and other key programs. States also will be preparing for the major election year ahead in 2016. With insights from the 2016 chairs of the CSG regions—each featured in their own specially zoned regional edition—this issue of Capitol Ideas magazine is designed to offer a critical glimpse of the year ahead for state leaders and provide the tools policymakers need to address the critical issues facing the states in 2016.
For states in the coming year, no news is good news when it comes to finances.

“Overall, finances in states are picking up pretty much everywhere to varying degrees,” said Scott Pattison, executive director of the National Governors Association. “Most budget folks are operating with the expectation of rather cautious revenue growth—modest revenue growth.”

For the last few years, states on the whole have seen a slow and steady increase in revenues. In the coming year, state leaders will have a little bit more breathing room when making fiscal decisions.

According to analysis of Census Bureau data by the Rockefeller Institute of Government, states collected $912 billion in total tax revenues in fiscal year 2015—an increase of 5.6 percent over 2014 levels. During this period, personal income tax revenue grew by 9 percent; corporate income tax revenue increased by 6.2 percent; sales tax revenue increased by 5.4 percent and motor fuel sales tax collections grew by 2.4 percent. Growth over this time was widespread—47 states reported growth—while three states, Alaska, Illinois and North Dakota, reported declines.

But with that breathing room comes a complex set of choices: Do we shore up our savings or do we invest in infrastructure?

“There are so many other things that states have to spend money on—Medicaid, health care increases, K-12—but I think you are starting to see the ability to invest in more,” said Pattison. “With a little bit more money, and since they have been stable and have seen growth over the last few years, you are seeing states trying to build up their rainy day funds, and you are going to start to see more money directed toward universities.”

The National Association of State Budget Officers’ Spring 2015 Fiscal Survey of the States found that, after reaching a low in fiscal 2010 due to the lingering effects of the Great Recession, states have started to make progress in rebuilding rainy day fund balances. Not including Alaska or two states that did not provide complete data, rainy day fund balances—also known as budget stabilization funds—totaed $30.2 billion in fiscal year 2014, are estimated to be about the same in fiscal year 2015 and are projected to increase to $35.2 billion in fiscal year 2016.

Although policymakers have a little bit more breathing room, resources remain tight and require careful allocation. “That’s all positive—it isn’t wonderful, robust, solve every problem because we have plenty of money wonderful—but I’m not sure that will ever be the case for states again,” said Pattison.

“I think the best approach right now, although it is so hard to predict the future, is the expectation of continued cautious, modest revenue growth,” he said. “There is nothing that seems to indicate that there will be any sudden, robust revenue growth at the state level through the end of the fiscal year.”

For states reliant on natural resources, that cautious revenue growth could be derailed by volatility in the oil market. “The big, open question is: What happens with oil prices and how will all of the energy states be affected? You certainly could see some very tough times for some states,” said Pattison.

In addition to decisions on saving for a rainy day and infrastructure investment, state leaders may begin taking a look at tax reform, but it is unlikely there will be huge shifts anytime soon.

“If they are going to make changes, they are probably going to be more incremental, rather than any big, dramatic changes. They’ll phase in any tax cuts, for example,” said Pattison. “That’s a good thing. A little more caution, a little more incremental approach.”
Moving Forward from No Child Left Behind

by Jeff Stockdale

While the House and Senate have been grappling with updating the No Child Left Behind law since 2007, it has become apparent to lawmakers on both sides of the aisle that the states have grown weary with the federally driven systems for holding schools accountable for student performance. Setting goals and timelines for academic progress will be at the forefront of state leaders’ minds in 2016 as progress continues on updating the main federal K-12 education law.

Many believe the current accountability systems, which generally measure school performance solely on the basis of end-of-year testing, are an impediment to innovation because they create incentives to focus on a relatively narrow set of knowledge and skills.

Education Secretary Arne Duncan already opened the door to major flexibility by beginning to issue waivers from the NCLB law in 2011. More than 40 states, the District of Columbia and Puerto Rico have taken advantage of a federal waiver process to replace NCLB-style accountability systems and be more innovative as they implement accountability requirements of their own. In order to gain approval from the U.S. Department of Education, the state programs must focus on ensuring all graduates are ready for college and careers, closing achievement gaps, increasing graduation rates and targeting interventions in the state’s lowest-performing schools.

Some states, like New Hampshire, are beginning to experiment with accountability systems that strike a balance between state and local measures. New Hampshire’s pilot program in four districts includes a mix of locally scored performance assessments in addition to statewide assessments. The state measures are designed to ensure equity across districts, but the locally scored measures allow the use of performance assessments that are geared toward specific community needs.

Other states increasingly are relying on college-entrance exams for accountability purposes, in part to reduce the number of tests that upper-level students must take.

Connecticut recently joined a handful of states that use the ACT for accountability measures.

“Educational success must be based on what students need to succeed where they go next,” said Michael Meotti of Ed Policy Group and former commissioner of the Connecticut Department of Higher Education. “This goal should be shaped by where students want to live and work. It makes sense to try new approaches because no single measure can capture that notion everywhere.”

In Congress, many members are seeking to substantially reduce the federal role and increase state and local control of education, a philosophy embodied in the Every Student Succeeds Act, or ESSA, which successfully passed both chambers and was signed into law by President Obama on Thursday, Dec. 10, 2015. This act retains some federal requirements, but it gives states more latitude in how they hold schools accountable. Presidential candidates in both political parties have either embraced the general direction of the law or demanded even more flexibility for states.

The ESSA provides states greater flexibility and control, empowering state and local decision-makers to develop their own systems for school improvement based upon evidence, rather than imposing federal solutions set forth in NCLB. It requires that any action taken to support school improvement is driven by student outcomes, but removes the requirement that states use student scores to evaluate teachers.

The ESSA also replaces many of the grant programs under NCLB with a block grant, the Local Academic Flexible Grant, which offers states and school districts the funding flexibility to support initiatives based on their local needs.

As there continues to be consensus on shifting more control of public schools to the states and pushing federally-driven accountability initiatives aside, state leaders must focus on finding successful plans designed to increase college- and career-readiness in their communities. With the implementation of this bill, states should be prepared for heading down a path toward restoring state and local control of education.
Looking to Transit to Transition Economies

by Sean Slone

Across the country, transportation options are being deployed to revitalize communities, revive sluggish economies and change the way we live and work. In particular, transit stops have become a focal point for many areas hoping to generate the development of office, retail and commercial spaces and flourishing neighborhoods around them.

“Public transportation ridership is at an all-time high,” said James Corless, director of Transportation for America, at an event in October. “We’ve seen a resurgence of people moving back to cities, even inner suburbs urbanizing and a new demographic demanding a different kind of transportation option and that has led to a lot of demand out there for new public transportation investments all across the U.S.”

State officials in Connecticut have a couple of big reasons to believe that transit-oriented development—or TOD—will be key to the state’s future. A commuter rail line connecting New Haven, Conn., and Springfield, Mass., is set to begin service next year, and a recently opened bus rapid transit line in Hartford, Conn., is already proving to be more popular than predicted.

That’s why Tim Sullivan from the Connecticut Department of Economic and Community Development was in Washington, D.C., in October to speak at the Transit Oriented Development Institute’s first national conference.

“I’m here on a trade mission…trying to convince people to come up and build great projects … and help us bring TOD to life in Connecticut,” he told attendees. “We have to have vital, vibrant cities or we won’t be able to attract and retain young talent. We won’t be able to attract and retain companies. And that’s the whole ballgame.”

Connecticut isn’t alone. Among developments elsewhere:

• California is seeing a rail transit boom with more than $12 billion in investment taking place along under-construction high-speed rail and light-rail lines. Los Angeles is building one of the nation’s most ambitious transit expansion programs.
• Houston’s light-rail line has become a catalyst for downtown development, with $8 billion in projects along a seven-and-a-half mile stretch of track. Dallas is hoping to follow suit by adding a new downtown line to their light-rail system.

States looking to reap the benefits of TOD can find plenty of inspiration in one place: the Washington, D.C., metro area, said Christopher Leinberger, president of real estate developer coalition LOCUS.

“Metro D.C. is the model by which we’re building this country as far as TOD,” Leinberger told the TOD conference. “If you want to see the future, you’ve got to understand metro D.C.”

Analysts believe there is still considerable untapped potential for TOD around the country because it is often difficult to attain due to competing interests and complicated approval processes.

But there are a variety of strategies they point to that states can employ to make successful TOD attainable. Among them:

• Changing state laws to allow the establishment of more business improvement and community benefits districts. These are special zones funded by local tax assessments and charged with improving and managing TODs for the benefit of residents;
• Investing in bike infrastructure, which can help shape the character of a neighborhood and provide significant bang for the buck in giving residents another transportation option;
• Making mass transit and TOD funding a part of state transportation funding packages;
• Creating dedicated state funds to support TOD; and
• Giving additional taxing authority to local jurisdictions and allowing them to go to the ballot to seek support from voters for TOD investment. 
Closing the Digital Divide

by Liz Edmondson

Broadband has become the electricity of the 21st century. Everyone needs it. But a digital divide exists between urban and rural America. According to the Federal Communications Commission’s 2015 Broadband Progress Report, more than half of rural Americans lack access to 25 megabits per second download and 3 megabits per second upload speeds, the FCC’s new broadband benchmark for 2015. Comparatively, only 8 percent of urban Americans lack access to the same speeds.

Broadband access in rural areas is essential for two reasons, said Eric Nakajima, director of the Massachusetts Broadband Institute, or MBI, “and neither of them involves Netflix.”

First, without broadband children have difficulty completing school assignments and participating in other educational opportunities. “If towns want to build the next generation of residents, they have to have 21st century broadband,” Nakajima said.

Secondly, broadband access is key to ensuring economic development in rural areas. “The direction of everything in society is to be more connected with higher bandwidth,” he said.

Katie Stebbins, assistant secretary of innovation, technology and entrepreneurship at the Massachusetts Office of Housing and Economic Development, noted that without broadband access, people living in rural areas aren’t competing on a level playing field. Lack of broadband access can affect housing prices and create problems attracting people to rural communities as the population ages, she said.

A recent study by the UMass Donahue Institute found access to high-speed telecommunications is essential to avoid population declines and is a key attractor for younger workers.

“Lack of broadband access prohibits you from communicating with the outside world in a way those with broadband access take for granted,” Stebbins said. “We want to make sure that wherever you choose to live, you have a connection and that you aren’t marginalized by where you choose to live.”

Massachusetts is making progress in closing the substantial gaps in broadband access in the rural central and western parts of the state. The question for Nakajima wasn’t whether these rural areas needed broadband access, but how to provide it.

The gaps in access to broadband exist because there are fewer people in rural areas, and they are not close to each other. This makes it very expensive to extend broadband to rural communities.

“It is very hard to make back expenses to build out the infrastructure,” said Nakajima, which is why the private sector typically does not get involved.

The Massachusetts Broadband Institute was formed in 2008 as a stand-alone entity dedicated to closing the broadband gap in rural western and central Massachusetts. With a combined state and federal investment of $90 million, the organization was able to build out a “middle-mile” network to connect more than 1,100 schools, municipalities, medical facilities, public safety entities, town halls and libraries. Completed in 2014, and known as MassBroadband123, the “middle-mile” network consisted of about 1,200 miles of fiber-optic cable that connected 123 communities.

MBI’s next step is to use the foundation created by MassBroadband123 to provide network infrastructure to the “last mile,” those areas closest to the end-users such as residents, businesses and community facilities. According to Nakajima, 45 towns do not have any broadband service and other towns had significant gaps in availability. With MBI’s help in constructing and managing the rollout, Leverett, Mass., became the first of the 45 unserved towns to launch a “last-mile” network in October 2015.

Once connected to the “last-mile” networks, the towns will decide how to manage and run the network. This could be through a municipal light plant, a multi-town cooperative or working directly through private companies. The challenge going forward, said Nakajima, is understanding what the market will look like for broadband and how to develop a business model that ensures high quality and reliability.
States that expanded their Medicaid eligibility and took advantage of the 100 percent federal funding available for the first three years under the Affordable Care Act will find the free lunch—if there ever was a free lunch—gone as they build their budgets for the 2017 fiscal year during this year’s legislative sessions.

Beginning in January 2017, 30 states and the District of Columbia will be required to make a 5 percent matching payment for their Medicaid spending on their expansion populations. The match will climb to 6, 7 and then 10 percent in 2018, 2019 and 2020, respectively.

“A 90/10 match is still better than our regular 70/30 match,” said Kentucky state Rep. Joni Jenkins, who is chair of the appropriations subcommittee that will write the Medicaid budget for FY 2017 and FY 2018 this year. Jenkins predicted that the Kentucky House would scrape together the required match to maintain Medicaid expansion. With the November election of Gov. Matt Bevin, who was not supportive of Medicaid expansion during his campaign, Jenkins said the House majority caucus, the advocacy community for Medicaid enrollees and the business community will need to work together to make the argument to maintain expansion in the state.

“I have noticed that those who harped on the cost of Medicaid expansion last year are now more likely to harp on the cost of Kynect, the state-run health exchange,” Jenkins said. “So many people have been covered that it is really politically difficult to think about walking back from expansion.”

“Economically and healthwise, Medicaid expansion just makes sense. These people will still get health care when they need it, but they will be uninsured again,” Jenkins said. “The 5 percent match is a bargain compared to all those uncompensated care costs.”

When the Kaiser Family Foundation completed its annual survey of the states’ Medicaid directors in 2015, directors in expansion states noted that finding general funds for the state share of Medicaid spending, beginning in January 2017, would be an upcoming challenge.

“This is a very big deal,” Vern K. Smith, one of the authors of the Kaiser survey report and a managing principal of Health Management Associates, said of the required match. “Even 5 percent of a very large number is a large number.”

“States knew it was coming,” he said. However, the amounts—in the neighborhood of $50 (million), $100 (million) and $200 million, he said—may surprise some legislators, especially those new to the state budgeting process.

Smith pointed out the historic nature of the Medicaid expansion in the Affordable Care Act.

“A 5 percent share is the lowest state share required in the history of Medicaid,” Smith said. “Never has the federal government borne 95 percent of the costs of the program.”

Smith said he believed states would be highly motivated to find the necessary funds. He said various states have been able to document that they have generated new jobs and increased revenues because of their Medicaid expansion.

Medicaid directors reported such savings to Kaiser. Fifteen states reported savings in criminal justice expenditures as a larger portion of incarcerated and paroled individuals qualified for Medicaid. Thirteen states reported savings in state behavioral health spending as individuals’ care reimbursement moved from state-funded services to Medicaid. Twelve states reported either provider tax revenues or general revenues had increased in either FY 2015 or FY 2016 due to the expansion. Six states reported savings in their budgets related to funding for uncompensated care costs.

In Arkansas, the legislature hired The Stephen Group to prepare a report about its Medicaid expansion program. The final report, released in October 2015, makes recommendations on redesigning some components of the state’s expansion, the so-called private option that uses Medicaid funds to purchase private health insurance policies for those newly eligible under the new income limits.

Ending the Arkansas expansion would come at a high price the report concluded. According to the Arkansas News, The Stephen Group calculated that ending the expansion and reverting to old eligibility rules would cost Arkansas $438 million between 2017 and 2021 and jeopardize health insurance coverage for 20,110 people now in the private option plans.

“From an economic development perspective, Medicaid expansion is still a very good deal for states,” said Smith.
WITH CLEAN POWER PLAN COMPLIANCE, COMMUNICATION IS KEY

by Liz Edmondson

The Environmental Protection Agency’s final Clean Power Plan, or CPP, is the first regulation that seeks to reduce carbon dioxide emissions from power plants. A top issue for states in 2016 will be determining how to comply.

Compared to the draft version of the CPP, the final rule released Aug. 3, 2015, sets tougher overall goals for reducing carbon emissions. The goal is for overall carbon dioxide emissions to be reduced 32 percent below 2005 levels by 2030, compared to 30 percent in the draft rule.

States also were given individual targets for reducing power plant emissions and must submit a plan to the EPA outlining how they plan to meet interim and final targets by the 2030 deadline. Plans are due by September 2016, or states may submit an initial plan and request a two-year extension. If no plan is submitted, the EPA will impose a federal plan on the state.

Many states face tougher requirements for reducing emissions under the final plan. “We feel like we’re ahead of the curve and have been, but EPA’s mandates are even more restrictive,” said Ohio Rep. Al Landis. Ohio reduced coal-fired power plant emissions by 30 percent between 2005 and 2014, but the CPP does not take into account reductions made prior to 2012.

John Lyons, assistant secretary for climate policy for the Kentucky Energy and Environment Cabinet, called the final rule “daunting.”

“This is the most far-reaching environmental regulation I’ve ever dealt with,” he said.

Lyons and other experts feel that the CPP pushes states toward a cap-and-trade, market-based approach to achieve compliance. But a challenge exists for states because the rule also provides states more than one option for measuring emissions reductions and trading credits. If states pick different options, they may not be able to trade with each other.

“Everyone is waiting to see what other states do because that could impact what we do here. Figuring out what other states are going to do is really the big deal. We’re all waiting to see who goes first,” said Lyons.

Matthew Larson, an attorney with Wilkinson Barker Knauer, LLP, said states will have to come up with currencies and verification processes that are consistent with one another.

States are expected to incur overall lower compliance costs where regional cooperation occurs compared to states attempting to comply on their own, said Jonas Monast, director of the Climate and Energy Program at the Nicholas Institute for Environmental Policy Solutions at Duke University.

If most states intend to use an emissions trading system to comply, communication and transparency will be key. According to Lyons, Kentucky is involved with multiple stakeholder groups and is actively learning what other states are doing and thinking.

Landis echoed this sentiment. “With anything we do, it’s about communication,” he said. Ohio plans to move forward based on what other states are doing and what’s worked.

Communication and transparency between legislators and regulators within states also will be essential. States have passed numerous pieces of legislation addressing the CPP. Legislation expected to be introduced in Ohio would require Ohio’s EPA to submit the state’s plan for compliance to the Ohio General Assembly prior to submitting it to the U.S. EPA. Several other states have passed similar legislation. However, a law passed in Kentucky could potentially limit the state’s flexibility in complying with the CPP because it would prohibit a decrease in the utilization of a coal-fired power plant, said Lyons. Depending on how the law is interpreted, it could limit the state’s ability to meet emission reductions requirements through other avenues such as energy efficiency, alternatives to coal, or trading emissions credits.

Ultimately, looking at what other states are doing and having a repository of this information will be the key in achieving compliance, he said.
Banking on America

The U.S. has one of the most competitive economies in the world and many foreign businesses strive to get a foothold in the American market. With nearly 12 million Americans working for a majority-owned foreign company in the United States, trade proponents hope that the Trans-Pacific Partnership, or TPP, and the Transatlantic Trade and Investment Partnership, or TTIP, will spur further investment in the U.S.

The U.S. is home to more foreign investment than any other country in the world. Foreign businesses have invested an average of $67 billion a quarter for the past three quarters, according to a White House Fact Sheet. Deloitte University Press released a report in January 2015 that described the manufacturing industry as the “largest and fastest-growing industry in dollar terms for foreign investment,” growing by 44.4 percent between 2007 and 2013. Substantial investment also is flowing into other industries such as mining and insurance.

Foreign investments translate directly to job growth. About 12 million Americans worked for majority-owned foreign affiliates in 2013, a 15 percent increase since 2007. In comparison, U.S. parent companies employed 23 million Americans in 2013, growing by only 2 percent since 2007.

From 2007 to 2012, Louisiana, North Dakota, Texas and West Virginia gained many jobs in the oil and gas extraction industry, while Michigan attracted manufacturing jobs. Arizona, Georgia, Oklahoma and Pennsylvania also experienced substantial gains in foreign direct investment-related jobs, and the excitement in the American economy does not appear to be dying anytime soon.

In A.T. Kearney’s 2015 edition of the Foreign Direct Investment Confidence Index, the U.S. was listed as the prime destination for investment in the world. Nearly half of business executives surveyed for the publication said they were more optimistic about the U.S. economy than they were a year ago, much of the excitement deriving from Asia-headquartered companies.

Why are foreign entities so interested in the American economy? Vinai Thummalapally, executive director of SelectUSA, a federal agency under the U.S. Department of Commerce, wrote in a piece for Area Development, “One of the most important reasons that investors choose to establish or expand businesses in the United States is to serve the massive domestic market. With 320 million diverse consumers, companies of all sizes with all manner of products and services can find their market here.”

“Beyond the U.S. market, companies that manufacture in the United States also enjoy enhanced access to export markets through 14 free-trade agreements covering 20 markets,” Thummalapally said. In fact, the subsidiaries of multinational companies accounted for a fifth of all U.S. goods exports in 2013.

In 2013, the top five sources of foreign direct investment came from Japan with inward investment at $45 billion, the United Kingdom at $42 billion, Luxembourg at $26 billion, Canada at $23 billion and Switzerland at $17 billion. All of these countries are currently in negotiations to join either the TPP or the TTIP. In fact, the foreign countries negotiating these trade agreements account for nearly 90 percent of foreign direct investment flows into the United States, and both agreements are expected to further these flows by lifting local content requirements and ensuring that foreign companies are treated with the same rule of law as domestic companies.

The Organization for International Investment, or OFII, estimates that direct employment of U.S. workers will increase by 400,000 with the completion of both agreements. Indirect and induced employment, jobs generated to support the newly established foreign company, is estimated to increase by more than one million jobs.

With the increased opportunities that a finalized TPP agreement will bring, states’ investment offices will have a much more level playing field when it comes to attracting foreign business within the 11 countries negotiating the agreement. The agreement has been released for public comment, and will eventually need congressional approval for ratification.

“We are consulting closely with members of both parties in Congress. And we strongly believe that on a bipartisan basis we should get this done,” President Obama said at a Nov. 13 meeting on the TPP at the White House. “It will be good for American business, it will be good for American workers, it will be good for our national security for generations to come.”
Planning on Fiscal Uncertainty

by Jeff Stockdale

Inaction and delays associated with appropriations and authorization processes in Congress continue to cause uncertainty and make it more difficult for state and local governments to manage fiscal resources and strategically plan. This situation is unlikely to change soon, recognizing that election year politics may introduce further complications, exacerbating these problems.

Congress has not approved all 12 appropriations bills on time since 1996, and it has relied on the use of stopgap continuing resolutions, also known as CRs, and omnibus bills to provide federal appropriations. The pattern of patchwork funding and the recurring threat of government shutdowns have made it difficult to predict the flow of funds to state and local governments.

State and local governments rely heavily on federal appropriations and authorization processes to pursue grant programs and fulfill key policy objectives. Almost 30 percent of all estimated state expenditures came from federal funds in fiscal year 2013.

“I’m not sure the federal government realizes the significant impact that inaction and uncertainty has on state and local government,” said Scott Pattison, executive director of the National Governors Association. “The inability to plan, the delays and the distraction of temporary measures prevents state and local governments from fully focusing on the long-term results all government levels want from programs.”

In September 2015, federal lawmakers narrowly averted a government shutdown by passing a CR to fund the entire federal government through Dec. 11. A CR is designed to serve as a temporary funding extension, giving lawmakers more time to enact a long-term spending plan. At that time, it was not clear that a deal on funding all agencies would be reached, and it was possible that federal agencies would again face a closure in December.

This uncertainty is compounded by Congress’ recurring use of short-term program reauthorizations in lieu of long-term authorizations, generating more unpredictability for state and local governments. Congress’ reauthorization of surface transportation programs provides a telling example.

State and local governments have been hard-pressed to carry out plans for major highway improvements because program authorization levels have not been set long term. Since 2009, Congress has passed 35 short-term measures to keep federal surface transportation programs operating. Historically, transportation bills have a six-year authorization.

Unless this practice of providing short-term program authorizations changes, state and local governments must continue to cancel or postpone infrastructure projects. According to the Arkansas State Highway and Transportation Department, program uncertainty forced state officials to withdraw 75 construction projects, worth more than $335 million, scheduled for bid openings in 2015. Tennessee announced it would delay projects in 2015 to the tune of $400 million.

When both the timing and level of funding for program authorizations remain uncertain, state and local officials must overcome significant hurdles in drafting budgets and developing strategic plans focused on key priorities. This uncertainty hinders the delivery of essential public services. While the problems associated with fractured appropriations and authorization processes are not new, this does not mean they can be ignored. In fact, these problems are likely to increase as concerns over the growing deficit mount and as the presidential election year introduces doubt over what policies will continue and receive emphasis.

States and local governments must constantly look for ways to increase collaboration and communication with their counterparts in the federal government to mitigate these risks and ensure that critical public needs are met.
The 2016 presidential election season kicks off when the Iowa caucuses convene Feb. 1. The nation’s first presidential primary will follow closely behind as New Hampshire voters head to the polls on Feb. 9. Both Nevada and South Carolina will also vote in February. Nevada’s Democratic Caucus meets on Feb. 20, followed by its Republican Caucus on Feb. 23. South Carolina’s Republican primary will be held Feb. 20 and its Democratic primary on Feb. 27.

**Super Tuesday | March 1**
- Alabama, Alaska (R), Arkansas, Colorado (D), Georgia, Massachusetts, Minnesota (R and D), Oklahoma, Tennessee, Texas, Vermont, Virginia and Wyoming (R).

**February 1 | Iowa**

**February 9 | New Hampshire**

**February 20 | Nevada (D), South Carolina (R)**

**February 23 | Nevada (R)**

**February 27 | South Carolina (D)**

**March 1 | Alabama, Arkansas, Texas**

**March 5 | Kansas, Kentucky (R), Louisiana, Maine (R), Nebraska (R)**

**March 6 | Maine (D)**

**March 8 | Hawaii (R), Idaho (R), Michigan, Mississippi**

**March 12 | Guam (R), No. Mariana Islands (D), U.S. Virgin Islands (R)**

**March 13 | Puerto Rico**

**March 15 | Florida, Illinois, Missouri, North Carolina, Ohio, No. Mariana Islands (R)**

**March 19 | New York**

**March 20 | New York**

**March 22 | Arizona, Idaho (D), Utah**

**March 26 | Alaska (D), Hawaii (D), Washington (D)**

**April 5 | Wisconsin**

**April 9 | Wyoming (D)**

**April 19 | New York**

**April 26 | Connecticut, Delaware, Maryland, Pennsylvania, Rhode Island**

**May 3 | Indiana**

**May 10 | Nebraska, West Virginia**

**May 17 | Kentucky (D), Oregon**

**May 24 | Washington (R)**

**June 7 | California, Iowa, Maine, Nevada, North Dakota, South Dakota**

**June 14 | Dist. of Columbia**

Other sources:
State election and party websites

From The Book of the States 2015, Table 6.4. Get your copy today at www.csg.org.
Super Tuesday

This year, 13 states will hold presidential primaries or caucuses on Tuesday, March 1, also known as Super Tuesday. The states participating in Super Tuesday 2016 are Alabama, Alaska (Republican Caucus), Arkansas, Colorado (Democratic Caucus), Georgia, Massachusetts, Minnesota (Republican and Democratic Caucuses), Oklahoma, Tennessee, Texas, Vermont, Virginia and Wyoming (Republican Caucus). The number of states participating in Super Tuesday increases the importance of the day from 2012, when only 10 states held elections. However, it is far from the most significant Super Tuesday, which took place in 2008—when 24 states and one territory cast their votes.

12 States and two territories will hold gubernatorial elections in 2016.

Delaware, Indiana, Missouri, Montana, New Hampshire, North Carolina, North Dakota, Oregon, Utah, Vermont, Washington, West Virginia, Puerto Rico and American Samoa

November 8 General Election

Delaware, Indiana, Missouri, Montana, New Hampshire, North Carolina, North Dakota, Oregon, Utah, Vermont, Washington, West Virginia, Puerto Rico and American Samoa
Closing the skills gap has become almost cliché, but a few short years ago that was not the case. The United States was caught flat-footed by the reshoring of advanced manufacturing in America.

The “train and pray” education and employment policies and practices of the past—go to college, get a degree, graduate and hope to find a job—were no longer adequate to meet the demand for a skilled workforce.

In today’s advanced manufacturing world, anticipating the needs of business and industry is the name of the game. It requires looking beyond, not at, the horizon. Skating ahead of the puck, not to it, is the new normal.

While some economists have expressed doubt about the skills gap, The Wall Street Journal reports that a survey by Manpower Group showed 40 percent of U.S. respondents “were having trouble filling jobs” and a separate poll by Accenture PLC and The Manufacturing Institute found “75 percent of manufacturers surveyed were having trouble finding skilled production workers.”
I experienced this firsthand. In the summer of 2012, during a Tennessee Business Roundtable hosted by Tennessee Gov. Bill Haslam in Memphis, a recently relocated plant manager tasked with expanding his employer’s manufacturing facility spoke up.

“Forgive me, governor,” he said. “If I’d known before we selected Tennessee for expansion what I found when I arrived here, I would never have chosen Tennessee.” The problem? The unavailability of skilled workers.

More than 400 skilled workers were needed to operate the expanded Unilever facility in Covington, Tenn., where Breyers, Ben and Jerry’s, and Klondike ice cream bars are manufactured today.

It almost didn’t happen. Thousands of resumes were received. None were qualified. Robots make ice cream bars, and mechatronics wasn’t second nature in west Tennessee at that time.

A customized curriculum was created at a nearby community college, and “Unilever University” was born. The result was a trained workforce ready to work when the plant became operational.

Unilever invested more than $100 million in the expansion, hired more than 400 employees, and now operates what is reported to be the largest ice cream factory in the world in west Tennessee. In October 2015, United States Cold Storage opened a state-of-the-art facility next door employing another 100 Tennesseans trained in technology and logistics.

It took an unprecedented alignment of Tennessee’s departments of Labor and Workforce Development, Higher Education, and Economic and Community Development, in collaboration with private companies and corporate citizens, to pull it all off.

I codified the approach in LEAP—the Labor Education Alignment Program—in 2013. In 2014, we funded $10 million in LEAP grants awarded to 12 consortiums across the state. Today, hundreds of high school students are dual-enrolled and simultaneously employed in private-sector apprenticeships.

LEAP was the genesis of the State Pathways to Prosperity workforce development and education initiative I chaired as CSG’s 2014 chairman. (Our report can be found online at www.csg.org.) It reflects similar initiatives across the United States designed to put people to work.

CSG continues working to harness and translate the type of information that drives state governments’ ability to focus effectively on the future. This is essential if successful economic development efforts are to be sustained.

States compete for jobs and governments compete for scarce resources needed to drive economic opportunity. The states that understand this and are able to maximize the right opportunities will prosper. States that don’t will falter.

It is in everyone’s best interest to maintain a long-term commitment to building the best workforce in the world. Building a stronger economy—one that consists of a skilled workforce, declining unemployment and increasing gross domestic product—requires a sustained effort.

That’s what we’ve done in Tennessee. It is one of the reasons Tennessee has been named economic development State of the Year for two consecutive years by Business Facilities magazine. Advanced manufacturing job creation in Tennessee far outpaces the national rate, at 30.3 percent of new jobs, compared to 8.1 percent nationally.

States across the nation are rising to the workforce challenge, and CSG is playing an important role. CSG’s workforce development and education initiative is designed to assist and benefit state governments through content rich programming and development of cost-saving services to states and to individual policymakers alike.

Get involved. Ask the tough questions. See to it that your state’s curriculum are relevant and that institutions of higher learning are properly incentivized, equipped and funded to graduate citizens with the aptitude, attitude and skills necessary to work, earn and learn in the 21st century.

It is hard to see history in the making when you’re in the midst of making it sometimes. But history is being made in education and workforce development, and history will show that we rose to the challenge.

"States compete for jobs and governments compete for scarce resources needed to drive economic opportunity. The states that understand this and are able to maximize the right opportunities will prosper. States that don’t will falter.”

—Tennessee Senate Majority Leader Mark Norris, 2014 CSG National Chair
What is the most important issue facing state policymakers in your region in 2016?

“While the SLC member states have been at the forefront in the preparation of the 21st century workforce through our community colleges’ targeted training programs and partnerships with major industries, we also must focus on aging infrastructure at our marine ports and inland waterways. A highly skilled workforce will not thrive if our industries cannot get their products to market. … We can ensure that our region, and the nation as a whole, remain competitive in the global marketplace and keep domestic business running efficiently with adequate investment and attention to these large-scale infrastructure needs.”

What is an issue that you believe your region is “getting right”? What achievements are being made on the state level?

“One of the striking features of the economies of the Southern region involves the impressive advancements in the manufacturing arena, particularly the automotive, aeronautics and biotechnology sectors. In recent decades, the performance of these industries in the Southern region—from Toyota in Kentucky to Boeing in South Carolina to Baxter in Georgia—has generated billions of dollars in economic impact and employed tens of thousands. A driving force behind this … is the programs initiated and executed by so many Southern states targeted specifically at workforce development.”

Partisanship in American governance often makes the headlines. How are leaders in your state and region rising above polarization to achieve the best interests of constituents?

“I think Kentucky, as do many of our SLC member states, has a more unified vision of what objectives we, our legislative body, need to meet in order to best serve our citizens, given the resources we have. More often than not, the issues we have to tackle are ones in which both parties can find common ground. Even with a politically divided General Assembly, during our last session we were able to reach agreement on issues such as job training, anti-drug legislation and changing the gas-tax formula because we are more open to compromise and thoughtful deliberation than previously.”
about some work that I had done in the community and how it would be beneficial for changing the dynamics of our area for a younger generation of working families … I saw it as an opportunity to bring a different perspective to the capitol."

Serving as a state legislator can often be a thankless job. What is it about your role that motivates you to keep moving forward, even on challenging days?

“Recently, I was involved with the implementation of a new research center at the University of Kentucky. This research center aims to provide new treatment in areas such as cancer, diabetes, heart disease and obesity. It will undoubtedly help several people I know, but also many more people I will never know.

Seeing real-life examples like that has certainly driven my passion for public service. When you see something that benefits a lot of people, that is the framework of what government should be—collectively doing for the public what the individual cannot do for him or herself.”

States are often called the laboratories of democracy and incubators of innovation. How can states continue to demonstrate their leadership as they tackle the issues of 2016?

“While there are many issues pressing on states, especially as a result of the decisions being made in Washington, D.C., perhaps our biggest challenge … will be to utilize the resources we have to provide the best level of service we can to our citizens. I think the Southern region is well governed, and our state leaders recognize … that (government) cannot continue to provide the same level of services our citizens have come to expect. However, we must continue to improve our infrastructure and our workforce, and these areas are at the top of the agenda for all the states in our region.”

What role can CSG and its regional offices play to assist states in this effort?

“I have found the resources and programs available from the SLC/CSG Southern office to be particularly helpful. Their research on ports, aeronautics and the auto industry in our region has been extremely helpful in understanding our state’s position in these sectors. SLC’s committee structure is particularly important because it comprises members from our 15-state region and provides a regional perspective on issues that are so important to the advancement of our states.

Both at the national and regional level, CSG’s leadership programs—Tolls and CALS—are critical in helping our members learn to deal with the many challenges they face and to assist them in understanding their responsibilities as a member of their community and legislative body.”

Why did you initially become involved in CSG?

“It goes back to not just CSG, but all the legislative groups that meet on a regional, national and international basis. These are opportunities to gather a collection of talent … and get insight into the inner-workings of really good ideas coming from across the country, ideas that are adapted, emulated or modified to help Kentucky. We know that we don’t have the market cornered on intelligence and ideas, and there are a lot of people who can come up with solutions that may not fit perfectly, but can be adapted to work in this state.”

How can state officials get involved in CSG and its regional offices and maximize the opportunities they have through the organization?

“I think it is important for our presiding and appointing authorities to make their appointments to the respective committees of the organization. This allows our CSG/SLC staff to reach out to specific members in both the House and Senate to gauge their needs. Additionally, we have always included CSG and its regional director as part of our new legislator orientation program, and that is so critical because it allows our new members to get acquainted with additional resources that can help them in their legislative careers.”

What do you hope to achieve as chair of CSG’s Southern Legislative Conference this year?

“Naturally, to raise the status of my home state in general, and also to work with all the other states to improve conditions for all of our constituents, through economic development, job opportunities, growth, education, and general environment and opportunities for families to prosper and live.”
As 2016 begins, states are fiscally stable—and the financial situation appears to be pretty good in many cases—but challenges loom ahead as few states have been able to restore cuts made during the Great Recession and resources remain limited.

States have experienced modest revenue growth averaging roughly 3 percent over the past six years, and few states are likely to see shortfalls when the fiscal year ends in June 2016. Nearly all program areas saw at least a small increase in total state spending in the 2015 fiscal year.

However, when adjusted for inflation, state budgets have not fully recovered to pre-recession levels. As a result, states must continue to prioritize needs and make tough choices about where to put scarce resources. Finalizing budgets during the 2016 legislative sessions will be difficult.

In other words, spending more on most areas of the state government, fully funding major programs, starting major new programs and making tax cuts will not be possible. Some of those things can occur but, as our mothers told us, “you can’t have it all.” Many states took longer than normal to finish budgets in spring and summer 2015, and this is likely to happen again this year.

Federal funds, particularly for Medicaid and health care, have grown even faster than state funds. In 2015, federal funds to the states increased more than 12 percent. But the recent gains in federal funding to the states likely will slow as the growth in Medicaid enrollment is expected to decelerate in future years after states fully implement the Affordable Care Act.

Most states have been able to fund their Medicaid requirements and increase funding for education, particularly K-12 education, and corrections. That this remains true in 2016, however, appears less likely.

In fact, the biggest fiscal challenge facing states in 2016 will be funding health care and Medicaid while maintaining sufficient funds for other parts of their budgets or for tax cuts they may wish to enact. And this is true regardless of states’ decisions to expand Medicaid under the Affordable Care Act.

“The biggest fiscal challenge facing states in 2016 will be funding health care and Medicaid while maintaining sufficient funds for other parts of their budgets or for tax cuts they may wish to enact.”
Most state budgets are expected to grow at roughly 4 percent in 2016, while health care and Medicaid costs are expected to increase as much as 7 percent in some cases. With Medicaid accounting for nearly 20 percent of state general fund budgets and growing at a faster rate than all remaining budget line items—and more than revenue—ensuring Medicaid costs are covered may mean there’s not enough funding to cover all other expenses in states’ budgets this year.

Of course, state officials realize they have to think beyond 2016 and the downturn that’s sure to come—hopefully many years from now. To prepare for the next downturn, states will need to continue to increase rainy day funds and other reserves.

States have made significant strides at boosting rainy day funds already, particularly given the slow growth during the recovery. Despite this, many experts with economic forecasting firms believe that current rainy day levels are not sufficient to get states through another recession. In addition, states need to continue to put money into their liabilities, such as pensions, to reduce their overall financial liabilities. This is good financial management, but it means even less money for immediate programs and therefore tighter resources and tougher decisions.

With the ringing in of 2016, states enter the seventh year of rebuilding since the end of the recession. While state budgets have improved significantly in recent years, state fiscal gains haven’t fully recovered and some budget cuts made during the Great Recession yet remain in place. Despite the challenges, states are in relatively good financial shape, especially compared to most governments throughout the world, all of which have varying levels of significant liabilities. But as legislatures meet and governors propose budgets this year, they will have to carefully manage their resources and prioritize their budgetary wish lists.

**About the Author**

Scott D. Pattison is the executive director of the National Governors Association. He previously served as the executive director of the National Association of State Budget Officers, the professional organization for state budget officers in the 50 states and U.S. territories, located in Washington, D.C.
An oath is the bridge that carries newly elected leaders from the grueling campaign trail to the daily grind of a public servant. In January, men and women across the country will raise their right hands and promise to support constitutions and do their jobs to the best of their abilities. The texts of these oaths vary from state to state. Some states have a single oath; some tailor oaths to the office. In most cases, oaths have been amended several times over centuries. Others, however, haven’t changed since states’ first constitutions. The following are excerpts from state oaths of office, past and present.

**California**

“...I have not been a member of any party or organization, political or otherwise, that advocated the overthrow of the Government...”

(current as of November 2015)

**Delaware**

“...I do acknowledge the Holy Scriptures of the Old and New Testaments to be given by divine inspiration.”

(first enacted in 1776, later revised)

**Idaho**

“...I take this obligation freely, without any mental reservation...”

(current as of November 2015)

**Mississippi**

“...I will, as soon as practicable hereafter, carefully read (or have read to me) the Constitution of this State...”

(current as of November 2015)

**Missouri**

“...I will not knowingly receive, directly or indirectly, any money or other valuable thing for the performance or nonperformance of any act or duty pertaining to my office...”

(current as of November 2015)

**Nevada**

“...I have not fought a duel, nor sent or accepted a challenge to fight a duel...”

(first enacted in 1864, later revised)

**Pennsylvania**

“...that I will support, obey and defend...”

(current as of November 2015)

**Utah**

“...I will discharge the duties of my office with fidelity.”

(current as of November 2015)

In **Indiana**, the term for the governor and lieutenant governor begins on the second Monday in January following the election. The General Assembly convenes on that date to canvass the votes and declare the winners. The winners are immediately inaugurated. This process was formerly a statutory requirement until Gov. Frank O’Bannon died while the legislature was not in session. Now the governor and lieutenant governor may choose a location to take their oath when filling a mid-term vacancy.

An oath of engagement taken by elected **Rhode Island** officers on March 16, 1641, read as follows: "To the Execution of this office, I Judge myself bound before God to walk faithfully and this I profess in ye presence of God."

In 1910, **Oregon** voters rejected an initiative petition that would have changed the oath of office to help prevent legislative logrolling.

In 1897, **Delaware** adopted an oath intended to combat an era of bribery and corruption. Oath takers swore that they had “not directly or indirectly paid, offered or promised to pay, contributed, or offered or promised to contribute, any money or other valuable thing” for votes.

When the first oaths of office were penned into North Carolina’s *Book of Oaths* in 1889, putting pen to paper wasn’t considered a novelty.

Today’s world of Facebook, smartphones and electronic holiday greetings was unfathomable. But a century after those oaths were written, North Carolina state employee Linda Wise picked up a pen, wrote 10 oaths and continued the long-time tradition.

“I’m going to tell my grandkids about it so they’ll really want to learn cursive,” said Wise, who has worked in the North Carolina Department of the Secretary of State since 1987 and written oaths since 1989. “I don’t think they teach it much anymore.”

In fact, in recent years policymakers in some states have made efforts to revive cursive instruction. In North Carolina, a bill introduced in February 2015 would have required “that the public schools provide instruction in cursive writing so that students create readable documents through legible cursive handwriting by the end of fifth grade.” The bill died in the Senate.

Sworn officials in North Carolina appreciate the handwritten oaths and often request copies of them, said George Jeter, communications director for the North Carolina Department of the Secretary of State.

A hefty tome that requires two hands to transport, the *Book of Oaths* includes the signed affidavits of the 10 elected executive offices that make up North Carolina’s Council of State. Wise has written the oaths for seven terms and plans to stick around for her eighth in 2016.

“She has the best handwriting of anyone we know;” Jeter said. “She’ll tell you she’s made a few errors, but when you look through the book, you don’t see errors.”

Wise said she has made mistakes, but she’s always able to fix them. She opens the book every four years, usually for one day only, and plans to spend hours—though she could not say exactly how long it takes—writing very slowly and, of course, neatly.

Afterward, the *Book of Oaths* takes center stage with newly elected leaders and their families. Wise rarely attends the ceremonies and her name probably won’t be the name recalled in North Carolina history books, but that’s OK.

“The thing is, nobody’s going to know who wrote them, really,” Wise said. “That’s fine for me. I think it’s great being a little part of history.”

*Source: National Association of Secretaries of State Summary of State Oaths of Office Survey, November 2015*
SIX KEYS TO JOURNALISTS’ HEARTS

by Katherine Barrett and Richard Greene
When people ask us what we do for a living, we find ourselves hesitating in a fashion we imagine others find a bit odd. We know this doesn’t seem like the kind of question anybody should have trouble answering. But we’ve become a mixture of researchers/reporters/editors/fiscal analysts/public speakers/evaluators/advisers and so on—all pertaining to state and local government.

Underlying all the roles we play, however, is our training as journalists for newspapers and magazines. The two of us even met in journalism school. So, whatever we’re doing, we tend to think of ourselves as journalists in one way or another. And because of this, we also are keenly aware that the relationships between state officials and journalists can be both incredibly valuable and tricky. With that in mind, it struck us that a list of tips—drawn from personal experience—to help state leaders in all three branches improve their interactions with journalists might be useful. The following six concepts can help government officials in their work with journalists and make it decidedly more likely that the articles written are fair and accurate.

1. **Return phone calls and e-mails.**

This may seem like the most basic notion of all, but it’s startling how often calls or notes to government offices go unreturned for days, weeks or forever. We’re pretty persistent and frequently discover that our phone message was supposed to be transferred to a more appropriate party but never made it there. In other instances, the person to whom we’re writing doesn’t have any idea how to respond to our query, and so they don’t respond at all. Or they’re snowed under by work and decide that they’ll get back when their time eases—which, given the intensity of state government work, sometimes never actually materializes.

We certainly understand and sympathize with this issue, but here’s our recommendation: Just respond, in a sentence or two, indicating that the call or e-mail was received and what’s happened to it. It’s fair enough to let journalists know that you simply don’t have time to help. That’s frustrating, but it’s a lot less frustrating than silence. Remember, by the way, that some journalists who can’t reach the appropriate source will talk to whomever he or she can reach, regardless of whether the person interviewed can really provide them with thorough and entirely accurate information.
Recently we were talking to someone from Michigan who referred to a streamlining effort that was saving time for other activities. That sounded good, so we asked for examples of the other activities. After about five minutes of back and forth, we discovered that our source couldn’t provide any specifics to make this generality more concrete.

It’s possible that some journalists won’t follow through and ask for specifics. But when they do and there’s no specific example forthcoming, it sheds doubt on the initial comment. We’ve discovered that follow-up questions can be a key to uncovering an unsubstantiated claim. If that’s not the case, it’s probably a good idea to subsequently provide the journalist with some specifics.

Time and again, we come across a government-produced piece of work online that doesn’t show the date it was produced. This makes it difficult for journalists to use the information without lots of follow-up because we can’t take the risk that we’re relying on 10-year-old information. Some journalists may use this information, assuming it to be timely, thus producing an article that will make public officials want to tear their hair out. Additionally, it’s always helpful when a source for more information, alongside contact information, is included.

We know that some of our colleagues will just let incomprehensible acronyms slide and hope they can figure out what their source was talking about sometime down the line. You can always tell if an acronym is unwieldy if you don’t know exactly what it stands for. This comes up with particular frequency when dealing with budget and accounting-related issues. People meander on about PILOTS (payments in lieu of taxes) or ARC (actuarial required contribution) or CAFRs (comprehensive annual financial reports) or PERS (public employee retirement systems). We’ve been at this business for more than 25 years, so these examples make sense to us. But when you’re talking to the reporter from the local newspaper or radio station, these acronyms, and others like them, are often unfathomable and their use without explanation could cause misunderstandings.
We understand that people with whom we’ll be talking want to know what we’ll be talking about, and it seems only fair to provide a list of general topics. But the notion that journalists can come up with a precise list of all the questions demonstrates a misunderstanding of the journalistic process. Often the best information we get comes in response to follow-up queries, which would never have occurred to us before an interview began. This is particularly true when a source tells us something that’s a surprise, which is often the case.

To be fair, we can’t recall that anyone has refused to talk with us when we’ve responded to a request for questions with a brief list of general topics. But receiving a request for a list of questions just doesn’t get anyone anyplace. There may be an exception to this general idea when we’re asking someone for explanations about specific data and he or she wants to see the data in question before we begin talking. Providing that material can just save everyone a lot of time during the interview.

We hope that the preceding doesn’t sound self-serving, or come across as a list of ways in which government sources can make our jobs easier. The reality is that the public’s view of government is largely informed by the media. The more that government officials can communicate effectively with the press—whether it’s newspapers, radio, television or something on the Internet—the likelier it is that the story that’s ultimately disseminated will be accurate and thorough. That goal benefits everyone concerned.

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**About Barrett and Greene**

CSG Senior Fellows Katherine Barrett and Richard Greene are experts on state government who work with Governing magazine, the Pew Charitable Trusts, the Volcker Alliance and others. As CSG senior fellows, Barrett and Greene serve as advisers on state government policy and programming and assist in identifying emerging trends affecting states.
on a luminous August afternoon, civic leaders from across the country gathered before the longstanding canopy of brick arches at The Council of State Governments’ home in Lexington, Ky., to observe a milestone in the organization’s history. Casting shadows on the pavement, the group watched as David Adkins, the council’s ninth executive director, joined CSG national leaders on Aug. 31, 2015, for a rededication of the headquarters after an extensive, $5.5 million renovation to the building where CSG got its start in Kentucky nearly 50 years ago.

The council’s history, however, dates back even further.

“For over eight decades, state leaders have looked to CSG for insights and information,” Adkins said. “CSG, in turn, has provided the forums, products and opportunities to empower state leaders to serve the common good.”

Creating CSG

In 1925, Henry Wolcott Toll, then a Colorado state senator, envisioned an association in which legislators would work together for the purpose of improving legislative standards and personnel throughout the country. Toll created the American Legislators’ Association, the forerunner to CSG, which provided legislators with information and opportunities to connect.

Toll believed interstate cooperation was imperative for states to maintain control over inherent state issues.

“He had a vision for a more perfect union in founding CSG. That phrase, in fact, would appear on CSG lapel pins of his era,” Adkins said. “When any state is improved by learning from the experience of another state, our union is made stronger.”

CSG—the only national organization that serves all three branches of state government—was born on Oct. 22, 1933. “Probably 12 or 15 of us sat around a table in a small room,” Toll recalled 25 years later. “The Council of State Governments had never been heard of before that day.”

About five years after CSG was conceived, a new building at 1313 East 60th St., in Chicago became the council’s central home.

When Toll stepped down as executive director in 1938, he believed CSG was on its way to becoming the organization he had envisioned. More than 35 years later, Toll visited CSG and praised the thousands of state officials who had contributed to the council’s success, but the visit did not happen in Illinois.

Moving to the Bluegrass State

In 1967, CSG and the Commonwealth of Kentucky entered into an agreement that provided CSG with 23 acres of state land and a headquarters building for nearly $1.2 million. The building was dedicated on June 9, 1969.

“Kentucky has been very generous to the council, going back to the 1960s,” said Carl W. Stenberg, who served as CSG executive director from 1983 to 1989. “I think that has been a real help in terms of providing a very solid foundation for the headquarters.”

During his tenure, there was talk about moving CSG headquarters, but it was decided—after considering offers from other states—that CSG would remain in Kentucky. In 1993, the state financed the construction of a second building—known as the Daniel M. Sprague National Headquarters Building—to facilitate the council’s continued growth.

But as the years rolled by, the need for a more modern space eventually became clear. In 2012, the Commonwealth of Kentucky appropriated money for renovation of the 1969 building, resulting in a facility better equipped to serve states.
“We specifically, and with intention, designed a transparent, highly collaborative, team-oriented space that would be flexible and adaptable to the changing trends in state government,” Adkins said.

**Enhancing Resources for State Leaders**

Some CSG services have been offered since the early years. *The Book of the States*, which provides comprehensive data and analysis about state governments and their operations, was first published in 1935. Suggested State Legislation—compilations of legislation on topics of current importance to states—also are published in annual volumes. The SSL program started in 1940.

“I think the research and fact finding and innovation dissemination—I really think that is something that remains critically important for the organization and over time has proven the value of CSG to state leaders,” Stenberg said.

*State Government News*, which later became the CSG bimonthly magazine, *Capitol Ideas*, was first published in 1958.

Stenberg said the council’s regional presence has strengthened the organization. The Eastern Regional Conference was established in 1937. CSG opened a Washington, D.C. office in 1938. The Midwestern Legislative Conference was established in 1945. Both the Southern Conference—now the Southern Legislative Conference—and the Western Regional Conference—now CSG West—were established in 1947. In 2006, the CSG Justice Center was formed.

The CSG Henry Toll Fellowship program, a leadership development program for state officials, was established in 1986.

“Back in the early ’80s, leadership development was something that was pretty much largely confined to the federal government and corporate sectors,” Stenberg said. “We didn’t really have a lot out there for state leaders or for local leaders.”

**CSG Looks to the Future**

CSG is more important than ever because of the emerging trend to nationalize every issue, Adkins said, but states are fully capable of self-governing.

“We build a more perfect union when we honor the proper role of the states in our federal system,” he said. “The states are the laboratories of democracy, and in every state capital across this land dedicated public servants are committed and capable of innovatively solving problems for the citizens of their state.”

As CSG inches toward a century of service, it will continue to adapt as it serves the changing needs of the states.

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**A LOOK BACK**

CHICAGO, Ill.—At left, the newly completed building at 1313 East 60th St., Chicago, officially became the location of the central secretariat of The Council of State Governments on April 16, 1938.

Above, conferees, staff members, and guests at the Saturday night dinner at CSG’s 1935 National Conference (top).

LEXINGTON, Ky.—At right, The Council of State Governments dedicated its new headquarters building June 9, 1969. CSG founder Henry Toll praised the thousands of dedicated state officials who have made the council a success (center).

Below, the Henry Toll Fellowship class of 1986 gathers at CSG’s Headquarters building.
In August, leaders, staff and members of The Council of State Governments gathered to celebrate the major renovation of the council’s national headquarters in Lexington, Ky. The $5.5 million, Silver LEED-certified headquarters building includes a wellness center, café, conference rooms, spacious areas to host events and a landscaped outdoor plaza.

While maintaining the original facade of the headquarters building—constructed in 1969—the renovated facility boasts an innovative, modern interior.

CSG Executive Director David Adkins said the new building was designed to foster collaboration and communication as the council continues to empower state leaders now and in the future.

“The work of CSG will never be done,” Adkins said. “CSG will continue to evolve and adapt to the changing needs of the states and their citizens.”

Here’s a look at CSG’s new home—built on the past, designed for the future.

Photos by Geoff Maddock Photography and Chad Young
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1 NATIONAL ORGANIZATION
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PUBLICATIONS

THE BOOK OF THE STATES

The Book of the States has been the reference tool of choice since 1935, providing relevant, accurate and timely information, answers and comparisons for all 56 states, commonwealths and territories of the United States. In the 2015 edition there are:

- 152 tables
- 30 articles
- 100,000+ data points

AMERICA’S KNOWLEDGE ECONOMY
A STATE-BY-STATE REVIEW

In partnership with Elsevier, CSG produced a new report that analyzed the comparative research strengths of the states and how this research helps to grow state economies. This report analyzed:

- 56 million documents
- 5,000 publishers

CSG’S STATE PATHWAYS TO PROSPERITY INITIATIVE

A multi-year initiative seeking to identify the best practices and policy options available to states to help advance the prosperity of all Americans.

- 150 policy and practice recommendations that represent the consensus of CSG’s member-driven National Task Force on Workforce Development and Education.

Recommendations include:
- Children and Youth
- Hunger and Nutrition
- Veterans’ Concerns
- Criminal Justice

CAPITOL RESEARCH

CSG’s policy and research staff regularly publishes timely and impactful policy reports that seek to inform state officials about current issues and provide an analysis of policy options.

- 275+ total reports
- 60+ produced every year

ONLINE TOOLS

KNOWLEDGE CENTER

www.knowledgecenter.csg.org

The Knowledge Center allows users to search a particular topic from across CSG’s network of affiliates and offices.

- 5,500+ items

CAPITOL COMMENTS BLOG

Timely analysis and commentary on state policy in the news.

- 500+ blog posts every year
- 2,200+ posts available

CSG JUSTICE CENTER

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

- 21 states have worked with the CSG Justice Center on Justice Reinvestment.
CSG Policy Academies provide state leaders customized training and a “deeper dig” on critical policy topics facing the states.

**eCademy & Webinars**

CSG eCademy sessions are an online source of information and training on the most critical issues facing state leaders, the latest trends in state policymaking and cutting edge state solutions.

**International Affairs**

CSG’s international program has a number of initiatives to increase cooperation between U.S. states, Canadian provinces, Mexico and nations overseas. International exchange missions and innovative cross-border initiatives bring international neighbors and elected officials together to find solutions to shared challenges.

**Overseas Voting Initiative**

Launched in 2013 with the U.S. Department of Defense Federal Voting Assistance Program, this initiative promotes the rights of uniformed services personnel, their voting-age dependents and overseas civilians to vote in U.S. elections by improving state elections processes.

**CSG Leadership Development**

The Council of State Governments’ leadership development programs are designed to equip talented state policymakers with the skills and strategies to meet the challenges ahead. Each class represents top emerging state leaders who share the common goal of improving state governments as well as their personal effectiveness as public servants.

**National & Regional Conferences**

CSG National and Regional conferences bring state leaders together to discuss and tackle some of the most pressing policy concerns of the day.

**2016 National Conference**
Dec. 8–11 | Colonial Williamsburg, Va.

**CSG South/SLC**

**CSG Midwest/MLC**
July 17–20, 2016 | Milwaukee, Wis.

**CSG East/ERC**
Aug. 7–10, 2016 | Québec City, Québec, Canada

**CSG West**
Sept. 6–9, 2016 | Coeur d’Alene, Idaho

**Current CSG Licensing Compacts**

- Interstate Medical Licensure Compact
- APRN Compact & Nurse Licensure Compact
- Physical Therapy Licensure Compact
- REPLICA (EMS) Compact

**Policy Academies**

19 policy academies in 2015

800+ state official attendees

105 webinars and eCademies in archives

900+ individuals attend eCademies per year

35+ eCademy sessions per year

**CURRENT CSG LICENSING COMPACTS**

- Interstate Medical Licensure Compact
- APRN Compact & Nurse Licensure Compact
- Physical Therapy Licensure Compact
- REPLICA (EMS) Compact
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http://www.slcatlanta.org/meetings/

http://www.csgmidwest.org/MLC/AnnualMeeting.aspx

http://www.csg-erc.org/

http://www.csgwest.org/annualmeeting/default.aspx
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at www.csg.org
If you’ve ever watched the television show “Fringe,” you’re familiar with the concept of the multiverse—parallel universes that branch off from our own, based on the decisions each of us makes every day. These parallel universes have subtle differences. In “Fringe,” a parallel universe is explored where blimps regularly carry passengers on long-distance air travel, JFK was never assassinated and Martin Luther King Jr. is commemorated on the $20 bill. It’s like our universe, only … different.

Every state has evolved legislative processes to address unique challenges. Justice Louis D. Brandeis’ well-known metaphor of the states as “laboratories” for policy experiments is backed up by a veritable petri dish of legislative evolution, as each state has created legislative processes that reflect the idiosyncrasies of that state. In 99 senates and houses across the country, legislatures have evolved in different directions. For example, in Nevada, the vast distance between the state capital and 70 percent of the state’s population—430 miles between Las Vegas and Carson City—led to the implementation of live remote testimony on nearly all bills, made possible by fiber-optic connection. In Kentucky, where residents may be 300 miles away but the population is more evenly distributed across 40,000 square miles, no such video testimony is possible or even deemed necessary. Neither approach is superior; both approaches simply reflect the geography of the state. Embrace your new challenge but do so in a spirit of humility. Say “I don’t know” a lot. Ask questions. Don’t assume that processes in one state are followed in another. The generalities of our state legislatures are similar, but the specifics can be maddeningly different.

We work in a select fraternity, and the relationships we build with our colleagues from across the country are so important to our professional development. The relationships we build through The Council of State Governments can be an invaluable resource as you explore options in other states.”
We’ve all had those “aha” moments when we’ve been talking to a colleague in another state and suddenly realize fundamental differences in the legislative process. Organizations like The Council of State Governments and its regional affiliates serve as an essential link that binds us all. It was less than one week into my tenure with the Kentucky Legislative Research Commission when Marty Garrity, my counterpart in Arkansas, reached out to welcome me. I had to laugh because this was the second consecutive time that a colleague from Arkansas had been the first to welcome me: Ann Cornwell, the secretary of the Arkansas Senate, mentored me from my earliest days with the Nevada Senate. We work in a select fraternity, and the relationships we build with our colleagues from across the country are so important to our professional development. The relationships we build through The Council of State Governments can be an invaluable resource as you explore options in other states. Make phone calls, send emails and tweets … get the inside scoop on your new home before you arrive. Doing this advance work will give you a leg up on asking good questions from day one.

For all of the differences I’ve observed between Nevada and Kentucky, one fundamental truth unites them both. People who work for state legislatures are insightful and committed, and they love their jobs. Most are nonpartisan, but that doesn’t mean they aren’t invested in the successful execution of the legislative process. Our workforces self-select for those who know that the most impactful debates in our governments occur not in the famous buildings in Washington, D.C., but in less famous state capitols in places like Carson City and Frankfort. Legislative staffs work behind the scenes, and this work is often stressful and involves long hours. But if not for that long, difficult work, the bedrock of our democracy would crumble. Your employees are your best resource. Lean on them to orient you. Schedule “get acquainted” meetings with employees representing as many different aspects of your workforce as possible. Unleash their imaginations to move beyond “this is the way we’ve always done it” to a mindset of “we must be the change we want to see.”

Blimps don’t transport people here in Frankfort, and President Andrew Jackson still appears on my $20 bill. But I still feel sometimes that I exist in a parallel universe. I have to un-learn what I knew in Nevada and re-learn it here in Kentucky. The rhythms of the Capitol feel different … but similar. The legislative calendar may take some unexpected twists, but the drive to sine die will surely feel familiar. At the end of the day, whether in Carson City, Frankfort or in your state capital, our challenges are all the same. And those challenges are to be embraced and undertaken with pride.

About the Author

David Byerman is the director of the Kentucky Legislative Research Commission.

TIP 2 | NETWORKING IS A VITAL TOOL.

TIP 3 | THE PEOPLE WHO STAFF STATE LEGISLATURES ARE PASSIONATE, COMMITTED AND SKILLED.

EPILOGUE
Overseas Voting Initiative Launches New Working Group

The Council of State Governments’ Overseas Voting Initiative, through its cooperative agreement with the U.S. Department of Defense’s Federal Voting Assistance Program, or FVAP, recently launched a new working group to study and recommend improvements to the Election Administration and Voting Survey, or EAVS, which collects data from state election officials regarding military and overseas voting. The EAVS is administered by the U.S. Election Assistance Commission. Through the working group, a group of local and state election officials representing jurisdictions with large overseas voting populations will convene regularly over the next year with the purpose of making recommendations for improvement to EAVS survey questions pertaining to overseas voting. Recommendations of the new working group will be provided to FVAP and the EAC for consideration to be incorporated into future iterations of the bi-annual survey. More information about The CSG Overseas Voting Initiative can be found at www.csg.org/OVI.

Policy Team Announces New Education and Workforce Development Director

Elizabeth Whitehouse joins the CSG national policy team as director of education and workforce development. Whitehouse comes to CSG from Frankfort, Ky., where she has held a variety of positions within Kentucky Gov. Steve Beshear’s administration, including deputy executive director for the Office of Early Childhood and policy adviser to the secretary of education and workforce development. She began her nearly 10-year career in Kentucky state government as communications director for Jonathan Miller in the Treasurer’s Office and then director of constituent services under Beshear. Whitehouse played a key role in writing Kentucky’s successful $44.3 million second-round Race to the Top application and brings to the position a wealth of knowledge on both education and workforce development.

Justice Center: More States Looking to Reduce Prison Costs, Increase Public Safety

Leaders from all three branches of government in Arkansas, Massachusetts, Montana and Pennsylvania recently launched data-driven efforts to reduce corrections spending and increase public safety in their states. Staff from The CSG Justice Center will assist interbranch task forces in each state with support from the U.S. Department of Justice’s Bureau of Justice Assistance and The Pew Charitable Trusts. Alabama, Nebraska and Utah enacted legislation in 2015 based on findings from similar efforts.
Policymakers and leading criminal justice and behavioral health practitioners convened in December in Washington, D.C. at a national conference for grantees of the U.S. Department of Justice’s Justice and Mental Health Collaboration Program and Second Chance Act. Plenary speakers included U.S. Sen. Sheldon Whitehouse of Rhode Island; Congressmen Danny Davis of Illinois and Leonard Lance of New Jersey; Laurie Robinson, co-chair of the President’s Task Force on 21st Century Policing; Glenn Martin of JustLeadershipUSA; and CSG Justice Center board member John Wetzel, secretary of the Pennsylvania Department of Corrections.

CSG Welcomes New Development Coordinator

CSG is pleased to welcome Elizabeth G. “Liz” Roach as development coordinator. Prior to joining CSG, Roach spent the past eight years in the service of Kentucky Gov. Steve Beshear’s administration, most recently as the governor’s director of scheduling. Previously, Roach worked in a fundraising capacity as deputy finance director for both of his gubernatorial campaigns. Roach will assist Maggie Mick, CSG director of development, in the cultivation and management of external funding resources for the organization. She is based at CSG headquarters in Lexington, Ky.

For more information, visit www.emap.org.

The Emergency Management Accreditation Program, or EMAP, announced in October the 13 state, county and local programs, as well as other entities, that have earned emergency management accreditation: U.S. Army Corps of Engineers, St. Louis District; the city of Philadelphia; Cuyahoga County, Ohio; Washoe County, Nevada; Williamson County, Tenn.; Santa Rosa County, Fla.; and The University of Alabama. In addition, Providence, R.I., and the states of Illinois, Michigan, New Mexico, Vermont and the Commonwealth of Virginia earned reaccreditation.

An affiliate program of CSG, EMAP offers the only accreditation process that provides emergency management programs the opportunity to be evaluated and recognized for compliance with industry standards that form the foundation of an emergency preparedness system. Accreditation is valid for five years; programs must be reassessed to maintain accredited status.

For more information, visit www.emap.org.

Justice and Mental Health Collaboration in Action

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Justice and Mental Health Second Chance Collaboration in Action

CIVIUS
Alaska Secretary of State John H. Merrill spent much of the fall leading efforts to ensure voting and other operations in his state utilized technology for efficiency and accuracy. Merrill, who was born in Alabama and graduated from The University of Alabama, said residents are accustomed to 21st century technology at work and at home, and there should be a seamless transition when residents use services from his office “instead of them feeling like they’re having to step back in time and do things the old-fashioned way.” The Office of the Secretary of State plans to implement electronic, one-stop business filings before 2016, said Merrill, who was elected to his position in 2014. “We want to make it real easy to start a business in Alabama, and we want to make it extra efficient to do business in Alabama,” he said. Technology also has improved voting processes in the state. “We want to make it real easy to vote in Alabama, and we want to make it real hard to cheat,” said Merrill. During a Montgomery municipal runoff election in October, the secretary’s office piloted a balloting system that allowed military and civilians living overseas to return ballots electronically. “We have been very encouraged by having this opportunity to let our military service men and women have a louder voice and have their vote count in a way that they know it has been counted,” he said. Alabama has had electronic ballot delivery in the past, but overseas voters had to print ballots and return by mail. Merrill’s office also coordinated television and radio ads that stress the importance of being a registered voter and having a qualified government-issued identification card. Merrill said the process is going well and his office also has started reviewing voter registration lists to remove inaccuracies. “We will continue this voter registration/photo ID initiative in 2016, ’17 and ’18 as we continue to make sure that our list is as accurate as it can possibly be,” he said.

Do you know someone in state government who deserves a shout out? Email Carrie Abner at cabner@csg.org.

For more on John H. Merrill, visit capitolid.org.
The Southern Office of The Council of State Governments, located in Atlanta, Georgia, fosters and encourages intergovernmental cooperation among its 15 member states. In large measure, this is achieved through the ongoing work of the standing committees of its Southern Legislative Conference (SLC). Through member outreach in state capitols, leadership development, policy research, international member delegations, staff exchange programs, meetings and fly-ins, staff support state policymakers and legislative staff in their work to build a stronger region.

The SLC’s standing committees provide a forum that allows policymakers to share knowledge in their areas of expertise with colleagues from across the South. By working together within the SLC and participating on its committees, Southern state legislative leaders are able to speak in a distinctive, unified voice while addressing issues that affect their states and the entire region.
COMING IN *CAPITOL IDEAS’ NEXT ISSUE!*

THE FEDERAL AGENDA