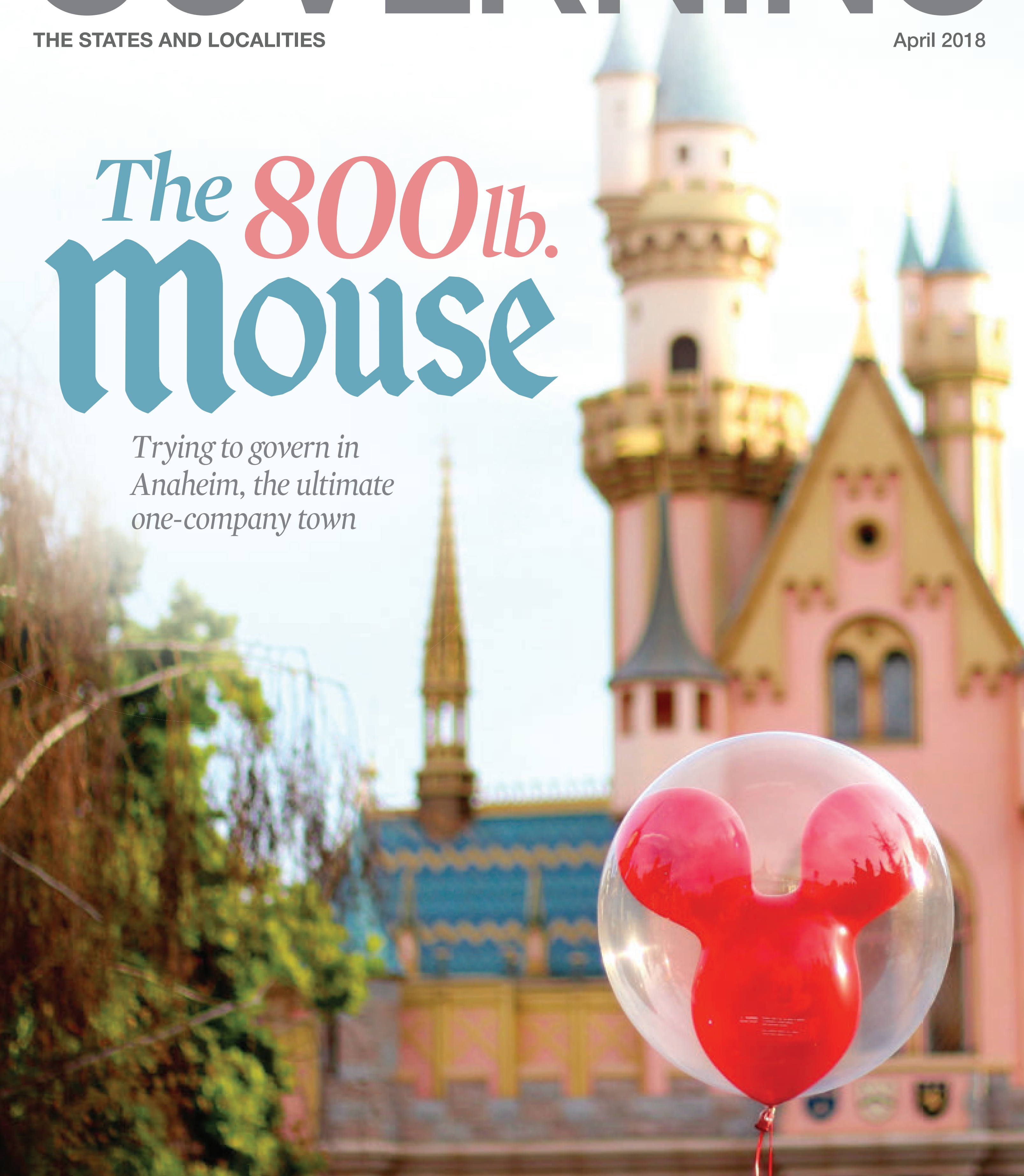
GOVERNING

THE STATES AND LOCALITIES

April 2018

The 800lb. Mouse

Trying to govern in Anaheim, the ultimate one-company town



PROTECTING THE PUBLIC SECTOR FROM RANSOMWARE

State and local government agencies are being held hostage by malicious adversaries and software designed to steal data.

How prepared is your organization to deal with a ransomware attack?

Take 3 minutes to learn more:
att.com/govsecurity

AT&T FIREWALLS

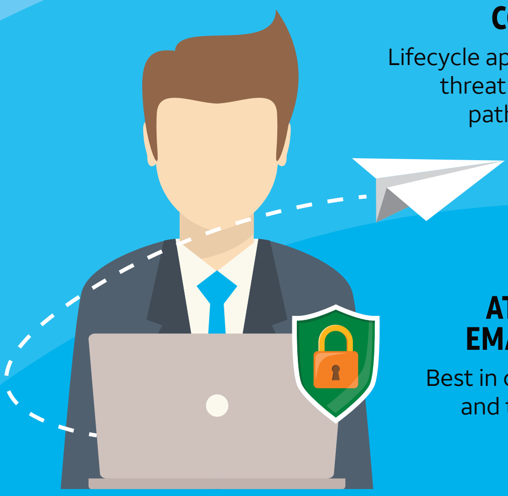
Fully managed security services to help prevent unauthorized access to your network

AT&T THREAT MANAGER

At-a-glance, situational threat awareness for multiple sites and "state of the org" view

AT&T CYBERSECURITY CONSULTING

Lifecycle approach to vulnerability, threat management and path to compliance



AT&T SECURE EMAIL GATEWAY

Best in class e-mail filtering and threat detection

All AT&T Cybersecurity solutions are powered by AT&T Threat Intellect.

AT&T

VOL. 31, NO. 7

GOVERNING 04.2018

Ana Franklin was sworn in as sheriff of Morgan County, Ala., in 2011.

PHOTO BY: APIMAGES.COM
COVER PHOTO BY FLICKR/A BEAR AND A BOW

DEPARTMENTS

OBSERVER

SHUTTERSTOCK.COM

19

POLITICS + POLICY

APIMAGES.COM

16

PROBLEM SOLVER

DAVID KIDD

64

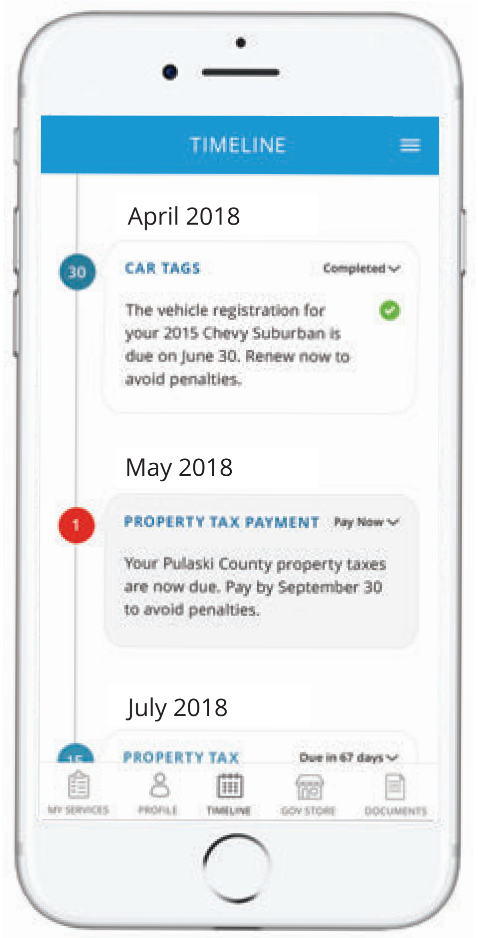
We salute the Class of 2018

The Nation's Personal Assistant for Government

Now Available in All 50 States

WITH GOV2GO, YOUR CONSTITUENTS CAN:

- ✓ Consolidate their state, local, and federal government interactions in one place
- ✓ Track their interactions on a dynamic timeline
- ✓ Receive notifications of upcoming transaction deadlines
- ✓ Complete transactions quickly with secure eWallet payments



To learn more about Gov2Go, visit egov.com/gov2go

gov2go®

Your personal assistant for government.

NIC®

GOVERNING

Is That *Really* a P3?

I was surprised to see in John Buntin's fascinating article in this issue, about the relationship between Disney and its host city of Anaheim, Calif., that for years some city politicians had accepted the company's arguments that the hundreds of millions of dollars Anaheim had granted in economic development incentives amounted to model public-private partnerships. But what Anaheim has been doing to keep Disney happy is mischaracterized as a P3. As defined in our *Governing Guide to Financial Literacy,* a P3 is "a long-term agreement between a government and the private sector to share the risks and rewards of delivering an essential public service."

So what's going on? Justin Marlowe, a professor at the University of Washington and a *Governing* columnist, tells me that that's the way plain-vanilla, old-school economic development—straightforward tax and other financial incentives to lure companies and the jobs they provide—is now frequently being marketed. What you're seeing these days, he says, is very savvy rebranding, turning the rising salience of legitimate P3s into a marketing tool.

Mark Funkhouser, Publisher

I take the compulsion to rebrand these giveaways of taxpayer money as a hopeful sign that, in the wake of the frenzy of cities offering unprecedented incentives to land Amazon's HQ2, the fever for this questionable approach to economic development might finally be breaking. If so, that's long overdue. "It is poor management for cities to offer long-term tax incentives to lure companies to their location," Fran David, a retired city manager, asserted in an email to me. "It is also irresponsible and destructive for behemoth corporations to demand such concessions. Paying taxes to local government is a responsibility of all of us, businesses included."

Companies like Disney and Amazon clearly offer substantial value to their communities, and David describes lots of responsible ways for governments to bring extra value to the relationship, such as expediting planning approvals and building permits, eliminating utility connection fees, and upgrading infrastructure. "What cities should not do," she wrote, "is give away long-term revenue from a business that will be operating in their community for years to come."

Buntin writes that Anaheim Mayor Tom Tait "worries that city taxpayers are being stuck with a hefty bill to benefit companies that don't really need public help." Government leaders should remember that the courts have ruled that corporations are people, and good people pay their fair share of taxes.

Publisher Mark Funkhouser

Executive Editor Zach Patton
Managing Editor Elizabeth Daigneau
Senior Editors Alan Ehrenhalt, John Martin
Chief Copy Editor Miriam Jones
Copy Editors Kate Albrecht, Lauren Harrison
Staff Writers J. Brian Charles, Liz Farmer, Alan Greenblatt, Mattie Quinn, Daniel C. Vock, J.B. Wogan
Correspondent John Buntin
Contributing Editor Penelope Lemov
Columnists Katherine Barrett & Richard Greene, Scott Beyer, William Fulton, Mark Funkhouser, Peter A. Harkness, Donald F. Kettl, Justin Marlowe, Alex Marshall, Aaron M. Renn, Frank Shafroth

Senior Editor, Governing.com Caroline Cournoyer
Web Producer, Governing.com Natalie Delgadillo
Data Editor, Governing.com Mike Maciag

Chief Content Officer Paul W. Taylor
Director, Governing Institute Julia Burrows

Chief Design Officer Kelly Martinelli
Photo Editor David Kidd
Graphic Designer Kale Mendonca
Production Director Stephan Widmaier

Founder & Publisher Emeritus Peter A. Harkness

Advertising 202-862-8802
Associate Publishers Shelley Ballard, Kim Frame, Stacy Ward-Probst
Strategic Account Directors Paige Helling, Noel Hollis
Chief Customer Success Officer Arlene Boeger

Office Manager Alina Grant
Marketing/Classified advertising@governing.com

e.Republic Inc.
CEO Dennis McKenna
President Cathilea Robinett
Executive VP Alan Cox
CFO Paul Harney
CAO Lisa Harney

Reprint Information
Reprints of all articles in this issue and past issues are available (500 minimum). Please direct inquiries for reprints and licensing to Wright's Media: 877-652-5295, sales@wrightsmedia.com

Subscription/Circulation Service
Eenie Yang eyang@governing.com
www.governing.com/subscribe

Governing (ISSN 0894-3842) is published monthly by e.Republic Inc., with offices at 1100 Connecticut Ave. N.W., Suite 1300, Washington, D.C. 20036 and at 100 Blue Ravine Road, Folsom, CA 95630. Telephone: 202-862-8802. Fax: 202-862-0032. Email: mailbox@governing.com. Periodical postage paid in Washington, D.C., and at additional mailing offices. Postmaster: Send address changes to Governing, 100 Blue Ravine Road, Folsom, CA, 95630. Subscribers: Enclose mailing label from past issue. Allow six weeks. Member: BPA International. Made in the U.S.A.

We Should Own It

In his February feature "All Aboard?," Daniel C. Vock looked at Brightline, the first privately built and funded passenger railroad to open in decades. The first trains began service in Florida in January between West Palm Beach and Fort Lauderdale, and "it's likely the cheerfully colored trains will be rolling into Miami soon," Vock wrote. "What's a lot less clear is when—or even if—they'll make it to Orlando. But before Brightline can serve as a model for infrastructure development elsewhere, [it] needs to prove its trains can make money. There are many doubters." Among those doubters are several of our readers.

The world's first [initial public offering] was the Baltimore and Ohio Railroad. It's still going strong, and has been in service over 150 years.

Start on the public side, then [go with an] IPO after the system as a whole is profitable and has a track record of excellence. The IPO will strengthen tax bases irrespective of location and participation on the line.

—Trent Spriggs on Facebook

Rail transit and transportation is a public utility and responsibility. It should remain public.

—Jonathan Tucker on Facebook

More proof that privatizing isn't the answer.

—David Berkey on Facebook

Yes, It's the States; It's Also ...

In his February Potomac Chronicle column "The Truth About Rising Health Costs," Donald F. Kettl opined that spiking premium rates were ultimately the fault of the states. In looking at the vast differences in premium rate increases between Delaware and Pennsylvania, he wrote that "it's the state insurance markets, not the insured individuals, that are different. ... And the more we put state governments in charge, the more we're likely to have big and growing differences between them—even those right next to each other." One reader suggested other culprits behind spiking premiums.

I believe you may have missed one major cost driver: pre-existing conditions.

When I was still in government service, I argued against inclusion. I did so not because I wanted "to punish these unfortunate people," [but because] I believe that these people should be helped via direct appropriations for an expanded Medicaid or Medicare system.

Insurance is probabilistic risk sharing. Therefore, "insuring" pre-existing conditions is an oxymoron. Premiums rise to cover expected costs. Expected costs increase substantially when coverage is extended to people representing a known liability.

Low-interest rates are also a problem because insurance companies generate interest earnings on the premiums prior to paying claims. Interest rate returns have been low for quite some time in the insurance-eligible investment pool.

—William P. Kittredge, professor of public finance and policy, Chiang Mai University

Corrections: The February feature "Conversations At the End," about physician-assisted suicide, wrongly stated that the American Medical Association adopted a neutral stance on aid-in-dying in 2016. While the AMA at-large has not changed its position, some of its state chapters have. In addition, the story included multiple references to "euthanasia." Euthanasia is not equivalent to physician-assisted suicide, and the words should not have been used interchangeably.

In the March feature "States of Emergency," we mistakenly wrote, when talking about the history of the Emergency Management Assistance Compact, that "FEMA and the states also spent several years improving the back-end operations." It should have read, "The National Emergency Management Association and the states…."

Observer

By Alan Greenblatt

A Burger King lawsuit opened up questions on state sovereignty.

A Whopper of a Court Case

THERE IS SUCH A THING as a free lunch in Arkansas, but thanks to a recent court ruling you still have to pay taxes on it. That ruling could also have led to an enormous expansion of state power.

Flis Enterprises owns 16 Burger King franchises in central Arkansas. It gives its managers one free meal per shift. The state Department of Finance and Administration said that Flis had to pay taxes on the retail value of those hamburgers and fries, while Flis maintained it should pay only on the wholesale price of the ingredients that go into the meal. Given the number of meals doled out over the years, the dispute involved tens of thousands of dollars.

None of this would have mattered much to anyone not directly involved, except for one thing: It comes on the heels of another ruling from the state supreme court, which held that the Arkansas Constitution grants the state sovereign immunity from lawsuits. Put simply, that means state agencies can't be sued by private individuals and companies seeking to dispute a regulation, ruling or tax.

SHUTTERSTOCK.COM

Gov. Asa Hutchinson has instructed his agencies not to invoke sovereign immunity. As a matter of policy, he wants citizens who are upset about a decision to have access to the courts for redress. "I've asked my agencies not to assert sovereign immunity without the approval of the governor's office," Hutchinson told an Arkansas radio station. "That way, we can control it and make sure that citizens have access to the courts whenever it's appropriate."

The Supreme Court signaled it would use the Burger King case to determine whether sovereign immunity is optional. If the court had ruled that sovereign immunity was simply a given, rather than being something state agencies can invoke, that would have created a prohibition on any lawsuits against the state. Last month, however, the court punted. Since the parties to the case hadn't raised the issue themselves, the majority ruled, it wasn't an appropriate time to address the larger immunity issue. The state won the case—Flis will pay a higher tax on free meals—but not on the grounds of sovereign immunity.

Courts in other states with sovereign immunity clauses in their constitutions, such as Alabama and West Virginia, have carved out exceptions. The Arkansas rulings don't do that. They're similar to a recent decision by the state Supreme Court in Georgia that disallows private lawsuits against the state. "Now, if local governments or the state take action, there's no way to stop them," says state Rep. Wendell Willard.

This may seem like a technical legal question, but you can imagine the potential for abuse if state agencies are able to take any action they like, without the possibility for citizens to appeal. A fast food outlet's tax bill could shoot up, or a parent adopting a child through a public agency could be totally misled about her behavior or background. There'd be no penalty for the state and little hope of overturning a blatantly bad policy. "We've had some issues come up even with examining a zoning decision," Willard says. "When people start seeing that, there's going to be a revolution on our hands."

A Housing Crisis in the Ashes

THE WILDFIRES THAT WHIPPED through California's wine country last year burned 150,000 acres. The damage was especially extensive in Sonoma County, where 6,500 structures were destroyed, including more than 5,000 residential units. Rebuilding will take years. The question facing public officials today is how fast they can speed things up.

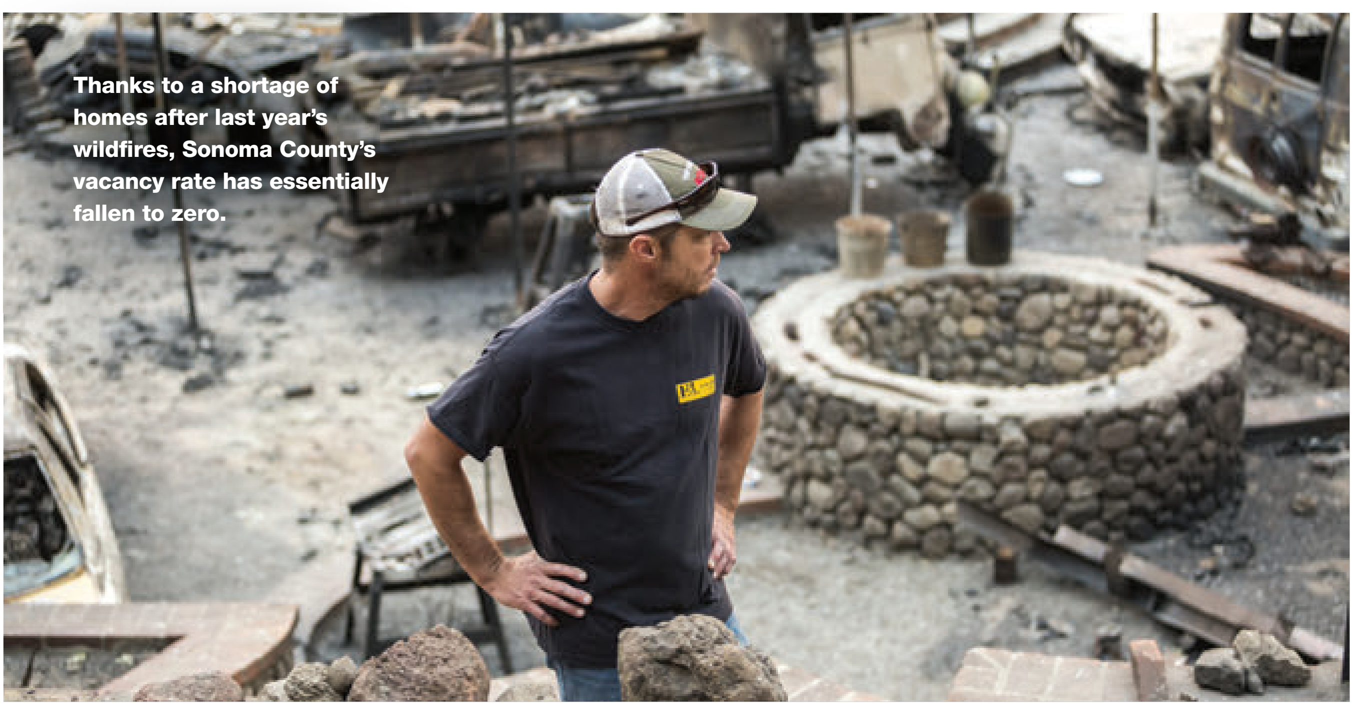
The initial signs have not been promising. The labor market in the area is tight, so construction workers are not easy to find. In January, one of the major homebuilders in the area, a firm that was already doing big projects in Sonoma County, announced that it wouldn't build anything in Coffey Park, a neighborhood in Santa Rosa reduced to ashes by the fire. There just weren't enough workers available to make it financially feasible.

And then there's the Bay Area's general aversion to density. Proposals to not only replace the units that were lost, but to build thousands of additional units needed to meet market demand, have been a tough sell, even in the crisis environment. "They've had no emergency upzoning," says Laura Foote Clark, executive director of YIMBY Action, a San Francisco-based group that wants more housing. "There are homeowner associations that, as they're rebuilding, are trying to figure out how to block accessory dwelling units, like granny flats."

The result is that rental costs in Sonoma County have shot up as much as 30 percent since the fires. Homeowners can be made whole with insurance, but renters are largely out of luck. Even those living in homes that weren't destroyed are getting kicked out, with their landlords saying they need the space for themselves. The county's residential vacancy rate is 1.5 percent, which means there is effectively no housing available: That percentage just accounts for the time it takes renters to move out and be replaced. "The cost of housing has never been higher," says Sonoma County Supervisor Lynda Hopkins. "Many people are petrified they will be evicted, because they don't know where they would go."

Santa Rosa and Sonoma County are doing what they can to alleviate the crunch. Both the city and county have added staff to their permitting departments. Sonoma County opened a one-stop facility in February for owners and builders to get their permits quickly. If they're rebuilding on a property that already has driveways or septic tanks in place, that speeds things along. In general, permits for replacement properties are being issued in less than a week.

What about building additional units? The county's housing authority has proposed allowing 30,000 new units in order to meet market demand. That number is likely too high to fly in a county that treasures its open space. But taking advantage of the tragedy to promote more building in areas that are fire- and climate-resistant and convenient to transit seems to be a goal that's largely shared. "I definitely think there's a sense of urgency," says Felicity Gasser, policy and communications liaison for the Sonoma County Community Development Commission. "It seems that the community at large is willing to accept that there's a housing crisis and that government intervention is needed to solve it. Fire brings attention to that."



Thanks to a shortage of homes after last year's wildfires, Sonoma County's vacancy rate has essentially fallen to zero.

SHUTTERSTOCK.COM

Gov. Jeff Colyer

Opening Up Kansas

APIMAGES.COM

IT WOULD BE HARD to find an American government more secretive than the one in Kansas. More than 90 percent of the bills that become law are introduced by anonymous sponsors, while administrative agencies, as a matter of policy, block many records from examination by the public or even lawmakers.

Kansas is one of only four states that don't require public notice of regular public meetings. It's also one of two, along with Arkansas, that don't require minutes to be kept at those meetings. Legislators aren't required to have their votes recorded at the committee level, where much of the action takes place. The practice of "gut and go"—subbing out the entire text of a bill at the last minute—has long been common. What started out as a transportation bill, say, may suddenly be about abortion. And no one outside the committee or leadership has any idea why it happened.

Lots of other information is shielded. The value of tax breaks given to businesses is not disclosed, even to lawmakers. Police departments can withhold information from the public about officer-involved shootings, including video footage. When children overseen by the Department of Children and Families are abused, the agency may hide its involvement, even shredding relevant notes. "My sense is that some of these practices were just taken for granted," says Michael Smith, a political scientist at Emporia State University.

That's no longer the case. The culture of secrecy in the state, which extends to local governments as well, was exposed in a series of articles last fall in the *Kansas City Star*. The issue has been drawing attention in the state Capitol ever since. The House has cracked down on anonymous bills, while the Senate is working on increased disclosure requirements for lobbyists.

Just days after taking office earlier this year—replacing outgoing Gov. Sam Brownback, who was appointed ambassador at large for international religious freedom—Gov. Jeff Colyer signed a series of executive orders meant to make the state government and its workings less secretive. The governor directed cabinet agencies to come up with metrics for measuring transparency, and he also imposed some specific requirements that include making the agencies provide more free copies of open records and creating a website to list all open executive branch meetings.

Even if the rules are rewritten, longstanding habits of nondisclosure will not disappear immediately. But it's now a topic state leaders cannot avoid. "It's turned into an election year issue," says Bob Beatty, a political scientist at Washburn University. "It helps that gubernatorial candidates from both parties are endorsing these ideas."

THE BREAKDOWN

6 mos.

The maximum jail sentence for restaurant workers who provide customers with an unwanted straw, according to a bill introduced in the California Legislature by Assemblyman Ian Calderon. Calderon said this was a drafting error and sought to have the language removed.

$**1.5** billion

The value of legal marijuana sales in Colorado in 2017, an all-time record. The state collected $247 million in taxes and fees from the sales.

93 k lbs.

The total weight of Mardi Gras beads found in New Orleans storm drains after floods last summer.

$**190** k

The amount of the first royalty payment made to the state of California from stem cell research approved by voters in an initiative in 2004. The research had been projected to bring in as much as $1.1 billion in royalties over the same period.

SOURCES: *THE SACRAMENTO BEE*, *THE DENVER POST*, NATIONAL PUBLIC RADIO, *SAN FRANCISCO CHRONICLE*; IMAGE: SHUTTERSTOCK.COM

Fancy Title and Little Else

Michelle Fischbach, Minnesota's lieutenant governor (for now)

SOMETIMES YOU DON'T WANT TO GIVE UP your day job, even if you've been offered the second highest-ranking post in state government. Two states have had a difficult time filling vacancies for lieutenant governor this year.

In January, Shan Tsutsui, the lieutenant governor of Hawaii, left office to take a job with a communications firm. The post is supposed to be filled by the state Senate president, which is what Tsutsui was when he first got the job. But the current Senate president took a pass, as did the state House speaker. It was ultimately filled by Doug Chin. He resigned as state attorney general, while making it clear he would continue working at his real day job—running for Congress.

The situation has been more fraught in Minnesota. There, Gov. Mark Dayton appointed Lt. Gov. Tina Smith to the U.S. Senate seat vacated by Al Franken, who stepped down last year amid allegations of sexual misconduct. In Minnesota, the Senate president is next in line for the lieutenant governorship. Michelle Fischbach had no choice but to take the job. She's a Republican, while Dayton is a Democrat, so Dayton joked about staying healthy until his term ends after this fall's election.

But that wasn't the end of the story, or the partisan bickering. It turned out that Fischbach, even after becoming lieutenant governor, refused to give up her Senate seat. She had no interest in ending her legislative career to serve for a few months in a ceremonial post. Perhaps more important, Republicans have only a one-seat majority in the Senate. There's absolutely no upside for the GOP in allowing the chamber to be tied until a Fischbach vacancy could be filled by a special election. "It is all about control of the Senate," says David Schultz, a political scientist at Hamline University in St. Paul.

The question of whether Fischbach can hold two jobs at once has gone to the courts. There are possible precedents bolstering the argument on either side. But it's clear that the state Supreme Court, which is likely to be the final arbiter of the matter, isn't in any hurry to take up the case. The justices aren't stepping in to resolve the question, instead letting it work its way through the lower courts. That means the question probably won't be resolved until the legislative session is over.

Republicans say that until the session ends, they have every right to hold on to the disputed seat—and their tenuous majority. They offered to bring the Senate into special session to allow Democrats to pick a new Senate president of their choice, who would then have acceded to the lieutenant governor's job. But the Democrats wouldn't bite. They would much rather see Fischbach's seat left open for the rest of the session. "They're trying to play politics with this appointment," complains Matt Pagano, executive director of the Minnesota Republican Party.

In some states, lieutenant governors have real power, exercising serious legislative authority, chairing interagency task forces or even running entire cabinet departments. In Minnesota, that isn't the case. For Fischbach, aside from the court fight, being lieutenant governor hasn't distracted from her work as a state senator at all. "There are no duties for the lieutenant governor," Schultz says. "I mean zip."

By Alan Ehrenhalt

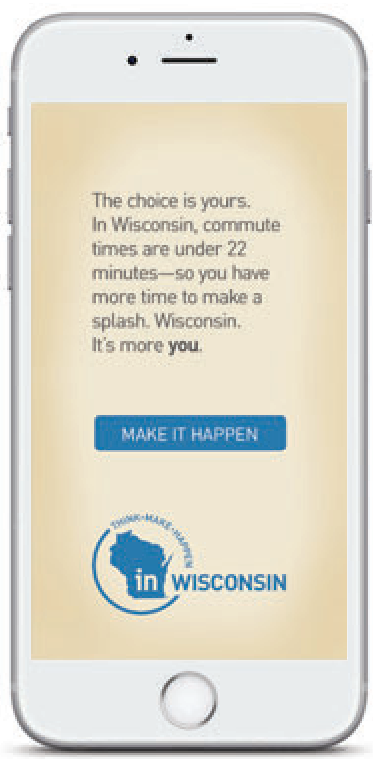
What Do Millennials Really Want?

Do they want to live in the city or suburbs? It's a question with 80 million answers.

If you live in Chicago and spend time on any of the big social media sites, you may notice some rather unusual ads: streaming commercials telling you that if you're a millennial, you should pack up and move to Wisconsin.

There are four of these spots. Each is a slick 20-second polemic. One of them starts by showing a frazzled young woman in a crowded and messy studio apartment somewhere in Chicago. The narrator reminds us that rents in Milwaukee average 42 percent less than what she's paying now. For the price of a tiny, cramped third-floor walkup in the bigger city, she could have a spacious loft in Milwaukee's gentrified Third Ward. And the overall cost of living would be at least 20 percent lower.

The ads aren't just on social media. The Wisconsin Economic Development Corporation has spent a million dollars placing variations of them on Chicago's elevated trains, in gyms and on drink coasters in bars. They all talk about how short the commute would be if you just relocated 90 miles up the road to live and work.



Targeting Chicago residents, Wisconsin is running ads like these on social media sites.

So far, there are no reports of hatchbacks crammed with hipster possessions causing traffic jams on northbound Interstate 94. But Wisconsin's promotional team thinks it is on to something. They have concluded that the two things millennials worry about most are commuting times and the cost of living. Wisconsin believes it can use those issues to attract younger Chicagoans across the state border to a cheaper, more efficient and more relaxing life.

Will it work? There are reasons to be skeptical. Much of the target audience knows that Milwaukee isn't exactly a utopia. Moving there may reduce commuting time, but it won't be an escape, for example, from crime or racial tension. Those are about as bad in Milwaukee as they are in Chicago.

Still, the whole exercise calls forth some larger questions about the needs and wishes of the country's largest generational cohort. There are about 80 million millennials, if you accept the common definition of those born between 1980 and 1999; they moved past the baby boom generation in size a couple of years ago. What do millennials really want? And how do planners and governments go about giving it to them? Those are hard questions. But maybe there are rewards for communities that get the answers right.

For the first few years of the current decade, there seemed to be a clear solution to the millennial puzzle: Young people, many millions of them, wanted to live in cities. That conclusion was supported by some solid numbers. Boston, Los Angeles, San Francisco, Seattle and a lot of other cities were seeing more population growth than the suburbs around them, and that was thanks mostly to millennials.

The "urban millennial" idea was pretty convincing until mid-decade, when researchers began to notice that the trend was starting to reverse itself. Not only were the hot cities failing to maintain their millennial growth spurt, but several of them were actually losing younger residents. Dowell Myers, the influential demographer at the University of Southern California, coined the term "peak millennial" to describe the phenomenon of stagnating urban millennial numbers.

In Myers' view, young people had been staying in cities because they couldn't afford to move anywhere in a sluggish economy. Once the economic picture improved, they began to head out to the suburbs. That was why suburban populations began to grow again after about 2013.

The next couple of years appeared to lend some credence to Myers' hypothesis. In 2016, Boston lost 7,000 millennials. Los Angeles lost 2,500. Chicago managed to stay even, but just barely. The notion that most millennials secretly covet a suburban lifestyle began to approach conventional wisdom. A few months ago, *Time* magazine opined that America's big cities "have already reached peak millennial as young people begin to leave."

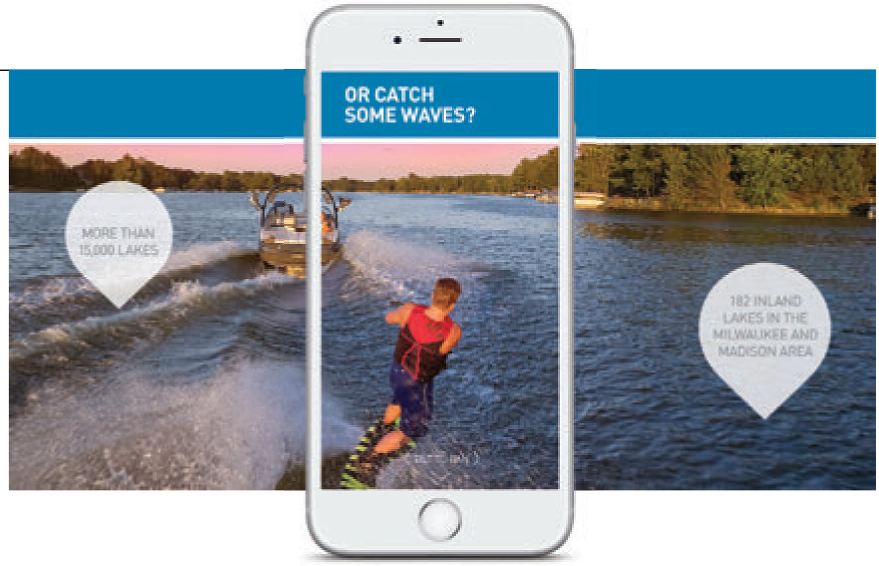
But there is a problem with the peak millennial idea, as the urban economist Joe Cortright was first to point out. The entire millennial cohort, like the rest of us, is getting older. A decade ago, the oldest millennials were still in their 20s. Now the oldest of them are 38. *Of course* many of them will move to the suburbs; people in their late 30s can be expected to do that as they marry and have children. But their interest in suburbia tells us nothing about whether younger adults—those under 30—have lost their urban fascination.

Actually, there is some evidence that they haven't lost it at all. The urbanist Pete Saunders looked at the numbers recently and found that in 33 core metro areas, educated young millennials were choosing cities over distant suburbs by a ratio of 1.5 to 1. This was certainly the case in Chicago. It was also true in Cleveland, Detroit, Pittsburgh and St. Louis.

Young people who opt for the suburbs aren't suffering from some mysterious form of urban ennui. They are reacting to the absence of sufficient, affordable housing in or near the city center to meet the demand. Cities could stave off whatever level of peak millennial shrinkage actually does exist by promoting the construction of such housing, and especially of units with two and three bedrooms for families with children. But there is little sign that many cities are doing this.

So if millions of younger millennials are squeezed out or priced out of downtown, and don't want to move 30 miles beyond the city limits, what are they likely to do? One answer is that many of them will be drawn to close-in suburbs that have been reconfigured to look as much like urban neighborhoods as possible. Real estate developers, who are generally ahead of policymakers on these questions, have been betting on this trend for the past decade.

June Williamson of the City University of New York, a diligent student of urbanized suburbia, estimates that a decade ago there were about 80 projects in the country that fit that description. Today, she thinks, there are more than 1,500. Many have been built on the ruins of conventional suburban shopping malls of the 1970s that have gone out of business. Nearly all offer outdoor shopping districts with apartments and condos above and adjoining the retail units. No one has the illusion that these developments recreate traditional city neighborhoods, but their rising property values suggest that they are attracting a sizable share of millennials willing to leave the city but unwilling to tolerate a long exurban commute.



WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

But as promising as the developments of urbanized suburbia have been so far, there will be millions of millennials who don't want it, who see it as a clever but unsuccessful attempt to make something look like a city when it isn't a city. Is there still another option for these people?

There may be one more. It's the one that the Wisconsin Economic Development Corporation believes it can cultivate. It's the option of moving from an expensive big city to a smaller, cheaper and perhaps less nerve-wracking place—for example, the option of picking Milwaukee over Chicago.

The evidence that this might work is almost entirely anecdotal. But it does exist. In January, *Stateline* took a close look at Columbus, Ind. Columbus is a prosperous town of 45,000 with an enlightened industrial corporation as its dominant presence and a large collection of striking modern architecture. Columbus has been seeking to attract educated millennials, and has done it. The number of Columbus residents between 25 and 34 who possess college degrees increased 62 percent between 2010 and 2017. On average, they spend less than 20 percent of their income on housing. Most homes cost less than $150,000. One-bedroom apartments in the compact, appealing downtown rent for an average of $750 a month.

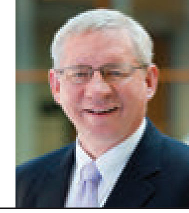
Columbus is such an unusual place that it might not be the most instructive example of millennials going small. But there are others. The mortgage data firm Ellie Mae looked at millennials' home-buying and found that the champion at attracting them was Athens, Ohio, a town of 25,000 with a nice university campus but not much else. As of 2017, millennials were buying 59 percent of the homes in Athens, more than in any other city in the study. The average list price of a house in Athens was $189,000.

Milwaukee, with a population of nearly 600,000, isn't exactly a bucolic small town. But it might feel like one to a young person who has been living with Chicago's congestion and housing costs. Or so Wisconsin economic development officials have come to believe. Their campaign may or may not bring in large numbers of millennials, but it's probably worth a try. At the very least, it's an interesting experiment.

As for what millennials "really want," I think there is a simple answer. The answer is all of the above. Out of a cohort of 80 million people, there will be enough to keep most urban city centers vibrant, enough to make the projects of urbanized suburbia profitable, and enough to invigorate a decent number of smaller towns that have attractive amenities and can mount clever promotional campaigns.

All of this is promising news. The one big mistake you can make is to assume that most millennials will want the same thing. Baby boomers weren't like that, despite the best efforts of the media and social pundits to stuff them into a few rigid stereotypes. What are the members of the millennial generation really looking for? In the end, it just depends on which one you ask. **G**

Email aehrenhalt@governing.com



By Donald F. Kettl

A Pipeful of Pot Dilemmas

Legalizing marijuana spares some enforcement problems—and creates new ones.

One Girl Scout in California came up with an ingenious plan to sell cookies this year. She set up shop outside a San Diego marijuana dispensary and peddled 312 boxes of cookies in just six hours.

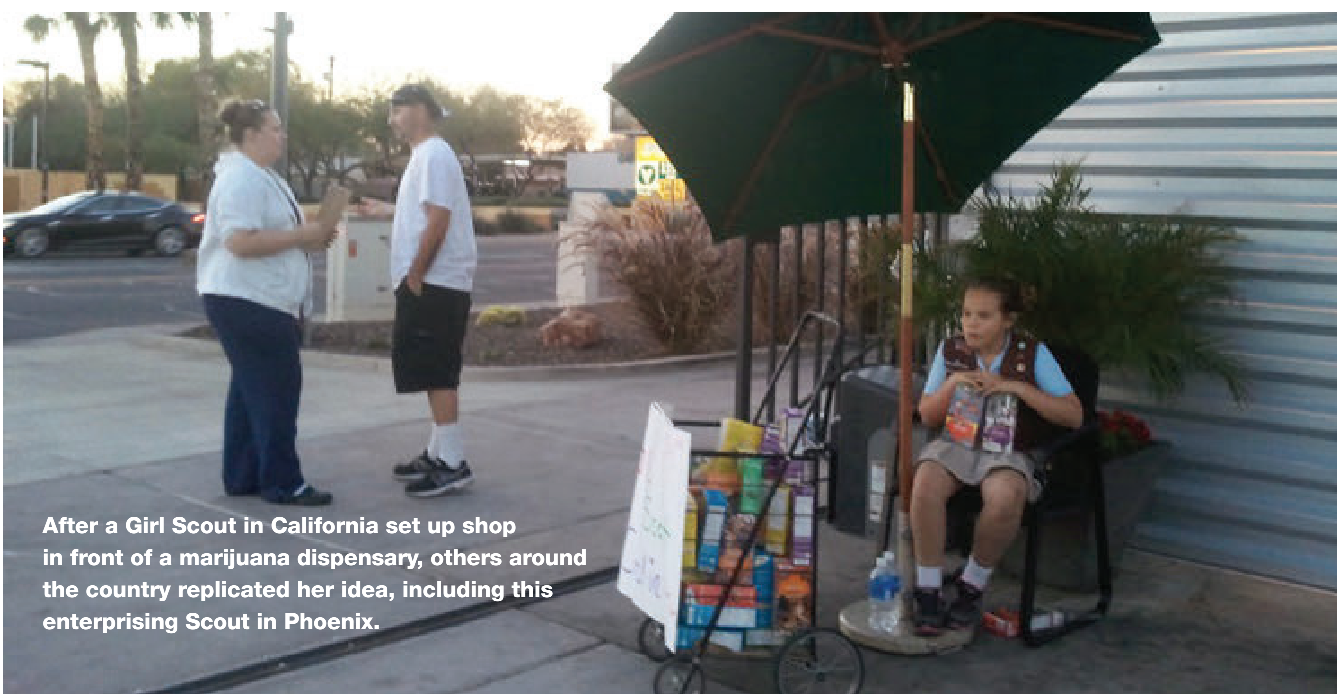
She had some help from the dispensary. The store posted a photo on Instagram of the Girl Scout proudly wearing Samoa glasses—and then tagged it #tagalong. The cleverness of the whole scheme rattled some parents, but a spokeswoman for Girl Scouts USA said that it was up to local councils to decide how the cookie campaign would be run. The Girl Scouts' national office was handing off the job of ruling on the appropriateness of selling cookies outside a pot shop—just as California was seizing the national agenda on recreational marijuana policy.

It's hard to overestimate just how much national dust California kicked up when it launched statewide recreational marijuana sales back on Jan. 1. In Berkeley, Mayor Jesse Arreguin came to a ribbon-cutting at a city dispensary. Analysts projected that the state was on its way to a $5 billion (or more) legalized cannabis industry.

Legalized by California standards, that is, and by the standards of a few other states. Eight states plus the District of Columbia have now legalized marijuana for recreational use. Twenty-two others have legalized it for medical treatment. The federal government, however, still outlaws the purchase, possession or use of marijuana for any purpose. And Attorney General Jeff Sessions has rescinded the Obama-era policy of turning a blind eye to individuals who light up in states where marijuana is legal. Sessions insists that U.S. attorneys enforce federal laws as written.

In practice, however, federal prosecutors still have to decide how much energy to spend chasing down pot smokers in the states where marijuana use is legal. In one of those states, Colorado, U.S. Attorney Bob Troyer has said his office would focus on "identifying and prosecuting those who create the greatest safety threats to our communities around the state," a subtle jab at Sessions' announcement. Most U.S. attorneys say they have bigger crimes to investigate than the use of marijuana—and better trial strategies than attempting to convince jurors to convict marijuana users on federal charges who were complying with state law.

That has led to a feud between Sessions and Colorado's junior U.S. senator, Republican Cory Gardner. Gardner says that Sessions, in his confirmation hearings, pledged that the Justice Department would not focus on marijuana enforcement. When Sessions reversed that position, Gardner put a hold on White House nominees for unfilled Justice posts, and vowed not to allow confirmation votes on any of them in the Senate until Sessions



After a Girl Scout in California set up shop in front of a marijuana dispensary, others around the country replicated her idea, including this enterprising Scout in Phoenix.

APIMAGES.COM

promised not to pursue his marijuana policy change. Gardner has a reputation as a law-and-order Republican, but he has no interest in bucking his Colorado constituents, 55 percent of whom voted in 2012 to legalize the recreational use of marijuana.

Since legal sales of cannabis began in Colorado, the state has seen a growth in the number of businesses supplying dispensaries with armored cars, security cameras and big safes. Because marijuana remains illegal under federal law, and because most banks operate under federal regulations, it is hard for dispensaries to open checking accounts or take credit cards. In the eyes of federal regulators, marijuana money is drug money, and legalized pot dealers worry the feds might seize on traceable payments to shut them down. So they stick with cash. But no one wants to attract robbers with piles of hundred-dollar bills in the back room, or risk getting hijacked while driving cash around in the trunk of a car. Hence the safes and other precautions.

California faces the same problem on a much bigger scale. Whereas Colorado's cannabis industry took in about $1.5 billion last year, California is trying to figure out what to do with $5 billion in marijuana cash sloshing around in the state economy. California's state treasurer and attorney general are studying whether the state could charter its own bank to process marijuana transactions, avoiding the credit card and check problem.

What happens in California is worth watching closely. For decades, from the introduction of catalytic converters in automobiles to its cap-and-trade program for reducing air pollution, the nation's most populous state has brought about changes in national policy just on the strength and scale of its own initiatives. If there is to be a reworking of federal drug policy, there's a good chance that it will start in Sacramento. In that case, Girl Scout cookie sales might never be the same, should young entrepreneurs discover that business is better in front of dispensaries than at supermarket doors. **G**

Email kettl@umd.edu

By Alan Greenblatt

Climbing the Career Ladder

Lawmakers have a tough time running for governor.

House speakers and Senate presidents may rival or sometimes exceed the governor in wielding power and influence at the capitol. But when it comes to running for higher office, the odds aren't in their favor.

Pennsylvania House Speaker Mike Turzai and Paul Thissen, a former speaker of the Minnesota House, dropped their bids for governor within a few days of each other in February. They became the latest in a long line of top legislative leaders who met with little success seeking their state's top office. "I can count on one hand the number of top [legislative] leaders who have successfully run for major statewide office," says Thom Little of the State Legislative Leaders Foundation. "I can think of more who have tried and failed."

Ambitious legislative leaders face a number of built-in disadvantages. For one, although they're big kahunas in the capitol, most people outside their own districts have never heard of them. The nature of their jobs means that they're not able to delegate lots of tasks the way that, say, a county executive can. They need to be on hand and focused, not out making a name for themselves. Turzai's campaign manager blamed his need to concentrate on crafting the state budget for his inability to gain traction.

Tennessee's Ned McWherter was one of the few legislative leaders to move straight to the governor's office.

APIMAGES.COM

For another thing, states with prolonged party endorsement nominating systems hold those meetings right at the time of year when the legislature is in session. "In a lot of states you can't fundraise during session," says Tim Storey, an elections analyst with the National Conference of State Legislatures. "Your caucus wants you to fundraise for them and you're off fundraising for yourself—that causes problems."

Legislators in general face the handicap of casting lots of votes, putting them on record on a number of sensitive issues. In Florida, House Speaker Richard Corcoran is hoping that his support for a ban on sanctuary city policies, limitations on local tax increases and curbs on subsidies for sports teams will help him in the GOP gubernatorial primary. But often leaders are saddled with stances that may hurt them as they seek the top statewide office. "Sometimes as leader, you have to take unpopular positions to protect the institution, your party or your members," Little says, "and those votes are not easy to explain in a sound bite."

Democrat Jeff Merkley of Oregon and Republican Thom Tillis of North Carolina made it to the U.S. Senate from their respective speakerships in a single bound, but going straight from the statehouse to the governor's mansion remains extremely rare. Ned McWherter pulled it off in Tennessee in 1986, but he's certainly the exception to the rule. Mostly, legislators who've become governor ended up taking an indirect path, running first for attorney general or secretary of state. "It's much more of a lateral move to run from other statewide offices," says Matt Pagano, executive director of the Minnesota Republican Party.

It's no secret that there's a career ladder in politics. Speakers and Senate presidents are powerful, but when it comes to elective office, they remain several rungs below the governor. **G**

Email agreenblatt@governing.com

By Mattie Quinn

Assisted Living Needs an Assist

There's little oversight in most states. Advocates are pressing for more.

SHUTTERSTOCK.COM

For millions of older Americans, there's nothing stronger than the desire to age in place, maintaining their independence and avoiding intensive institutional care for as long as possible. Increasingly, assisted living is filling the gap between home and a nursing facility.

States spend a reported $10 billion in federal and state money per year on Medicaid beneficiaries in assisted living facilities, averaging $30,000 per patient, per year. But it's not clear whether governments are getting their money's worth in terms of quality of care and, critically, the safety and well-being of the facilities' residents.

Answers to some of those concerns came in a February report from the Government Accountability Office (GAO), which found significant shortcomings in oversight of assisted living facilities across the country. Forty-eight states receive some kind of Medicaid funding for assisted living facilities, but 26 of those states do not report "critical incidents"—including unexplained deaths, abuse, neglect or financial exploitation—to the federal government.

Yet for many who advocate for older Americans, the GAO report had shortcomings of its own. The advocacy group Justice in Aging put out a statement contending that the report "barely scratches the surface" of the lack of oversight and reporting requirements. And Eric Carlson, directing attorney for Justice in Aging, says that even for the 22 states that do collect data on serious infractions, the information isn't easy enough for the public to obtain. "I'm not sure it would be all that useful," he says.

There is little in the way of federal standards around Medicaid-funded assisted living facilities, leaving states mostly in charge of regulating them. So without clear guidance from the federal Centers for Medicare and Medicaid Services (CMS), these facilities largely operate under a hodgepodge of rules set by states' long-term care departments.

A sad result of that lack of regulation was seen at Valley Springs Manor, a California assisted living facility that closed with no warning back in 2014, leaving 19 residents inside without care. The incident gained national attention when a cook and a janitor stayed behind until the residents were safely relocated, shining a light on how little is required of these facilities.

Most of the 48 states that receive some form of Medicaid funding for assisted living get that money only for patients who have needs equal to an institutional level of care, such as a hospital or nursing home. So most Medicaid-reliant assisted living facilities do not employ full-time nurses—if they employ any nurses at all—and instead rely on "caregivers," a role that requires far less education.

Carlson acknowledges that he isn't an expert in what every state is doing, but he says that based on a 2014 report he worked on for the National Senior Citizen Law Center, some of the Deep South states—Alabama, Florida and, in particular, Arkansas—have some of the most rigorous standards for their assisted living facilities. Arkansas, for example, has a tiered system, with higher-need residents living separately from more autonomous residents and nurses responsible for designing the care plan for those needier residents.

That's a level of oversight the advocates would like to see nationwide, and there is some change on the horizon. In 2014, CMS issued new guidelines for all "community-based care" facilities, including those providing assisted living. The guidelines are still being phased in for many states, but advocates hope that as more states draw up transition plans, their assisted living facilities will finally be held to a higher standard. **G**

Email mquinn@governing.com

By Elizabeth Daigneau

Coming Soon: Carbon Taxes

Ten states have proposed bills this year that would tax greenhouse gas emissions.

Earlier this year, Washington looked poised to become the first state in the nation to pass a tax on carbon pollution. Democratic Gov. Jay Inslee had made it one of his top priorities, and the state legislature looked ready to take the plunge. But last month, Inslee conceded that Senate Bill 6203 didn't have the "one or two votes" needed for passage.

This wasn't Washington's first pass at a carbon tax, which is typically used to reduce carbon pollution by placing a tax or fee on either fossil fuels or emissions. Voters soundly rejected a ballot measure in 2016 after the state's major environmental, labor and liberal groups came out against it—largely because of disagreements over how the tax revenue would be spent.

But the ballot's failure didn't deter Inslee from trying again. "Doing so will allow us to reinvest in all the things that drive down emissions," he said earlier this year in his State of the State address. "We can build more solar panels. We can put more electric cars on the road. We can help more Washingtonians purchase energy-saving insulation for their homes and businesses."

Inslee had hoped this latest push would be successful because, unlike in 2016, the state legislature is now controlled by Democrats. What's more, "the public really is understanding the critical nature of this existential threat," Inslee told the radio program *Here & Now* in late January. "What used to be a graph on a chart is now our forests burning down and hurricanes and massive precipitation events, so this is something people are now experiencing in their own lives and with their own retinas, and they understand we have to act."

While the tax may be dead for now in Washington, the state is far from alone in pursuing a carbon tax. Nine other states have introduced some two-dozen bills this year that propose studying or using financial penalties to deter the use of fossil fuels and to encourage the growth of alternative fuel sources, according to Ryan Maness, a senior policy analyst and tax counsel at the consulting firm MultiState Associates Inc. The states are Hawaii, Maryland, Massachusetts, New Hampshire, New Mexico, New York, Oregon, Rhode Island and Vermont.

The proliferation of bills comes on the heels of President Trump's decision to withdraw the U.S. from the Paris Climate Agreement last June. Following the announcement, many states and municipalities independently pledged to adhere to the agreement's goals. "The current administration has no interest in advancing carbon policy," says Jordan Stutt, a policy analyst at Acadia Center, a clean energy advocacy group. "State legislators are realizing they have the opportunity to craft carbon policy."

But enacting a carbon tax is a complex task, Maness says. Legislators first need to work out what will and won't be taxed, at what rate fuel sources or emissions will be taxed, and what the tax revenue will be used for.

The bill in Washington, for example, would have imposed a new tax of $12 per metric ton of carbon emissions on the sale or use of fossil fuels such as gasoline and natural gas. It would have eventually increased each year until the tax hit $30 a ton, raising roughly $1 billion for the state. Half of the money raised would have gone toward energy projects that reduce greenhouse gas emissions. Twenty percent would have addressed climate resilience through forest health, wildfire prevention and other natural resources projects. And the rest would have provided assistance for low-income families and workers in the fossil fuel industry. Inslee had acknowledged that Washington consumers would have paid more in fuel and energy costs if the carbon tax had been enacted, hurting low-income residents. It was this increase in prices that ultimately doomed the bill.

British Columbia and California already price carbon, but Washington would have been the first to impose a direct tax on carbon emissions. The other two states most likely to see movement this year are Rhode Island and Massachusetts, which has been debating various carbon tax proposals for several years. A recently proposed Senate omnibus bill in the state calls for a market-based system to reduce emissions.

The carbon tax defeat was "a setback," says Maness, "but it wasn't the kind of rousing defeat that I think will keep lawmakers from thinking about it in the future. It will definitely be back," he says, at least in Democratic states. "It's a very 'coming soon to a theater near you' type of thing." **G**

Email edaigneau@governing.com

SHUTTERSTOCK.COM

GOVERNMENT 360:
A BLUEPRINT FOR AGENCY MODERNIZATION

Government 360 is a strategy for ongoing government modernization. It encompasses a modern, secure infrastructure and widespread automation and mobility in alignment with government policy.

Government 360 provides always-on availability through multiple channels, and data-driven insights gathered via machine learning and predictive analytics.

These digital touchpoints create a circle of citizen engagement, constituent service, private business productivity and civic mission.

www.governing.com/oracle360
#OracleGov360

ANALYTICS, ARTIFICIAL INTELLIGENCE, MACHINE LEARNING & OTHER FUTURE-READY TECHNOLOGIES

Government 360 is not just about being smart today; it's also about being predictive for tomorrow. The more digital data an agency produces, the more business intelligence it can gather, and the more predictive analytics can inform and improve government services.

Produced by: GOVERNING INSTITUTE For: ORACLE

THE FOUR PILLARS OF GOVERNMENT 360

MODERN, SECURE INFRASTRUCTURE ROOTED IN THE CLOUD

Cloud allows agencies to eliminate costs out of their infrastructure and dedicate more capital to innovation. Resources can be freed up to focus on the mission, in an environment that is agile and responsive to the most demanding and time-sensitive requirements of government.

AUTOMATED AND MOBILE-ENABLED BACK OFFICE

The modern back office is a springboard for enhanced connectivity and business automation, and can help ensure government employees have the right tools to serve constituents in any location. This requires seamless back-office processes that are enabled by cloud and enhanced through mobile solutions and artificial intelligence (AI).

SMARTER SOLUTIONS FOR A CONNECTED GOVERNMENT

By integrating evolving technologies like the Internet of Things and AI, government can become increasingly smarter and citizen-centric, fostering a vibrant and streamlined business climate. Agencies can reduce repetitive and menial tasks, while helping boost economic development through an always-open digital front door to city hall.

By Alex Marshall

Broadband in the Boonies

Publicly owned internet networks are giving small-town America the boost it needs.

They are mostly towns you've probably never heard of, places like Sandy, Ore., Leverett, Mass., Lafayette, La., and Longmont, Colo. Yet these smaller communities, and hundreds more like them, have something even the techiest big cities such as New York, San Francisco and Seattle don't have: widespread, fast and well-priced broadband service.

Big cities usually have the edge in the traditional drivers of economic development. They have the universities, the sports teams, the big airports, the interstate highway access, the ports. But in arguably the most forward-looking part of the economy, some smaller localities have the edge. They made it for themselves by developing their own broadband networks, typically employing the latest fiber-optic technology. "I believe over the next three to five years people are no longer going to be surprised that some small cities have much better internet access than big cities," says Christopher Mitchell, director of the Community Broadband Networks Initiative at the Institute for Local Self-Reliance, whose national map shows more than 500 communities with some type of publicly owned network.

Private providers like Verizon or Comcast also build broadband networks in both big cities and smaller towns. But the technologies used vary, and if fiber-optic lines are used, companies don't always extend them into the home. For understandable reasons, private companies tend to be stingy with their services, minimizing costs and maximizing revenues. For the customer, this can mean uneven and expensive service.

Publicly owned broadband networks, on the other hand, exist for one purpose: to give the most people the best service at the lowest possible prices. They do this because they know it benefits their residents' quality of life and incomes. Chattanooga, Tenn., one of the larger cities with a public broadband network, has been called "an internet boomtown" because of all the businesses moving into the city or springing up there.

It's similar to how municipalities operate a street system, a water department, or a cooperatively owned telephone or power company. Local leaders know they can get booted out of office, or off the board of the co-op, if they don't satisfy their voters. So it shouldn't be surprising that public broadband networks tend to provide cheaper, better and more comprehensive service, as has been documented in a study, "Community-Owned Fiber Networks: Value Leaders in America," by Harvard University's Berkman Klein Center for Internet & Society.

While theoretically a big city could set up a municipal broadband network, it's generally the smaller communities that have done so. "You see this in Seattle and San Francisco, where they have been talking about municipal broadband for years, and you see little progress," Mitchell says. "In smaller towns, you can make things happen."

Not that the smaller towns have it easy. Verizon, Comcast and other big internet providers don't like localities encroaching on their business, and they have gone to court to stop public broadband networks from being established. They have lost these cases, but defending them costs governments time and money. More successfully, the private companies have persuaded state legislatures to pass laws restricting municipalities from setting up community networks.

I believe that the political climate is getting better. With the increasing attention given to internet access as an engine of economic development, it's getting harder

FLICKR/CITY OF LONGMONT

In 2017, the town of Longmont became Colorado's first "Gig City," providing citywide gigabit internet service.

for a state legislator to argue with a straight face that it's in the public interest to stop towns or smaller cities from providing it, particularly when the big private-sector companies have been so slow to wire them up. Most such laws were passed years ago, but today there are efforts to repeal or bypass them.

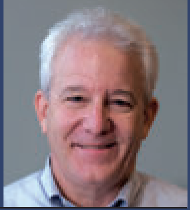
When it comes to public broadband, even seemingly unfavorable political events can have unintended consequences. Open-internet advocates, for example, have been roundly critical of the Federal Communications Commission's party-line vote in December to end the policy of net neutrality, which required internet service providers to charge all customers equally for similar services. Ironically, however, the FCC's action may help efforts to start public broadband networks, which would be free to continue to observe net neutrality. In late December, *The Denver Post* headlined an article this way: "Net neutrality vote emboldens advocates for public broadband in Colorado." In that state, more than a hundred municipalities have voted by referendum to opt out of a state law meant to stop them from setting up their own networks.

These political fights are not new. We are repeating the 1930s, when private power companies sued unsuccessfully to prevent the establishment of the giant publicly owned Tennessee Valley Authority, and by extension to block the establishment of the city- and cooperatively-owned power companies that grew out of the authority and similar efforts. It's no accident that today so many of the towns and cities that have public broadband networks do so through their public or cooperatively owned power companies—products of those Depression-era battles.

Yet while providing good internet service publicly has the whiff of socialism, at a local level such efforts don't divide neatly into red-blue political categories. Plenty of publicly owned broadband networks are located in Republican-leaning states and counties. Good internet service can cut through ideological lines. **G**

Email alex@rpa.org

By William Fulton



Playing the Long Game

Good economic development means prioritizing the future.

Last month the Trump administration killed the $117 billion sale of wireless tech giant Qualcomm to Singapore-based Broadcom. In blocking the hostile takeover of the company, the president cited national security concerns. But the move raised a host of broad-ranging questions about protectionism, international competition and America's imperiled future as a global technological leader.

In San Diego, where Qualcomm is based, most of the handwringing over the looming sale focused on something else: the local economy. The fear was that Qualcomm's pervasive impact on the San Diego economy—along with the generous philanthropy of the company's founder, Irwin Jacobs—might vanish overnight.

As a former planning director for the city of San Diego, I understood the angst. After all, a good part of my job had been making sure that Qualcomm was happy, because no business is more important to San Diego. The company employs 15,000 people at an average salary of over $100,000 per year.

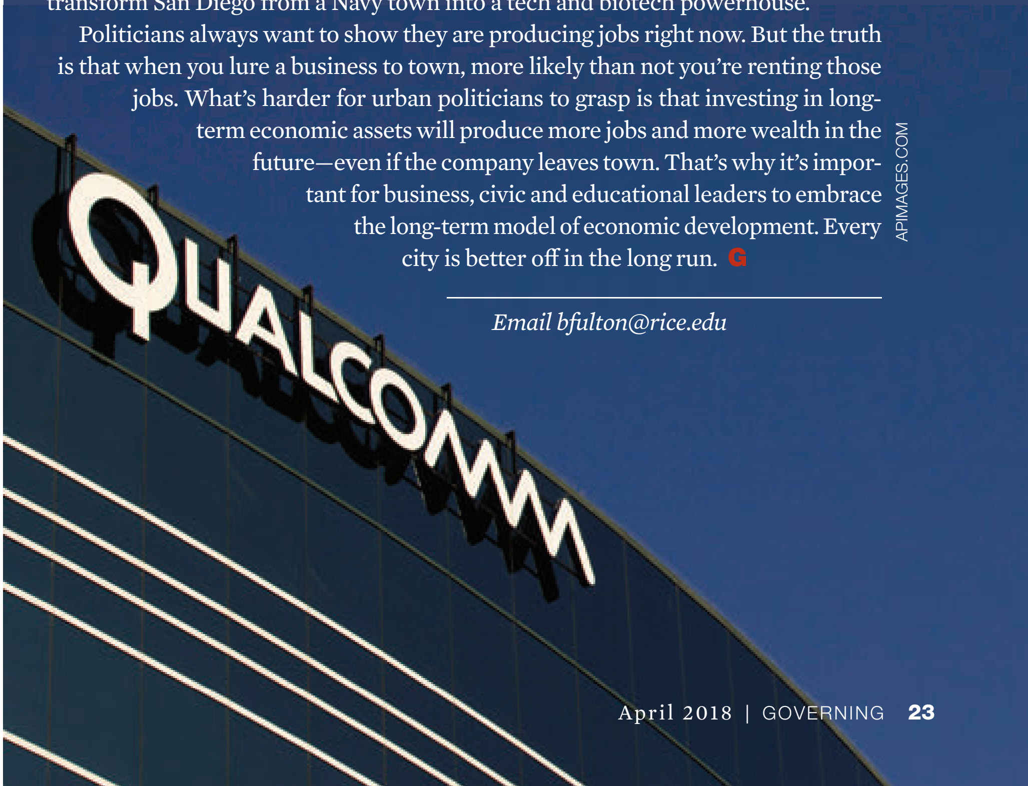
But even now that it looks like Qualcomm is here to stay, it's worth taking a moment to think about San Diego's attitude about the possibility of losing its local economic superstar. And to that end, I'd like to invoke my own law of economic development, which states that the best test of an economic development strategy is not how successful the business is, but what assets the city has left when the business leaves town. By that standard, San Diego is an enormous winner no matter what happens with Qualcomm at some point down the road.

The company itself is a spinoff of the University of California, San Diego, where Jacobs and the other company founders taught. Since then, the wealth created by Qualcomm has been invested in San Diego many times over—not least by Jacobs himself, who has endowed a number of medical facilities at the university that have, in turn, spun off successful biotech companies. It's a virtuous cycle that's made San Diego an important center for tech and biotech industries.

If Qualcomm ever does leave, it may lead to a short-term reduction in well-paid workers. But it won't change the fact that Qualcomm and its wealth have helped transform San Diego from a Navy town into a tech and biotech powerhouse.

Politicians always want to show they are producing jobs right now. But the truth is that when you lure a business to town, more likely than not you're renting those jobs. What's harder for urban politicians to grasp is that investing in long-term economic assets will produce more jobs and more wealth in the future—even if the company leaves town. That's why it's important for business, civic and educational leaders to embrace the long-term model of economic development. Every city is better off in the long run. **G**

Email bfulton@rice.edu



APIMAGES.COM

Caption

The Kingdom Next Door

It's hard to govern a one-company town. Just ask Anaheim.

By John Buntin

Photographs by Gilles Mingasson

When Disneyland opened in Anaheim, Calif., in 1955, throngs of people came to experience a theme park unlike anything they'd seen before. It soon became known as "the happiest place on earth." For years, the Walt Disney Company seemed to have a happy partnership with the city of Anaheim, too.

Anaheim has traditionally been open-handed with the international attraction that dominates its economy. Two decades ago, for instance, it agreed to issue a $510 million bond to upgrade the area around Disneyland, rebuild the convention center and provide Disneyland with a 10,000-space parking garage. The city also promised not to impose gate taxes on Disney tickets for at least 20 years. More recently, the city agreed to provide developers—including the Walt Disney Company—with more than $600 million in incentives to encourage the development of four new luxury hotels. It also extended the gate tax moratorium for another 45 years. In exchange, Disney promised to invest more than $1.5 billion in Anaheim by adding a major new attraction, Star Wars: Galaxy's Edge, which is slated to open next year.

But some have been critical of the city in its dealings with Disney. Those investments, they say, would have been made by the company anyway. For years, Anaheim's politicians largely ignored these objections. Instead, they accepted Disney's arguments that such deals were model public-private partnerships. But that attitude has begun to change. Disney "keeps talking about how it's the economic engine of the city and how we need to keep investing because we get so much in return," says Jose Moreno, a California State University, Long Beach professor who was elected to the Anaheim City Council in 2016. "But for every engine, there is exhaust, and there are parts of the city having to breathe that exhaust: the working poor."

Moreno doesn't deny that Disneyland and the resort area that encompasses it are net contributors to Anaheim's budget. The city's budget office estimates that in 2017, the city netted $81.6 million from the resort district, primarily in the form of hotel occupancy taxes. But he worries that Disney revenues are "a drug" that has hooked Anaheim on low-skill, low-wage jobs.

It's a perspective that urban writer Joel Kotkin says is well-founded. "Disney really contributes very little given the size of the company relative to the city." Where it has spent freely, Kotkin adds, is on politics. "It's a problem when you have a gigantic company in a poor town and you can buy the politicians," he says. "Disney has done a very good job of buying politicians."

Critics of the status quo believe it's time for the city to shift its focus. Instead of providing economic incentives to spur development in the downtown area, they want the city to invest more in the neighborhoods. The leader of this movement is an unlikely figure. He's Tom Tait, a libertarian-leaning Republican businessman who first ran for the mayor's office in 2010—with Disney's support.

As a city council member from 1995 to 2004, Tait voted for the Disney incentives in 1996. After retiring from the council and spending a few years out of politics, he easily won his mayoral race—and did an about face. Since 2012, he has mounted an all-out attack on economic assistance proposals. Tait has described the types of incentives for Disney and hotel developers that previous city councils saw as wise investments as "crony capitalism" and "bad public policy." He and his allies on the city council have sought to end them, a step that critics contend will only hurt the city in the long run.

Cities everywhere have become increasingly focused on doing whatever it takes—handing out massive tax breaks, land deals and other subsidies—to attract large corporations and the jobs they provide. (The best and most recent example, of course, is the municipal arms race over the second headquarters of Amazon.) But the battle taking place in Anaheim is not just about when or how to provide economic assistance packages. Rather, the situation raises profound questions about governing multinational corporations that dominate a locality's economy, especially at a time when a Fortune 500 company's annual revenue can easily dwarf a city's budget. It's a reminder that sometimes cities should be careful what they wish for. Once you land a corporate giant, it's not always easy to know what to do with it.

Every one-company town struggles with how to negotiate the needs and wants of the local economy's 800-pound gorilla. In Anaheim, that struggle boils down to one simple question: Can a city built around the Magic Kingdom ever say no to the demands of the Mouse?

When Walt Disney bought 160 acres for a new kind of amusement park in 1953, he asked the city of Anaheim to annex parts of the property and provide help with infrastructure improvements. The city spent about $153,000 on water, sewer and road upgrades. Disney chipped in $54,000 when the city complained about the costs. He didn't ask the city for much else. His personal assets, loans and a television deal with ABC covered the $17 million cost of building Disneyland.

The theme park was an instant success. Visitors came in droves to ride the Jungle Cruise through Adventureland, explore the Western-themed attractions of Frontierland and glimpse the future in Tomorrowland. Main Street U.S.A.—the resort's thoroughfare—harkened back to the small town in Missouri where Walt, his brother Roy and their other siblings grew up. At the center of the Magic Kingdom was Sleeping Beauty's castle. But it might as well have been Disney's castle. Inside the park, it was Walt's world.

Outside, it was not. Much to Disney's dismay, a flurry of gas stations and neon-signed motels soon grew up around the theme park. "A second-rate Las Vegas," he called it.

Meanwhile, Anaheim and Orange County were growing rapidly. Military bases and the aerospace industry provided well-paying jobs. During its heyday, North American Aviation employed 36,000 workers at its 188-acre Anaheim factory.

For years, the Anaheim-Orange County growth engine worked smoothly. In the early 1990s, however, the end of the Cold War brought devastating changes. Military bases closed, and the aerospace industry drastically downsized. It was around this time that Tait, by then the CEO of the family engineering business, was appointed to fill a vacant space on the city council.

He took his seat in 1995, a difficult time for the city. The Los Angeles Rams NFL team had left for St. Louis, and the Major League Baseball team, the Los Angeles Angels, was threatening to leave. The Walt Disney Company's commitment to Anaheim was also in doubt. Six years earlier, the company had announced plans to build a second theme park in Southern California. Two contenders quickly emerged for the new attraction—Anaheim and Long Beach. In 1991, the company announced it had chosen Anaheim. However, problems soon emerged. The park Disney envisioned had a price tag of about $3 billion. The company wanted the city to contribute roughly $1 billion, primarily in the form of infrastructure upgrades. This was a hard sell. Some locals, among them the Anaheim police union, proposed instead a small gate tax on the roughly 11 million people who visited Disneyland every year at the time. The idea was not well received.

But the next year, in 1996, Anaheim city officials and Disney were able to negotiate a more modest deal—the $510 million bond and the 20-year moratorium on ticket taxes. The parties also agreed to designate a 1,100-acre parcel of land near Disneyland as the Anaheim Resort District.

Tait was wary. Orange County had just come out of bankruptcy, the largest municipal bankruptcy in the country. He worried about the size of the bond issue and disliked taking a gate tax off the table forever. But when Disneyland agreed to guarantee the bond and accept the 20-year moratorium instead of an indefinite extension, Tait voted for the deal.

But things changed when Tait decided to run for mayor. His platform wasn't a threatening one. It called for cultivating a culture of kindness in Anaheim. There was nothing in it to suggest that, in fact, Tait imagined a very different relationship with Disney.

The trouble began in 2012.

For years, the city's visitor and convention bureau had worried that the city didn't have enough four-star luxury hotels. For more than a decade, it had only one: the Disney Grand Californian. The bureau believed that the lack of luxury hotels meant that some high-income visitors came to town for events or to visit Disneyland and then left at the end of the day, depriving business owners of revenue and depriving the city of hotel occupancy taxes the visitors would have paid if they had stayed overnight. To incent developers to build four-star hotels, Tait's predecessor as mayor, Curt Pringle, and a majority of the city council approved an incentive package that would effectively

Anaheim thrived with the rise of the aerospace industry, but today many parts of the city are struggling.

apply the city's 15 percent hotel room occupancy tax to only the first $130 of guest charges in new luxury hotels. The idea was that high-end hotel operators would get a subsidy for 10 to 15 years, and the city would get new higher-priced hotels that would ultimately generate more tax revenue.

The incentive didn't work. With a plethora of less expensive hotels and motels in the area, average daily rates weren't high enough to attract investors in luxury hotels, even with an incentive. The incentive package languished until 2012. That's when Pringle reemerged, as a consultant for a hotel developer seeking a more generous subsidy.

Pringle's government affairs firm counted as clients the Walt Disney Company and a local hotelier, Bill O'Connell, who was looking for a more generous luxury hotel incentive package. At one point, Pringle and Tait met for lunch. During the meal, Pringle told Tait that O'Connell would be seeking 100 percent of the city's share of the hotel room tax for 15 years, an amount that would add up to roughly $150 million.

Tait says he was shocked. "I didn't think it stood a chance of passing," he says. But when Tait tried to rally the city council against Pringle's proposal, he discovered something startling: He didn't have a majority on the council. The city council later approved the subsidy.

For Tait, the vote was eye-opening. Without controlling a majority of the city council, he was mayor in name only. To gain control of the city's agenda and end what he saw as insider dealing, he would need a majority of the city council on his side. Fortunately for Tait, a lawsuit filed against the city by local Latino activists, Los Amigos, and the American Civil Liberties Union offered him a chance to do precisely that.

Anaheim is a curiously shaped city. Imagine a bow tie 22 miles wide. In the west part of the city, there are flatlands filled with predominantly working-class Latino neighborhoods. The central portion of the city is anchored by the Anaheim Resort District. To the east, the city rises into the Anaheim Hills, the wealthy, largely white part of town. Tait and his family live there. Until 2016, most Anaheim City Council members lived there, too.

The ACLU lawsuit, filed in 2012, aimed to change that. It alleged that the city's at-large election system violated the California Voting Rights Act by effectively disenfranchising Latinos, who at the time made up about a third of the city's population. (That percentage today is more than half.) Then-school board member Jose Moreno was an outspoken supporter of district-based elections and eventually became a co-plaintiff in the lawsuit. In 2013, the ACLU and the city agreed to settle the lawsuit by holding a referendum on elections. That fall voters overwhelming approved moving to a system of district-based city council seats. The new system would go into effect in 2016, giving Tait his majority.

Before that happened, however, the 20-year prohibition on a gate tax was set to expire. Disney wanted to ensure that the city

Disney and Mayor Tom Tait have competing ideas of what the city owes the theme park, and vice versa.

would never impose a tax on the 25 million-plus visitors who streamed through its gates every year. In exchange for a 45-year commitment to forego a gate tax, the company offered to invest $1.5 billion in a new attraction—Star Wars: Galaxy's Edge.

Tait rejected the idea. He didn't support imposing a gate tax, but he was offended by Disney's attempt to tie the hands of future city councils. He believed that Anaheim might, in fact, need to impose a gate tax in the future to cover the city's pension liabilities. But a majority of the city council disagreed, and in June 2015, it voted to accept Disney's proposal by a vote of 3-2.

Tait and allies such as Moreno responded by making the city's subsidies to Disney the central issue in the 2016 campaign. Moreno, in particular, made the city's supposed largesse toward Disney the central refrain of his campaign. Anaheim, he claimed, has "invested a billion and a half dollars in the children of tourists so they could be happy and come and spend their money. It's time for us to invest in the children of Anaheim."

Disney responded by pouring more than $1.2 million into the race, primarily through a network of 10 political action committees, a campaign described in detail by a *Los Angeles Times* series earlier this year.

Despite Disney's efforts, Moreno won, albeit by only 72 votes. Another candidate who shared Tait's skepticism toward economic assistance packages also won. When the new city council was sworn in, Tait had his majority. One of its first acts was to repeal the four-star hotel incentive program. However, it didn't roll back a final incentive package, approved the previous summer. That package provided more than half a billion dollars in incentives for Disney and the Wincome Group to build three new luxury hotels.

To Moreno, it was a deal that symbolized everything that was wrong with the status quo. "You are talking about a corporation that has the resources to buy the Star Wars film franchise for $4 billion," he says, "and then turns around and says, 'We want to build a hotel to expand our business, but to do that we don't want you to ever tax us.'"

It was a position that struck Moreno as ridiculous. "That's where you say, 'Wait a minute.'"

Today, relations between the two factions on the city council are strained. Councilwoman Kris Murray says she's perplexed by Tait's turn against economic assistance programs. The 2015 luxury hotel incentive package and gate tax moratorium "cost us zero," she says. "We don't encumber any new debt as a result of the hotels or the Disneyland investments."

The idea that such investments should be left to the market is, in her view, naïve. "Cities all over the world create public-private partnerships to attract and compete for these" luxury hotel developments, she says. Economic assistance packages are "a useful

A proposed ballot measure this year would require Disney and other hospitality businesses in Anaheim to pay employees a living wage.

tool that we have employed for decades with great success." As she sees it, the idea that subsidies are costing the city hundreds of millions of dollars is simply not true. "We're talking about nearly a billion dollars in new revenues for the city over the next 30 years," Murray says. "That's the economic value these agreements provide to the city."

As for Disney itself, the company makes no apologies for its involvement in local politics in general and the 2016 city council campaign in particular. "We have billions and billions of dollars invested in the city, and I don't think there's any company that wouldn't look at ways to ensure that those investments are protected and nurtured," says Lisa Haines, Disneyland's vice president of communications and public affairs.

When asked what, if any, obligations Disneyland has to Anaheim, Haines emphasizes what the company is already doing. Disney, she says, is the city's largest employer, its biggest taxpayer and its most charitable company. She notes that hotel occupancy taxes from the resort district account for nearly half of Anaheim's general fund. It also provides nearly 20 percent of the city's employment. In addition, Disney contributes about $21 million a year to Orange County charities.

It's possible that the next mayor will agree. Tait will step down this fall. But he's hopeful that his philosophy of governance will resonate with the next mayor. It's not that he is against Disneyland. On the contrary, he wants it to succeed and grow. He just believes that local government should put neighborhoods first. "If you create great neighborhoods, great businesses will follow," Tait says. "It's not the other way around. So, you focus on your core services of public safety and civic upkeep, and do those really well. But," he continues, "you can't do those really well when you give millions of dollars away to hotels and convention centers and things like that."

There's something else that could potentially shape the election this year—and further complicate Anaheim's relationship with the Kingdom next door. In late February, a coalition of local unions representing thousands of Disney workers announced a drive for a ballot initiative that would require any large hospitality business that receives subsidies from the city to pay its workers a living wage. If the measure makes it to the ballot, and if voters approve it, Disney and many other companies would have to pay employees a minimum of $15 an hour starting next year, $18 an hour by 2022 and include annual cost-of-living increases after that.

"We are not attacking Disney," said Christopher Duarte, the president and chief executive of Disneyland's largest union, in announcing the effort to a standing-room-only crowd gathered at the Anaheim Sheraton Park Hotel. "But if taxpayers are going to subsidize a large corporation, then that corporation should pay a living wage and not contribute to poverty." **G**

Email jbuntin@governing.com

From left to right:
ASCE President-Elect Robin Kemper, P.E.
ASCE President Kristina Swallow, P.E.
ASCE Past-President Norma Jean Mattei, Ph.D., P.E.

Q&A

Women Forge New Paths in Bettering Communities Via Civil Engineering

The American Society of Civil Engineers (ASCE) is in the middle of a watershed milestone, as three women serve in its highest-ranking elected positions of president, president-elect and past president. Examples of prominent female leaders in this policy area include current Transportation Secretary Elaine Chao, past Transportation Secretary Mary Peters and Syracuse Mayor Stephanie Miner.

ASCE is proud to have forged relationships with these leaders and is eager to continue this tradition with this year's Women in Government Leadership Program.

ASCE promotes the field of civil engineering through STEM outreach, as well as government initiatives to increase investment in infrastructure. ASCE recognizes the important role women play in advocating for and improving infrastructure via collaboration with lawmakers at all levels.

Governing spoke with current ASCE President Kristina Swallow about her career in engineering and how women are helping shape the future of our nation's infrastructure.

Q: How did you choose engineering as your career path?

KS: I was attracted to using my knowledge and skills (math, science and creative thinking) to improve peoples' lives and help solve problems like making sure everyone has access to clean drinking water. Civil engineering also runs in my family. My dad, brother and husband are all civil engineers.

Q: Can you talk about your experience working on Capitol Hill?

KS: After practicing for 15 years in my community as a civil engineer, I wanted to better understand the policy-making process. I was accepted into ASCE's American Association for the Advancement of Science (AAAS) fellowship program and found a position with a senator in Washington, D.C., working on transportation policy. During that year, I was able to contribute my engineering knowledge and background to the development of related legislation. After my fellowship ended, I secured a legislative assistant position for an additional two years to continue working on transportation policy.

Q: How does ASCE see the role of women changing in the future in advocating for and improving infrastructure?

KS: This is a unique and exciting time in ASCE history. We're 165 years old and I'm the fourth female president. Our student chapters are 30 to 50 percent female, which is a huge change from when I was in school. Having people with diverse backgrounds at the table will help us drive community-minded, engineering-backed initiatives forward. ASCE is fervently moving in that direction by empowering and creating leadership opportunities for women and showing women and those of all demographics that there are opportunities to grow and contribute to our communities.

Q: What do many people not know about the career opportunities within the civil engineering industry?

KS: When you talk to people about civil engineering they often say, "Oh you build bridges or you build buildings." Many people don't realize how broad the profession is. Yes, we are responsible for the structural engineering of buildings and bridges, but we also manage floods and monitor water resources. We make sure communities stay dry in a significant rain event, and we help ensure everyone has access to potable water. We're responsible for ensuring there are roads, sidewalks and bike lanes for everybody to get to where they need to go. We create, operate and maintain the backbone of society. From the time we wake up in the morning to the time we go to bed, civil engineering impacts our lives.

ASCE

For more information, contact:
reportcard@asce.org

PO

SHUTTERSTOCK.COM

BADGE OF
WER

Why are there so many bad sheriffs?

By Alan Greenblatt

No matter how tight the food budget, you can always find ways to cut corners. The state of Alabama sends counties a paltry $1.75 per day to feed each inmate locked up in jail, but sheriffs often manage to spend a good deal less than that. They have a strong incentive to do so. The sheriffs get to keep whatever they don't spend, which in some cases has reached well into the six figures. Daily ration money adds up.

Tapping into the food fund has become a tradition in Morgan County, which hugs the Tennessee River in the northern part of the state. Back in 2001, a judge ruled that the food served to prisoners was "inadequate in amount and unsanitary in presentation," and required that nutritionally adequate meals be served. But that court order was violated several years later by the next sheriff, who bought a truckload of corn dogs at a discount, served them up twice daily and pocketed $212,000 from the food fund over a period of three years. So the court order was expanded to state specifically that the food money was to be spent solely on food. Nonetheless, the *next* sheriff, Ana Franklin, took $160,000 out of the food budget and invested most of it in a used car lot.

She was forced to repay the money and was slapped with a $1,000 fine. Still, the case illustrates a fact of life among sheriffs. They control pots of money with little oversight and a good deal of potential for abuse. Because most are independently elected, there isn't much that other officials at the local level can do to control them. A police chief may be fired by a mayor or town council for malfeasance or simply on a whim, but short of impeachment, there is usually no way to remove a sheriff—no matter the offense. "Police chiefs run for their office every day, in the sense that they're at-will employees," says Jim Bueermann, president of the Police Foundation, a research organization. "You can't really fire a sheriff."

Like many of her peers, Franklin oversees more than a dozen discretionary funds. Morgan County devotes half its annual budget to supporting sheriff's offices, and can keep an eye on that money. But it has no authority over the rest. So sheriffs are free to shift dollars among the funds as they see fit. "Right now, we really don't know what comes into those 16 other accounts," says Ray Long, who chairs the Morgan County Commission. "We don't have any recourse. When they get into trouble, there's nothing we can do."

The money that passes through a typical sheriff's hands ranges from pistol permit fees and garnishment of prisoners' wages to cash from the seizure of cars or other assets used in the commission of a crime—or sometimes when no crime has been charged. "In many states, if the sheriff does something wrong, it's not clear who's supposed to do something about it, which means no one is going to do anything about it," says Mirya Holman, a political scientist at Tulane University who studies sheriffs. "A combination of large budgets and little information provides an environment where corruption is certainly possible, if not probable."

In most states, the powers of the sheriff are spelled out in the constitution, so there's little hope of rewriting their list of duties when they abuse their power. And, with more than 3,000 sheriffs elected nationwide, there are always at least a few who do. The vast majority of sheriffs are highly trained professionals managing complex operations that enforce the law, house offenders and treat the mentally ill. Still, accusations of racial profiling and excessive force are common, and there are often a few lawsuits pending for wrongful deaths.

Ana Franklin was sworn in as sheriff of Morgan County, Ala., in 2011. Last year, she was forced to repay most of the $160,000 she had taken out of the county's fund for prisoner food.

Oddie Shoupe, the sheriff of White County, Tenn., has been sued roughly 50 times since taking office in 2006, sometimes in wrongful death cases. One particular case has recently gained notoriety: A pair of deputies were preparing to "ram" a suspect they were pursuing when Shoupe ordered them by radio to shoot him instead, saying he didn't want them to risk "tearing up" their vehicle. The district attorney declined to press charges, even after bodycam footage emerged that captured Shoupe saying, after the suspect was killed, "I love this shit. God, I tell you what, I thrive on it."

Louis Ackal, the sheriff of Iberia Parish, La., is currently facing a civil lawsuit stemming from the shooting death of a man who was handcuffed in the back of a patrol car. In 2016, Ackal was acquitted of separate charges of conspiracy and civil rights violations, a case in which he threatened a prosecutor by saying he'd shoot him right between his "Jewish eyes." His defense attorney explained that he wasn't threatening, just angry. Meanwhile, prosecutors in Milwaukee County, Wis., charged three jail employees in February with neglect and felony misconduct in a case involving a mentally ill inmate who died after being deprived of water for a week as punishment for damaging his cell. Last June, a federal jury awarded $6.7 million to a former inmate at the Milwaukee County Jail who had been raped repeatedly by a guard.

A few cases of sheriff misconduct have drawn attention from prosecutors, or at least plaintiffs' attorneys. But most sheriffs are never called to account for their misdeeds. Individuals who have confronted sheriffs—whether they are deputies, prosecutors


APIMAGES.COM

or members of the public—recall campaigns of harassment and intimidation. "In talking with people within traditionally marginalized sections of the community, it's scary for them to speak up, because of their fear of retribution," says Derek Dobies, the mayor of Jackson, Mich.

Before he was fired by Sheriff Robert Arnold in Rutherford County, Tenn., Virgil Gammon was third in command in the office. Gammon's offense was blowing the whistle on Arnold's illegal business selling electronic cigarettes to inmates. Gammon ultimately won a settlement for wrongful dismissal and Arnold was sentenced last year to four years in federal prison on fraud and extortion charges. "There were things I was doing behind the scenes for six months, before this came out," Gammon says. "It was tough, but it was the only way to prove it was going on."

In theory, sheriffs should be highly accountable, since they have to answer directly to voters. But in practice, while a police chief may be lucky to serve three years, it's not unusual for a sheriff to be around for 20. There's often meager interest in challenging a sheriff politically. In a small county, there may be only a few other people around with the minimum years of law enforcement experience required for the job. And with most counties dominated politically by one party or the other, sheriffs benefit from the limited attention voters pay to the post.

Quite often, the job is passed down from father to son. When Robert Radcliff was elected sheriff of Pickaway County, Ohio, in 2014, he succeeded his father Dwight, who had served 48 years and who, at the time, was the nation's longest-serving sheriff. Dwight's father Charles had served 30 years in the job before him, meaning that a member of the Radcliff family has been sheriff in Pickaway County for all but four years since 1931. That's an unusual stretch, but unseating a sheriff is tough.

Joe Arpaio of Maricopa County, Ariz., perhaps the most famous sheriff of modern times, was unseated by voters in 2016, but not before winning a total of six terms marked by open feuds with other county officials, federal charges of racial profiling and settlement payments that totaled nearly $150 million. Arpaio, who was pardoned from a contempt of court sentence last year by President Trump, is now running for the U.S. Senate. David Clarke, the former Milwaukee County sheriff, also feuded constantly with local officials but served 15 years on the job before stepping down in 2017. Both men employed and benefitted from a time-honored tactic among sheriffs: claiming to be the toughest man wearing the badge. Arpaio even went so far as to trademark the phrase "America's toughest sheriff." "I've been monitoring sheriffs, off and on, for 40 years," says Martin Yant, a private investigator in Ohio and author of a book about them. "I can't tell you the number of sheriffs who claimed they are the toughest sheriff in America."

Most people have limited sympathy for inmates or people who have been charged with crimes, no matter the nature of their complaints. Sheriffs are more likely to see public support erode if they're perceived as being weak on crime. Following the massacre at Marjory Stoneman Douglas High School in Parkland, Fla., Broward County Sheriff Scott Israel faced criticism for failing to apprehend the shooter despite dozens of prior complaints, as well as the failure of armed deputies to enter the school during the shooting.

The duties of sheriffs vary tremendously by state. In the Northeast, they may do nothing more than provide security in the courthouse. But in most other states, they're responsible for highway patrols, and in many, they handle general policing and corrections. The job can be incredibly complex, involving the oversight of law enforcement across multiple jurisdictions; managing jails, which often makes them the largest provider of mental health services in the county; performing evictions; sometimes running the coroner's office; and, if they're near water or mountains, running search and rescue functions. (Sheriffs' duties may vary, but the demographics of the officeholders are strikingly consistent. A survey of sheriffs by Holman and Emily Farris of Texas Christian University found that 95 percent of them are male and 99 percent are white. Franklin, who announced in February that she won't seek reelection, is the only woman sheriff in Alabama.)

Increasingly, many sheriffs are operating under tremendous pressure, in no small part because of the quadrupling of the nation's prison population over the past four decades. Apart from overseeing the day-to-day basics of their job, individual sheriffs often find ways to pursue innovative policy approaches to issues that come into their orbit, from methods of limiting domestic violence and drug overdoses to seeking ways to shelter the homeless. "In general, the average sheriff is a good guy," Holman says. "My perception is that the average sheriff is incredibly concerned for their community."

The fact that they're elected make them not just accountable but highly attuned to the public's wishes, adds Jonathan Thompson, CEO of the National Sheriffs' Association. "They are out in their

Joe Arpaio of Maricopa County, Ariz., is perhaps the most famous sheriff of modern times. He feuded with other county officials, faced federal charges of racial profiling and was slapped with settlement payments of nearly $150 million.

communities every day," he says, "and will hear from the people, not just at the ballot box but at the grocery store, when they approve or disapprove of what they do."

But no matter how innovative they may be or how much support they get from their counties or states, it tends to fall short of what they feel they need. Sheriffs have become entrepreneurs of a sort, seeking ways to augment their budgets. Most of that may be perfectly legitimate. But there are always temptations. "Because sheriffs control their own budgets, they can be a little more secret, or a lot more secret, than a police chief who has to answer to a city council or a city manager," says Seth Stoughton, a former police officer who teaches at the University of South Carolina law school.

It's never a smart career move to dress down the boss, in any field. But in some sheriff's offices, it is a career-ender. In nearly all of them, notwithstanding Gammon in Tennessee, it's not realistic to expect deputies to investigate their superiors. Even when they do, they may have no means of punishing them. In eight states, the only person with authority to arrest the sheriff is the coroner. "It doesn't happen very often," says Lisa Barker of the Indiana State Coroners Association. "There's not a lot of training for it."

In some states, governors have the power to remove a sheriff, but they are slow to do so, generally considering it a local matter. State legislatures have reduced some of the powers of sheriffs in recent years, placing limits on civil asset forfeiture and requiring state approval for some large contracts. But sheriffs are often able to block bills they see as a threat. They are a powerful lobbying force, well-connected in every part of a state. "When I was lobbying a reporting bill in Atlanta"—requiring sheriffs to disclose the proceeds they've collected from civil forfeitures—"every single sheriff in the state showed up in opposition," says Lee McGrath, senior legislative counsel for the Institute for Justice, a conservative advocacy group.

At the federal level, the Trump administration seems to have little interest in providing aggressive oversight of local law enforcement. Trump not only pardoned Arpaio last summer, but he also kicked off a White House meeting with the National Sheriffs' Association by promising them his full backing. Attorney General Jeff Sessions made similar statements. That means that for the foreseeable future the job of policing sheriffs will largely fall to state and local officials. (Something like 10 percent of sheriffs adhere to the "constitutional sheriff" movement, believing their authority can supersede even that of the federal government when it comes to enforcing laws they don't like, such as gun control measures.)

But not every objectionable thing a sheriff does is illegal. In Jackson County, Mich., all the members of the county commission, along with the chamber of commerce and other local officials, have called on Sheriff Steve Rand to resign due to reports that he has used racist, sexist and homophobic language, as well as allegations that he discriminated against a disabled employee. Rand has apologized but refused to step down, and the governor has not removed him. "Anytime where there's been such a breach and violation of the public trust, in most cases you would assume that person would resign or leave, to allow the community to heal on its own," Mayor Dobies says. "It's incredibly frustrating."

In February, Sessions received criticism from some quarters for saying, during an address to the National Sheriffs' Association, that "the office of sheriff is a critical part of the Anglo-American heritage of law enforcement." Some heard a racial dog whistle in that phrase, but there's no question that Sessions' sense of history was correct. The term “sheriff” is derived from the “shire reeves” of Anglo-Saxon England. They sometimes apprehended criminals, but their main job was in-person tax collection, threatening or doling out violence until they received a satisfactory sum—much of which they kept for themselves. That’s one reason England has eliminated all but their ceremonial duties. “They had a direct financial incentive in raising money because that’s how they were paid,” Stoughton says. “That incentive problem is why the sheriff of Nottingham was a bad guy.”

The problem of corruption has plagued sheriffs since their inception. Nowhere is this truer than when it comes to raising money on the side, hosting pig roasts and golf tournaments as fundraisers for the nonprofit foundations they’ve set up. “Any outside foundations that are created—and I think we have four that were created by sheriffs down the line—we don’t even have the authority to audit those things,” says Joe Dill, a member of the Greenville County Council in South Carolina.

Sheriffs can award contracts to campaign contributors, with ex-sheriffs often funding lucrative retirements by winning no-bid contracts on equipment or services from their successors. But the most troubling source of money swirling around sheriffs is civil asset forfeiture. Sheriffs can seize almost any property used in the commission of a crime. They argue it’s a necessary tool in the fight against drugs. That may be so, but abuses of the process have been well-documented, from sheriffs shaking down travelers for the exact amount of cash they happen to have on their person, to ordering deputies to work traffic on just one side of the highway—the side being used to bring back cash, not the side on which the drugs initially come in.

Civil asset forfeitures are seldom contested. Either the suspects whose property has been seized are charged with a crime, which means testimony in a property dispute can be used against them, or they may be charged with no crime, yet decide that the legal fees from fighting the seizure would cost more than the property is worth. All told, civil forfeitures have become a multibillion-dollar business for law enforcement agencies.

A number of states have sought to limit the process. Some require that property be taken only following convictions, or require sheriffs to surrender the money to the state general fund, or, at the very least, disclose their proceeds. But sheriffs have found workarounds, notably the “equitable sharing” program. That means if they can make a violation into a federal case, the U.S. Department of Justice will take a share but allow sheriffs to keep the bulk of the proceeds. In Missouri, where local law enforcement is required to send proceeds to the state, civil forfeiture cases prosecuted under state law are worth about $100,000 per year. But Missouri agencies do $9 million worth of business annually in civil forfeiture cases prosecuted under federal law—90 times as much. In 2015, the Obama administration curbed equitable sharing, but Sessions revived it last July.

The Alabama Legislature is considering a bill that would require law enforcement agencies to hand over all civil forfeiture proceeds to the state. As is typical when such legislation is pending, sheriffs and prosecutors are pushing hard against it. Sheriffs routinely deny that they engage in “policing for profit,” but Coffee County Sheriff Dave Sutton stated differently in a February column in the *Birmingham News* co-authored with Calhoun County District Attorney Brian McVeigh. “Sending the proceeds of forfeiture to the state’s general fund would result in fewer busts of drug and stolen property rings,” they wrote. “What incentive would local police and sheriffs have to invest manpower, resources and time in these operations if they don’t receive proceeds to cover their costs?” It might be argued that the oath of office should be enough of an incentive, but not all sheriffs see it that way.

The Alabama Legislature also has passed a bill allowing voters in Morgan County, Ana Franklin’s territory, to give their sheriff a 35 percent raise. In exchange, the sheriff would be blocked from pocketing money from the food accounts. That question will come up before voters in November. Its passage will be a “slam dunk,” predicts Glenda Lockhart, a construction company owner in the county.

After being arrested in 2011, Lockhart and her husband sued Franklin for false arrest, ultimately reaching a settlement. Lockhart has remained a major thorn in Franklin’s side, running a blog that became a depository for information provided by anonymous deputies and other sources. “At least in our county, the next sheriff who decides to put their hand in the cookie jar will not be able to do so, at least not out of the inmate food fund,” Lockhart says. “It’s just totally wrong for them to be able to do it.” **G**

Email agreenblatt@governing.com

APIMAGES.COM

Civil asset forfeitures have become a multibillion-dollar business for law enforcement agencies.

The Tolle

Paying extra for rush hour driving isn't a popular idea with

Until December, the 10-mile stretch of Interstate 66 in Northern Virginia that takes drivers from the Washington Beltway into the nation's capital was off limits to nearly everyone driving alone during rush hour. Officials in the traffic-choked region reserved the popular route for electric cars and vehicles carrying multiple passengers.

But late last year, Virginia added another option. The state started letting single-occupancy cars use the road, but at a price. The exact price would depend on how many people were driving on it at a given moment, bringing the concept of supply and demand to the daily commute. The greater the congestion on the tolled road, the higher the charge. The idea was to keep traffic moving quickly along the highway, even if that meant discouraging people from using it. The exemption for electric vehicles was eliminated, and the rush hour period was extended from two and a half hours each way to four. The state promised to use up to $10 million of the toll money to pay for more bus routes, bike-share stations and other options that would give commuters choices other than clogged highways.

Those details, though, were quickly overshadowed by how high the tolls went. At one point in the first two months, the posted price along the 10-mile stretch hit $47.25, and it broke the $40 mark several other times. True, very few people paid that toll—statistics showed that for the first 594,381 trips taken under the

iSTOCKPHOTO.COM

d Future

many motorists. But its time seems to have come. **By Daniel C. Vock**

new rules, only 461 drivers paid a toll of $40 or more. And anyway, that was the point, to clear traffic off the road. But it didn't stop drivers, local newscasters and Northern Virginia politicians from denouncing the "highway robbery."

Managers at the Virginia Department of Transportation, on the other hand, viewed the project as a success. The fact that some drivers, even if just a few, were willing to spend $40 for a quick trip in or out of Washington, D.C., showed VDOT the value of adding a tolled option. If not for the changes, drivers traveling alone who really needed to get somewhere fast during rush hour were literally stuck with no choices. Now, at least, they had one, even if it meant paying an exorbitant price.

The sky-high tolls drew national attention, but similar systems, sometimes known as "congestion pricing" or "demand pricing," are being installed throughout the country. There are roughly 40 of them now in 15 metropolitan areas, the vast majority of which opened in the last decade. The concept of paying more when traffic is heaviest is expanding in Atlanta, Los Angeles, Seattle and Tampa. New toll charges are being debated in Maryland and in Portland, Ore. And New York City is considering a related idea: charging motorists a fee for driving into lower Manhattan at busy times. "Political leaders and people say they want to solve the congestion problem," says Jennifer Dill, the director of the Transportation Research and Education Center at Portland State University. "Right now, people are paying for congestion in time. Transportation planners and academics like me say, if you want to solve the congestion problem, you have to charge the right price."

It's the appeal of solving two problems at the same time—managing traffic and bringing in revenue—that largely explains why the idea of congestion pricing is getting so much attention these days. "It is a very powerful tool for managing congestion," says Patrick Jones, the executive director and CEO of the International Bridge, Tunnel and Turnpike Association. "We've seen that with I-66. There's been quite a bit of hue and cry about it, but nobody is compelled to pay that toll. The express lanes are doing what they set out to do."

The prices and peculiarities of the I-66 toll system are new to Virginia, but the concept of congestion pricing has a long history in the state. Well before Virginia added its recent tolls, it granted Transurban, an Australian company, the right to add high-occupancy toll lanes (HOT lanes) to two of the region's biggest expressways. The company started using demand-based pricing in 2012, when it opened toll lanes on a rebuilt 14-mile stretch of the Capital Beltway. A little later, Transurban added fluctuating tolls to the reversible lanes along a 29-mile segment of Interstate 95 through the outer Washington suburbs.

Motorists can check the shifting rates by looking at roadside signs or mobile apps. But the process that Transurban actually uses to set the tolls is nearly invisible to most users. Roadside radar devices track how many cars are traveling down certain segments of the tolled lanes at any given time, and cameras cover the entire length of the Transurban highway. The data and video feeds are sent back to a suburban office park where Transurban runs its U.S. operations out of a two-story building with an angular glass face.

Inside, Transurban employees follow the traffic on 18 flat-screen televisions covering the front wall of a sunlit room that feels like a modern college lecture hall. They also each watch a bank of computer monitors, looking for anything that could impede the flow of traffic. If a car breaks down and pulls over, they'll send a maintenance crew. If there's a crash backing up traffic, they can post warnings on highway message boards so that motorists can avoid the area, or at least get out of the toll lanes to avoid paying money to sit in bumper-to-bumper frustration. Operators can change the speed limit if needed.

The process of calculating tolls, though, takes place in a back room, somewhere out of sight, where servers crunch real-time data on traffic conditions. The goal is to spit out toll rates that will keep traffic cruising in the toll lanes at a breezy 60 mph.

Like the I-66 tolls, the rates on Transurban's lanes are not capped, which theoretically means they could go just as high as they have on the neighboring interstate. But Transurban says its average tolls have been much lower: $5.77 last year on the Beltway, and $8.46 for I-95. The system saves rush hour Beltway commuters an average of 23 minutes per trip, according to the company. Even motorists using the free lanes save time, Transurban says, because other drivers are in the toll lanes.

The goal of keeping traffic moving at 60 mph in the toll lanes is a federal requirement, but it's also crucial to satisfying customers who want the maximum benefit from the system, says Transurban spokesman Michael McGurk. "Folks that are paying the tolls want to be going at highway speeds," he says. "They want to go 60 mph if they're paying tolls or picking up carpoolers. They don't want to go 40 mph."

The arrangement seems to be working for Transurban. The company reported that in the last fiscal year, the number of average daily trips increased by 12.8 percent over the previous year. Some of that is because carpooling and bus trips have been increasing. But demand for the toll lanes is going up, too, and that, in turn, is pushing up toll prices and bringing in more money. Transurban says its toll revenue in the Washington area grew by 23.7 percent in the year ending in June 2017, to $157 million. The average price to use the toll lanes increased by 21 percent on the Beltway and 19 percent on I-95.

In other words, more drivers are using the toll lanes, and they're paying more to do it. It's no wonder Virginia and other jurisdictions are planning to build more of them.

While many state and local officials are still getting comfortable with congestion pricing, the idea has been in the works for decades.

The so-called "father of congestion pricing" was William Vickrey, who first became fascinated by the link between prices and traffic when he took a largely empty train from New Haven to New York as an undergraduate in the 1930s. He started thinking about how wasteful it was that so many of the seats went unfilled when many of his fellow classmates would have loved to spend some time in the city if the train fare were lower.

In the early 1950s, Vickrey tried to convince New York City to charge subway riders more if they wanted to ride during rush hour. He suggested that all vehicles should have transponders installed,

DAVID KIDD

so that city officials could charge drivers for entering crowded areas, and charge them more for entering during high-traffic times. Neither idea moved forward.

In 1963, Vickrey, by then a professor at Columbia University, laid out the case for congestion pricing on New York's bridges. He questioned why New York officials let drivers cross older East River bridges for free because the bridges were "paid for," but charged tolls on newer bridges. That approach promoted congestion on the older bridges. "The delusion still persists," Vickrey wrote, "that the primary role of pricing should always be that of financing the service rather than that of promoting economy in its use."

Over time, his ideas gained more acceptance. Many transit systems today charge passengers more for traveling during peak hours. Everything from airline fares to utility rates to baseball tickets is sold using some form of congestion pricing. Vickrey, the champion of all these once-obscure ideas, won the Nobel Prize in Economics in 1996, just days before his death.

The use of congestion pricing on toll roads in the United States began slowly. The first to make use of it was State Route 91, south of Los Angeles in Orange County, Calif., which opened in 1995. The project added four tolled lanes next to eight free lanes along a 10-mile stretch of the highway. Although a private consortium built and originally ran the toll road, Orange County took it over in 2003 and kept the congestion pricing. The project gave transportation planners a real-life example of how the abstract idea of congestion pricing might work for roadways.

It came at a time when much of the technology that makes demand-based pricing practical was becoming more widespread. Electronic transponders, like the E-ZPass now used in much of the Midwest and on the East Coast, were first rolled out in the early 1990s. The transponders allowed for the widespread introduction over the next decade of open road tolling, in which drivers don't have to slow down to pay their fares at a toll booth. That saves them a lot of time and makes the toll itself seem less onerous.

The new experiments also benefited from changes in federal transportation policy. In 1991, Congress passed a transportation funding law that for the first time let states use congestion pricing to set tolls on federally backed highways. Congress has long prohibited states from adding tolls to existing interstate lanes, but it did start allowing states to convert carpool lanes into toll lanes. It also let states toll newly added lanes along those interstates. The administrations of both George W. Bush and Barack Obama encouraged states to take advantage of those exceptions, and states found many private companies like Transurban eager to get into the tollway business.

But despite the fancy algorithms and larger societal goals, the fact remains that congestion pricing still takes money out of drivers' pockets. In many quarters, "toll" is still a four-letter word.

For most traditional opponents, the pricing structure doesn't fundamentally change the argument against tolls. Truckers are one example. The American Trucking Associations has long favored raising fuel taxes to pay for better roads rather than imposing new tolls. The trucking industry says it can live with congestion pricing, if it allows truckers to avoid tolls by using general purpose lanes. But any attempt to use variable rate tolls to discourage truckers from traveling at peak times will likely fail, says Darrin Roth, the group's vice president of highway policy, who says truckers rarely opt to pay for faster lanes when given the choice. "The goal of congestion pricing," he says, "is to get people onto alternative modes of transportation or change the time of day they travel. But changing modes is not an option for truckers. And pickup and delivery times are determined by customers."

Most trucking companies don't have any way to assign the costs of particular tolls to individual customers; instead, the costs of tolls are lumped together as an overhead expense that's borne equally by everyone who buys the service. Charging a customer for getting a delivery during rush hour could be even more complicated under congestion pricing, Roth says, because a company would not know what toll rate to charge the customer until the truck was on its way.

Likewise, congestion pricing doesn't change the calculus for opponents of adding tolls to existing interstates, something that the Trump administration, like the Obama administration before it, has encouraged.

Stephanie Kane, a spokeswoman for the Alliance for Toll-Free Interstates, says toll roads can overcrowd surrounding communities when drivers get off the interstate to look for a free route on smaller roads nearby. And toll roads are relatively inefficient ways to raise money for transportation projects, at least compared to fuel taxes. "Running it is complicated," she says. "The

Transurban workers monitor traffic conditions to make sure vehicles can travel swiftly in its Virginia toll lanes.

contracts are complicated. Enforcement is complicated. They're so inefficient in so many ways, that tolls should be removed from the conversation about transportation funding altogether."

Managed lanes, whether they have fixed or variable toll rates, have also long been disparaged as "Lexus lanes," catering to rich motorists. Toll operators insist that the tolled lanes are not there to provide an everyday shortcut for wealthy drivers, but to make it easier for ordinary motorists to get where they are going when they cannot be late, whether it's catching a flight, meeting with a boss or picking up children from school. Many researchers have concluded that this is, in fact, how most drivers use the lanes—as an option in emergencies—although richer motorists do use them more often.

But among the voices urging caution about congestion pricing are experts in the tolling industry itself. They warn that such a system works only in certain circumstances, and that it needs to be tailored to the specific needs of a region.

"A lot of people rush to ask how we're going to do [tolling]. But they should start with the why."

—Matthew Click, a toll lanes expert

Matthew Click, an expert on managed lanes for the construction engineering company HNTB, has reviewed dozens of congestion pricing proposals. Most times, he says, the projects aren't feasible. They fall short for a number of reasons. From a practical standpoint, an area has to have enough of a traffic problem—measured by distance, density and duration—to make congestion pricing workable. There needs to be a way to solve that problem with new lanes. Even more important, local leaders must first agree on what the problem is. "The very first thing public officials have to ask themselves is why they want to institute this type of policy in their area," Click says. "Is it to improve transit? Better air quality? Mobility benefits? A lot of people rush to ask how we're going to do it, but I would say they should start with the why."

Robert Poole, the director of transportation policy at the libertarian Reason Foundation and one of the proponents of the original Orange County experiment in the 1990s, agrees that some of the difficulties of demand pricing projects trace back to differing visions of what they should accomplish. Some proponents see the tolled lanes as a way to encourage people to share rides. On the other hand, Poole puts a priority on providing a congestion-free route for buses, emergency vehicles and drivers who are making high-value trips.

It's not just an academic distinction. One reason the tolls on I-66 are so high, Poole says, is that, for the time being, vehicles carrying only two people ride free there. With so many two-person carpools, there's little room for toll payers. Virginia plans eventually to raise the threshold for free rides on I-66 to three passengers per vehicle, which would bring it in line with the other toll facilities in the area. But Poole would abolish the carpool exception completely, something that toll roads in the Austin and Baltimore areas have already done.

Atlanta is moving in that direction, too, as the region plans to expand its network of tolled lanes aggressively over the next decade, says Chris Tomlinson, the executive director of Georgia's State Road and Tollway Authority. The state will continue to allow a free ride on Interstate 85's existing carpool lanes, but in its other projects, where the state will be adding new lanes, the only vehicles that will likely get out of paying tolls are transit buses. That policy is simpler, Tomlinson says. "We are all in on the public policy that these toll roads should provide a benefit for those who pay the tolls or are using public transit operating in these corridors."

Another factor that can slow traffic in managed lanes is an artificially low cap on toll prices. Low tolls are politically popular, but if they are too popular, they can defeat the purpose of the toll lanes, which is to keep the flow of traffic at an acceptable pace. That's part of the problem in the Salt Lake City area, where Utah officials hoped to keep traffic in the Interstate 15 toll lanes at 55 mph. Tolls there have been capped at $1 a ride, and average speeds at peak times have dropped to 31 mph. State leaders are considering doubling—or even tripling—the maximum toll.

Another problem in some areas is cheating: People will set their transponders to carpool mode even if they have no other passengers in the car. On the toll lanes of Los Angeles' 110 freeway, for example, it is estimated that 25 to 30 percent of drivers are in the lanes illegally. The county is working on technology that can determine how many people are in a car, so it could automatically send tickets to freeloaders. But Poole says the tolling industry has been trying for years to develop that type of tool, with no success. "The only enforcement has been when an officer in a patrol car looks in and sees that there's not two or three people riding in the car," he says. "It's kind of a joke, frankly. And a lot of people are troubled by it."

Perhaps the biggest threat to congestion pricing on toll roads is the potential for a political backlash, like the one in Virginia early this year. But in Virginia and other states that are building a network of toll lanes, changing course could be difficult.

Several Virginia lawmakers from the D.C. area tried to convince their colleagues to change the tolling scheme for I-66. Some of their ideas would not have affected the top rate, but merely scaled back the hours when the tolls are imposed. So far, though, those changes haven't found much traction in the legislature. One reason is that the state already signed a deal to add new toll lanes using congestion pricing for I-66 outside the Beltway. As part of the deal, the private operators promised to pay $500 million to the state up front. But some or all of that money could be in jeopardy if Virginia changed the tolling rules for its segment of the highway. Meanwhile, the state has reached deals with Transurban to extend its congestion-priced toll lanes on I-95 north toward Washington and south toward Fredericksburg. Despite the recent outcry, it looks as if Virginians will see a lot more congestion pricing, not less, for years to come. G

Email dvock@governing.com

FIGHTING FRAUD:

USING CLOUD-BASED ANALYTICS TO DETECT AND PREVENT FRAUD IN GOVERNMENT

Fraud costs government a lot of money. The federal government loses over $400 billion to tax evasion alone each year. For state and local agencies, the numbers may not be as high, but fraud is still prevalent, especially when it comes to taxes and health and human services.

Fortunately, new technologies like cloud-based analytics are allowing agencies to better detect, prevent and even predict fraud. Backed by machine learning and geospatial technology, cloud-based analytics continue to learn over time to detect patterns and anomalies and uncover emerging trends. Since it's based in the cloud, an agency only pays for what it uses and can scale capacity as needed to accommodate periods of surge activity, such as during tax season.

Using cloud-based analytics, agencies can identify more forms of fraud, get ahead of criminals and make better use of taxpayer dollars.

When using cloud-based analytics, such as Pondera Solutions' fraud detection as a service (FDaaS) offering built on the Microsoft Azure Government platform, agencies receive the following advantages:

Faster fraud protection. When based in the cloud, agencies can run more analyses on more data to detect cross-program fraud faster. Automated and predictive analytics allow agencies to proactively take action and prevent improper payments.

Ability to visualize emerging trends. In-depth analytics help detect anomalies and trends in claims through techniques such as spike indicators and peer comparisons. Dashboards help agency leaders easily visualize identified patterns.

Cloud infrastructure specifically for government. A cloud foundation with security and compliance built in helps ensure that regulatory requirements are being met, and that sensitive data will not be at risk.

Microsoft

For more information on how to use cloud-based analytics to better manage fraud detection and prevention in your agency, visit:
www.microsoft.com/government, www.aka.ms/checkthefacts
To contact Microsoft to learn more, go to: www.aka.ms/govcontact

GOVERNMENT

When Apple opened its first store in 2001, the company's attention to design and customer satisfaction permeated the whole experience. The interior was adorned in slick wood and wrapped in glass to lure in potential shoppers; the laptops, desktops, iPads and iPhones were not just on display but available for trying out; visitors got free tutorials on how to operate their new Macs; and the customer service desk was dubbed the Genius Bar.

The payoff was a windfall for the world's largest tech company. It still is. At a time when brick-and-mortar retail companies are struggling to survive and redefine themselves, Apple generates more money per square foot than any retailer in the United States.

Ariel Kennan worked for Apple in those early retail years, and she became a convert to what the company called "service design." "Apple Stores are incredibly designed experiences," she says, "the look, the feel and how people interact with customers. Apple thought through all of this."

Now Kennan is putting her Apple experience to work in a dramatically different context. She is in New York City, running the new Service Design Studio at the Mayor's Office for Economic Opportunity. She is convinced that what worked to sell computers can work to make municipal government better at responding to fundamental human needs. "Service design," Kennan says, "is the holistic view on how a service is delivered. It's a human-centered research approach to figure out how all the people and all the services fit together."

SHUTTERSTOCK.COM

NEW YORK CITY IS BETTING THAT IT CAN LEARN IMPORTANT LESSONS FROM THE WAY PRIVATE COMPANIES DESIGN THEIR SERVICES. THE BET IS STARTING TO PAY OFF.

BY DESIGN

BY J. BRIAN CHARLES

More simply put, the service design concept reimagines customer relations for both business and government. It's not a quest for efficiency, or for constant repetition of time-honored practices. It's focused on the end user, and on enticing customers who have varying degrees of knowledge and experience to interact with a service and stay long enough to fully engage. And here's the secret: The customer is not really supposed to notice.

Service design makes use of emerging concepts in social science, especially data points and analytics, to come up with user-based service solutions. But it applies a healthy skepticism toward social science in its traditional form. "Social scientists research the way people interact with a thing," Kennan says, "but don't say how to improve the interactions between humans and those things."

The service design effort in New York and elsewhere is getting major assistance from Citigroup, the financial giant, which is interested in finding the commonalities between delivering services in business and doing it in government. "When it comes to the way services are created and delivered," says Marshall Sitten, Citigroup's vice president of communications, policy and research, "they may have been created in a collaborative way, but over time, services became less adaptable and produced less value for the people who need them." Sitten is convinced that problem is solvable in a public as well as in a private realm. In his spare time, he teaches service design at New York University.

At the moment, bringing service design to government is mostly a New York City experiment. But that may not be true for long.

Oakland, Calif., launched an official service design program this past January. Its seven-person team, also assisted by Citigroup, has upgraded a website that allows renters to challenge rent increases they consider unlawful. It is working on programs to better connect young people with summer job opportunities and is partnering with Citigroup on a program of financial empowerment for low- to moderate-income mothers and their families, especially women and families of color. "The need to address the problems our residents are facing is mounting constantly, and the resources we have to deal with these problems are shrinking," Oakland Mayor Libby Schaaf says, adding that "government was not designed to take risks and move quickly." She thinks service design might be a way to break out of that public culture of excessive caution and delay.

Back in New York City, Kennan is thinking along the same lines. She came to the service design project in New York from Code for America, the nonprofit that pairs software developers in the private sector with municipalities that need their skills in solving a problem. She helped launch open data projects in both Kansas City, Mo., and Kansas City, Kan.

In 2014, Kennan joined the administration of New York Mayor Bill de Blasio as director of design and product for the city's newly launched Office of Economic Opportunity. The creation of a formal service design lab was still three years away. But Kennan and her colleagues set out to use service design ideas to reengineer a few very specific city initiatives. For starters, they wanted to help low-income residents with tax preparation, and especially to make sure they received the earned income tax credits they were entitled to. The team also initiated an open data project for the city's health and human services agency, and started Growing Up NYC, an online resource for parents seeking assistance in monitoring their children's health.


Ariel Kennan in the New York City Service Design Studio

Another early task was working to improve Access NYC, the existing portal that was meant to connect city residents to social services. Access NYC had some of the same goals that service design advocates sought, but the system was clumsy and those seeking services often gave up before they got connected to the assistance they wanted. "Access NYC needed an overhaul," Kennan says. "The site was hard to use, saw drop-off in usage and had material that users didn't understand."

In 2017, with the help of service design concepts, Access NYC relaunched. The directions on the site were made easier to interpret, content was presented in seven languages, the new website was made responsive for mobile users and a location finder was added to help residents connect to services close to their homes.

Where fixing Access NYC relied heavily on data analytics, the service design group's next challenge required shoe leather. The city's homeless population was growing. New York, one of the few U.S. cities required by court order to house the homeless, was sheltering more than 60,000 people. Still, despite its vast network of shelters, the city had several thousand homeless men, women and children living on the street. The issue was connecting them to services.

De Blasio dispatched Kennan and members of her team to figure out and then fix the problem. They rode subway lines to the far reaches of the city to contact homeless men and women. They conducted interviews and tracked each homeless client's progress through the system.

KISHA BARI

From the interviews and the data collected, the service design team created a "journey map," which tracked the experiences of those contacted by field workers. To the novice, a journey map is a series of dots and arrows. In this case, dots for the homeless clients, arrows for the social workers. The arrows indicate movement from one portion of the system to the next. Where two dots meet there is an interaction. Service designers look at those journey maps and try to find the best way to move clients through the system as efficiently as possible. "You start from the angle of problem identification and as you do your discovery," Sitten says, "you start identifying weak signals, patterns and then you have to synthesize that with the people you are working with."

The process can seem mechanical, but it's far from smooth. Running a service design project in public policy space usually means overcoming old civic and political habits. The clients frequently don't interact in the way all the modeling suggests. As Sitten puts it, "People are messy. They do irrational things."

The Service Design Team's rubric for measuring user experience is labeled as the 5 E's: Entice, Enter, Engage, Exit and Extend. The first E, "Entice," measures how people come to learn about the service and what gets them interested. "Enter" examines the experience upon first entering a place—in the case of homeless services, that might mean a conversation, but in other cases it could be a website or an app. "Engage" looks at the steps necessary to interact with the service and asks designers to think about how to keep users engaged. "Exit" measures how users feel when they leave the experience and whether it is clear to them that they are finished. And "Extend" probes ways the user might talk about the experience to others afterward.

The team found that the crucial problem in delivering homeless services wasn't the one most observers expected. "The outreach workers were blamed for the homelessness issues in New York," Kennan says, "but they were not the issue. There were just not enough of them."

When the analysis was done, Kennan's group offered recommendations that the city has adopted. It more than doubled the number of outreach workers; shortened the time clients needed to be on the street before they qualified for assistance; stationed homeless outreach services inside libraries and hospitals; and intensified canvassing efforts across the city.

In late 2016, the service design team next tackled a project aimed at delivering wireless internet service to the nation's largest public housing complex. Queensbridge Houses is home to nearly 7,000 residents in 26 buildings spread over 50 acres near the East River in Queens. The low- to moderate-income residents in Queensbridge were paying exorbitant internet bills, in some cases more than $200 per month for bare bones access. Many relied on their cellphones to connect to the internet, or weren't online at all. But installing Wi-Fi would only be the first obstacle. Teaching digital literacy to the scores of residents who were computer neophytes would be a bigger challenge.

The service design team started with classes in digital literacy and quickly realized there was a unique opportunity before them. The digital newcomers were going to be logging on to the web for the first time, and that initial experience could shape their view of how useful the tool might be. Kennan reached out to the Queensbridge Tenants Association and worked with its members to create Queensbridge Connected, a web portal dedicated to news and information about life in the housing project.

The design process was decidedly low tech. Residents were given blank pieces of paper and asked to illustrate what the website might look like, where the photos would go and how the navigation would work. A few weeks later, the design team came back with a touch screen display of a mocked-up website based on what the community had suggested and asked for feedback. "There is a difference," Sitten says, "when you invite a group into a room and there is the notion of participation and involvement and engagement."

After a few changes, Queensbridge Connected was launched. The website lists events, connects residents with job training and classes at the local library, and provides mundane but important information about parking restrictions on a given day.

By 2017, with several successful projects under its belt, it was time for service design to grow. The practice had shown to many in city government that it had the potential to transform service delivery across a metropolis of more than 8 million residents.

But to do that, service design needed scale, which meant it needed money.

That's where Citigroup came in. One of the company's philanthropic arms, Citi Community Development, backs projects that promote financial inclusion and economic empowerment. Last October, with funding from the group and support from the Mayor's Fund to Advance New York City, the Service Design Studio officially came into existence.

So far, the design team is small and its office simply decorated. Five people occupy a conference room in Brooklyn. One table and a 10-foot-tall cork board constitute the furnishings. But the goals are ambitious: to persuade the city to think more broadly about how to design a wide array of services it must provide. The Service Design Studio website is a public-facing toolkit that offers every city employee and any interested resident some of the keys to service design—reviewing evidence, talking to the people most impacted by a given service, connecting the dots between what's needed and what's working, followed by experimentation and then more discussion.

"When you apply service design with great intention," says Sitten, "you get a service that not only reflects the needs of the people who are using the services. You change the culture." **G**

Email jbcharles@governing.com

2018 WOMEN IN GOVERNMENT

Every year, the Governing Institute selects 25 female state and local leaders to participate in its Women in Government Leadership program. Now in its fourth class, the program convenes these accomplished public officials throughout the year to share ideas, engage in leadership development, and work together to actively recruit and mentor more women to seek public office.

PHOTOGRAPHS BY DAVID KIDD

AFFIE ELLIS

State Senator, Wyoming

In 2015, Affie Ellis and her daughter took a trip to Cheyenne to see Wyoming state legislators at work in the state Capitol. They were both struck by the lack of women they saw. Ellis' daughter turned to her and said, "Mom, do they let girls serve in the Senate?"

Ellis was galvanized to action: She ran for a state Senate seat the following year and won, becoming the first Native American woman to serve in that body. Ellis is a member of the Navajo Nation. As she notes, she still doesn't have many female colleagues. "Wyoming has one of the worst percentages of women serving in legislatures in the nation," she says.

In office, Ellis has focused on energy industry policy and on education, and she co-sponsored a bill requiring state schools to teach students about Wyoming's Native American history. "People often think Native Americans are a relic of the past and we're not around," Ellis says. "The goal is not to just teach about our historical contributions but our current contributions."

MELISSA McKINLAY

Mayor, Palm Beach County, Fla.

Palm Beach County, which is home to some of the nation's richest individuals and President Trump's Mar-a-Lago golf club, isn't the first place you'd associate with the opioid epidemic. But 600 residents have died from overdoses in each of the last two years. Melissa McKinlay, a county commissioner with the honorary title of mayor, pushed through a plan to increase services and establish an emergency room dedicated to addiction.

McKinlay's been around government her entire career, working as a staffer for a state agency, the county and a U.S. senator. She ran for a commission seat in 2014 and will seek reelection this year. "I took on an internship at the Florida House of Representatives," she says, "and haven't stopped since."

Her other signature issue also stems from personal experience: the county's paid family leave benefit. McKinlay, a divorced mother of three, knows firsthand how important it is to have time to care for newborns and other family members. "There were a lot of days when I let my child go to day care with Tylenol when I should have stayed home with him," she says. Now, thanks to the measure she got passed, other parents won't have to send their kids to day care when they're ill.

KIM K. OGG

District Attorney, Harris County, Texas

Kim Ogg always wanted to be a district attorney. She grew up around politics, with her father serving as a state senator. But her mother may have had more influence over her ultimate path. While Ogg was a child, her mother was abducted by a serial rapist who threatened to kill her. She managed to escape by jumping from his moving car. "I didn't realize until I was 45 what an effect that had on my life and career," Ogg says.

She joined the DA's office right out of law school, handling dozens of murder cases and eventually becoming the chief felony prosecutor for Harris County, which includes Houston. She subsequently ran an anti-gang task force for the city of Houston and directed Crime Stoppers, a private group that links civilian tipsters with police. After losing in 2014, Ogg was elected DA in 2016.

One of her first acts was to stop prosecutions for small amounts of marijuana. Ogg was convinced that her office had been devoting too much time and too many resources to minor offenses, which distracted from crimes against people and property. Under Ogg, the focus now is clearly on major crimes such as rape, sex trafficking and murder.

ALLISON BALL

State Treasurer, Kentucky

As a former prosecutor, Allison Ball has had a lot of practice arguing her point. "I'm used to not having everybody in agreement with you, and how to fight for things you believe in," she says.

It's a skill that helped propel her to victory in 2015 as a relatively unknown 34-year-old candidate running for a statewide office against a longtime state representative. Since then, she has channeled her energy into making her office a more effective financial watchdog.

She's launched a state spending transparency website and hopes to eventually expand it to include local spending. She also started an investment savings program for people with disabilities. Neither program cost any extra money, a point she's particularly proud of. In fact, Ball has voluntarily cut her office's budget each year.

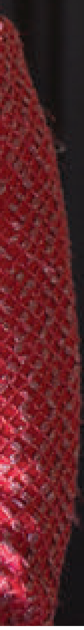
Now 36, she's still the nation's youngest woman serving in a statewide position; she would like her success to inspire other women. "I hope," she says, "when they see me running and winning right out of the gate, that they know they can do it too."

ROBIN SHACKLEFORD

State Representative, Indiana

Robin Shackleford always always considered herself a "behind the scenes, policy type of person." She worked for a decade in government and public affairs in Indiana, including as a legislative assistant in the state House, as the diversity director in the Indianapolis mayor's office and as a lobbyist for the Indiana Health Care Association.

Eventually, though, she was bitten by the campaign bug and decided to run for an Indiana Senate seat in 2010 against an incumbent with much larger name recognition. "I just looked at what our community needed, and I felt



ACQUANETTA WARREN

Mayor, Fontana, Calif.

Acquanetta Warren remembers her parents sticking her in front of the TV every night to watch the news, determined that she be informed of current events and of her own history as an African-American. "They were both from Birmingham, Ala., and they made me a big student of civil rights," she says. "I decided back then that I'm going to change things."

Warren is now the first African-American and first woman mayor of Fontana, Calif., where she has worked to improve the city's fiscal strength, promote public safety and lower obesity and other health problems. She founded Healthy Fontana, a program that's been credited with helping lower hospitalization rates for obesity-related illnesses in the city by 47 percent. Previously, in 2002, Warren became the first African-American city councilmember in Fontana; she was elected mayor in 2010.

Warren is a Republican, though she says party affiliation doesn't matter in local politics. "You can see at the state and federal level what the parties have done," she says. "But locally, people just want to know the streets are going to be swept and when they call 911, someone is going to be there."

[the incumbent] wasn't representing our needs," she says. After a grueling campaign, she lost the race.

But Shackleford's desire for elected office didn't go away. Two years later, she ran for and won a seat in the state House. She has focused in office on issues of health, voter turnout and criminal justice. Her proudest accomplishment so far, she says, is a law she sponsored on telemedicine services, which passed even while her party had a superminority in the House. She's now focusing on securing funding to eliminate food deserts in Indiana.

DEBRA MARCH

Mayor, Henderson, Nev.

Debra March became the second-ever woman mayor of Henderson less than a year ago. But she's been serving as a public official since 2009, when she beat out 17 men in a race for a city council seat. "I looked at my background and felt that I understood real estate and land use, I understood parks and recreation," says March, who had previously worked as a state park ranger, a social worker and the director of the Lied Institute for Real Estate Studies at the University of Nevada, Las Vegas. "I felt I could go in and make a difference."

Henderson, the state's second-largest city, was hit hard by the Great Recession. During her early years on the council, March says, the city had to tighten its belt and find a way to preserve quality of life for residents in the face of some of the worst foreclosure rates in the country. The city managed to do that without laying off any city employees, she says. As mayor, she's focused on guiding the city through a period of economic and population growth.

KIMBERLY YEE

State Senator, Arizona

Kimberly Yee may be the first Asian-American woman ever elected to the Arizona Legislature, and the first woman to serve as the state's Senate majority leader since Sandra Day O'Connor in 1973, but her path to public service is not altogether surprising. "I was class president for three out of my four years in high school," Yee says. "And I started working for my first public official when I was still in college, in my county attorney's office."

Growing up, she went to the polls each November with her parents and faithfully watched the Republican National Convention every four years. Down the road, Yee herself would speak at that convention in support of Donald Trump's candidacy. She worked for two California governors (gaining her first gubernatorial appointment at age 23) before coming home to Arizona.

During her first campaign for the state House in 2010, someone suggested she keep her last name off her yard signs, for fear that it was "too ethnic." She declined and won anyway. "I said, 'We'll see if Arizona is ready to elect its first Asian-American woman representative,'" she says. "And they were ready."

Now Yee hopes voters are ready to see her in statewide office: She's running for state treasurer.

THEMIS KLARIDES

State Representative, Connecticut

There aren't many state politicians whose resume also includes body-building, modeling and being a WWE ring girl. But Themis Klarides, who is also a lawyer and Connecticut's Republican House minority leader, says she's never been "a traditional anything." She got into body-building and modeling competitions through a chance encounter at her gym while studying for the bar exam. Later, Klarides entered politics in somewhat the same way: A seat opened up in her district and a friend suggested she run. She figured, why not? "I always say I'm the accidental fill-in-the-blank," she says. "I've always had lots of interests. I love the law, I love being in shape and healthy."

For much of her nearly 20-year career in the statehouse, Klarides has been an advocate for domestic violence victims. Lately, she's pushed for structural reforms to Connecticut's ailing budget. In 2017, as the state went an unprecedented 123 days without a budget, Klarides was key in implementing reforms. The result: a bi-partisan spending plan that fully funded state pensions, restored many of the cuts to the state university system, and imposed a constitutional spending cap on state expenses and a bonding cap on construction projects.

ALISHA BELL

Vice Chair, County Commission, Wayne County, Mich.

When Alisha Bell joined the Wayne County Commission in 2002, she became the youngest African-American woman on a county commission in the country. Today she has established herself as a leader both locally—she's in her fourth term as commission vice chair—and nationally. She's on the board of the National Association of Counties, and has been the president of both NACo's women's leadership network and the National Association of Black County Officials.

Much of her focus locally has been on public safety and human services. She pushed for the creation of a 50-bed diversion program to help mentally ill offenders get treatment rather than go to jail.

Nearly half of the Wayne County Board is women, and women hold major leadership positions in the area. In fact, Bell's own mother, Edna Bell, has previously held the same commission seat. That's something she'd like to see more of. "You hear a lot about men succeeding fathers, but you don't hear much about daughters taking the place of their mothers," she says. "We need more of that, because young ladies need to see more young ladies in these positions."

LENA FOWLER

Supervisor, Coconino County, Ariz.

For decades, the Navajo Generating Station, a coal-fired power plant, was one of the only sources of steady employment across a vast swath of northern Arizona. In recent years, the plant's looming shutdown has made jobs even more scarce; last year the plant finally announced it would begin shutting down after 2019.

Lena Fowler, who is serving her third term on the Coconino County Board of Supervisors, has made it her top priority to ease the impact of the plant closure on her constituents. Coconino is the nation's second-largest county by area, and Fowler represents an especially isolated part along the Utah border. She has worked with local colleges to retrain residents for careers outside the energy sector. And she created the Northern Arizona Outlook Initiative to address long-term economic sustainability. She has also been a leading advocate for cleaning up the decommissioned uranium extraction sites that litter northern Arizona.

"A lot of the issues I work with are issues that are important to Navajo," says Fowler, who is herself a member of the Navajo Nation. "But I am representing all people, because all my constituents need to be represented."

CINDY BOBBITT

County Commissioner, Grant County, Okla.

Cindy Bobbitt was driving a tractor along a rutted road in rural Oklahoma one day in 2004 when part of her seeding equipment broke down. She had long been frustrated by the poor condition of local roads and bridges, and this was the final straw. She decided to run for a seat on the Grant County Board of Commissioners. She faced long odds: At the time, only three of the state's more than 200 county commissioners were women.

But Bobbitt won and has since made upgrading Oklahoma's long-neglected infrastructure her top priority. One of her ideas resulted in the creation of an Emergency Transportation and Revolving Fund, which provides interest-free loans for building county roads and bridges. The fund has helped fast-track bridge construction projects across the state.

As a farmer who understands the crucial role of infrastructure, she has worked with landowners and utility companies in her county to complete projects at lower costs. Bobbitt has also advocated for the issue nationally, serving on committees and testifying before the U.S. Senate. "It's a partnership," she says. "We need to work together at all levels—local, state and federal."

CATHERINE PUGH

Mayor, Baltimore

Catherine Pugh became the leader of Baltimore at a pivotal moment for the city. A former city councilwoman and state Senate majority leader, Pugh in 2016 won the first mayoral election since the death of Freddie Gray, a young black man who died while in police custody. Since then, Baltimore has been racked by record crime and rocked by scandals in its police department.

Pugh has taken decisive action to address her city's challenges. This January, she fired the troubled police chief and replaced him with a widely respected 30-year veteran of the force. Similarly, one of her first acts as mayor was to oust the long-standing head of the city's scandal-plagued housing authority.

Last August, after witnessing protests turn violent in Charlottesville, Va., over the removal of a Confederate statue, Pugh wanted to act quickly and quietly. She ordered a contractor to remove four monuments in the middle of the night. "I didn't want a whole lot of fanfare. I didn't want the packs of people marching through our streets," she says. "I just wanted to protect the citizens and remove the stains that had been there for so long."

CONNIE ROCKCO

County Supervisor, Harrison County, Miss.

Connie Rockco had been a Harrison County supervisor for about six years when Hurricane Katrina slammed into Mississippi. The highway along the coast was decimated, crucial bridges were knocked down and residents were left without running water or electricity. Rockco was up all night fielding calls from desperate residents trapped on their roofs or in their attics.

"Do you know how that feels? To have people begging you for help, and you cannot help them?" she says. Harrison organized rescue and relief efforts as the county began its slow and grueling recovery.

Katrina was just one of many challenges Rockco has faced during her nearly 18 years as a county supervisor. She also helped oversee the response to the 2010 BP oil spill, and she endured a local political scandal that saw two of her fellow council members indicted and one other commit suicide. Rockco had planned to serve only two terms, she says, but felt she could not abandon her post during such difficult times.

"I was determined. I could not leave my house in disarray," she says. "So here I am now in my fifth term."

HELENA MORENO

State Representative, Louisiana

Growing up in Texas, Helena Moreno wanted to be a reporter. But as an immigrant from Mexico, she struggled with English as her second language. She persevered and ultimately pursued a successful career as a television anchor on the New Orleans-based team that won an Emmy for its coverage during Hurricane Katrina.

In 2008, she unsuccessfully mounted a primary challenge against Louisiana Rep. William Jefferson (who was convicted on bribery charges the following year). Two years later, she ran for an open state House seat and won. As a legislator, Moreno has authored several major domestic violence bills, including one that overhauls how victims are treated by law enforcement and health-care workers.

Last year she was elected to the New Orleans City Council and will take office in June.

She plans to implement a program requiring domestic abuse offenders to turn in their firearms. She also wants to retool how local police respond to reported rape and other abuse cases. "Women have been put on the back-burner for so long in this state," she says, "and I think people are just looking for someone to take the ball and run with it."

ROSALYNN BLISS

Mayor, Grand Rapids, Mich.

Rosalynn Bliss planned to be a social worker. But while she was getting her master's in social work at Michigan State University, she had an opportunity to hear Debbie Stabenow—who was at the time a state lawmaker and is now a U.S. senator—speak about the importance of electing more women in order to implement change.

Bliss was inspired. After a stint on the campaign trail for Stabenow, Bliss was elected as a city commissioner in Grand Rapids in 2005, a post she held for a decade. She ran for mayor in 2015, and won handily to become the city's first female mayor. She's focused on racial equity and environmental sustainability, and has set a goal for Grand Rapids to get 100 percent of its energy from renewable resources by 2025. She's also earmarked money to incentivize new affordable housing units and to support minority-owned small businesses in the city.

Bliss still teaches social work at Grand Valley State University as an adjunct professor. Just like social work, she says, public service "is fundamentally about believing that people are the experts in their own life."

NELLIE M. GORBEA

Secretary of State, Rhode Island

TOI HUTCHINSON

State Senator, Illinois

Toi Hutchinson's first brush with electoral politics was a bust. Hutchinson was steeped in local politics and had worked on several campaigns. But when she took on an incumbent in a race for local township supervisor, she lost.

But the day after the election, a state senator called and asked Hutchinson to be her chief of staff. A few years later, when the senator won a seat in the U.S. House, Hutchinson took her place. As a Democrat, Hutchinson held onto the seat in her first election as an incumbent, even during the Republican wave of 2010. She's won reelection ever since.

Hutchinson has seen Illinois' tremendous financial challenges up close as the head of the Senate Revenue Committee. She's assuming a national role as well, as the incoming president-elect of the National Conference of State Legislatures.

Hutchinson is keenly aware of her role as a role model for other women, and African-American women in particular. "You have to have other women in the room to advocate. If there's only one woman in the room, it's easy to get outvoted. I want to make sure I'm not the last woman to get in that room," she says.

Anyone who's ever had to vote on a bond issue knows how confusing those ballot questions can be. When Nellie Gorbea became secretary of state in 2015, she set about unspooling those impenetrable blocks of legalese. Voters have a right to read election information in clear language, she says. "You could potentially disenfranchise them if they cannot understand what you're asking." The state's revised voter information handbook in 2016 came with helpful illustrations and ballot explanations written in simple, straightforward prose.

Gorbea, who was born in Puerto Rico and is the first Latina to hold statewide office in New England, ran an affordable housing nonprofit and worked as a deputy under a previous secretary of state before running herself. In office she's helped make Rhode Island one of only nine states to register voters automatically when they receive their driver's license. She also led the push to create a portal for online voter registration.

Many states still use woefully outdated election equipment, but not Rhode Island. Gorbea helmed the effort to replace hundreds of aging voting machines for the first time since the late 1990s.

KIM McMILLAN

Mayor, Clarksville, Tenn.

Kim McMillan was a young lawyer in the mid 1990s when she grew frustrated at the dearth of women in the Tennessee General Assembly. She decided to run for a House seat, and won. During a 12-year career as a lawmaker, McMillan became the first woman to hold a leadership position—House majority leader—in the state. She left elected office to serve as a senior adviser to Gov. Phil Bredesen, where she helped implement statewide voluntary pre-kindergarten. In 2011, McMillan made history again as the first woman elected mayor of a large Tennessee city.

Clarksville is one of the fastest-growing cities in the nation, with a 13 percent increase in population between 2010 and 2016. McMillan has overseen several new economic development projects, such as a performing arts center and a major athletic complex, along with two new fire stations, one new police precinct, and dozens of new firefighters and police officers. She finalized a regional transportation plan to address worsening traffic congestion.

McMillan says she loved her time in the legislature but relishes her role as a local leader. "In the legislature, you're one of 132. When you're mayor, you're one of one."

MARIAN ORR

Mayor, Cheyenne, Wyo.

In 2016, Marian Orr became the first woman elected mayor of Cheyenne, Wyo. But she's worked in and around government throughout her entire career. Growing up, she talked about politics around the dinner table. Orr, a self-described "kid of the Cold War," was in college when the Berlin Wall came down. "I just really remember watching President Reagan on TV and feeling such a sense of patriotic pride," she recalls. That sense of pride translated into a desire to work in politics, first as an aide in Washington and then as a lobbyist in Cheyenne.

Her interest may have been piqued by grand global issues, but she spends her time as mayor concentrating on the basics—infrastructure, public safety, economic development. Wyoming has some of the worst rates of political gender equity in the nation, and Orr is trying to ensure she doesn't remain an anomaly as a woman in leadership. For starters, she'd at least like to convince people to stop referring reflexively to potential hires for top posts as "he" and "him."

EMILIA SYKES

State Representative, Ohio

Both of Emilia Sykes' parents served in the Ohio Legislature, so she saw firsthand the difficulties of campaigning and governing. She never thought she would follow in their footsteps, but when her father was term-limited out of the General Assembly in 2014, she was troubled by the candidates who began vying for his seat. "I felt like they were thinking of this position as a stepping stone. It wasn't about a real commitment to the community," she says.

Sykes decided to run for her father's seat. It wasn't easy campaigning as a young black woman, she says, but she ended up winning handily. She's an active member of the House, and she serves as the assistant minority whip for the Democratic Caucus. She's pushed hard for legislation to allow victims of dating violence to obtain civil protection orders; Ohio is one of only a few states not to offer such protections. After passing unanimously in the House more than a year ago, the bill sat idle until being taken up by the state Senate this session, where it still awaits consideration.

Since Brenda Howerton was first elected as a county commissioner in 2008, she has spent much of her time and energy focusing on children's issues, including expanded pre-K and a special social services program for children affected by trauma.

Now, after recently taking over as president of the North Carolina Association of County Commissioners, she plans to tackle the issue statewide, launching a task force aimed at coordinating efforts across county governments and partner organizations.

Part of her passion for the issue stems from personal loss: Two of her sons were shot and killed in separate incidents in the 1990s. "It shaped my thinking about how we treat one another," she says.

She represents a county experiencing a period of rapid growth, but with it have come growing pains around housing, schools and workforce development. That led Howerton, who also works as a career coach for private-sector executives, to push the county to establish its first long-term strategic plan. "What I do today is not about me," she says. "It's about people in this community and my children and grandchildren."

ATTICA SCOTT

State Representative, Kentucky

After serving several years on the Louisville Metro Council, Attica Scott says several people approached her about serving at the state level. In fact, she says, she's not sure she would have taken her chance in state politics if not for the support from those community members. Her 2016 win was historic. Scott is not only the first African-American woman to be elected to the Kentucky General Assembly in almost 20 years, but she beat a longtime incumbent in the process.

During her first year in Frankfort, she's gained a loyal following on social media as an outspoken advocate for progressive causes. In the statehouse, she's focused on criminal justice, filing legislation to remove the question about felony charges on public college applications and to create an independent investigation for police shootings.

Scott says she's often labeled as the "angry black woman" simply for speaking her mind. She hopes to chip away at those sorts of prejudices while also serving her district. "My daughter is finally able to see someone like her in a legislative position in our state capital," she says.

BRENDA A. HOWERTON

County Commissioner, Durham County, N.C.

RISING STAR

MACY AMOS

Attorney, Nashville Department of Law

The first time Macy Amos worked for Nashville city government, she landed a job on the mayor's speechwriting team. One of the perks of the assignment was a corner office. Amos was 15.

More than a decade later, she is back in city government. For the past four years, Amos has been an attorney with the city's law department. She advises agencies on a wide range of civil matters, from land use decisions and beer-selling permits to purchasing new property and handling protests at public parks.

Amos earned a political science degree in three years, and graduated from law school at 23.

Her quick rise hasn't always gone smoothly. A judge, also a woman, once refused to believe Amos was a lawyer, not a paralegal, because she was so young.

"A lot of times in meetings, I'm the only female at the table, and I am always the youngest person," she says. "You have to work a little bit harder, dress a little bit nicer, be a little more prepared than everyone else in the room, because you're going to be discounted because of your age and because you're a woman."

VIVIAN DAVIS FIGURES

State Senator, Alabama

Vivian Figures was propelled into legislative service by personal tragedy: In 1996, her husband Michael, a prominent leader who had had served in the Alabama Senate for nearly two decades, died suddenly from an aneurysm. Friends and family convinced Vivian, who was a Mobile City Council member at the time, to run for her husband's vacant seat. She won and has served in the Senate ever since.

Figures has become a trailblazer on her own. When she arrived in 1997, the Alabama Statehouse was very much locked in old ways: Smoking was allowed everywhere, and women were required to wear dresses. (Back then, Figures was one of only two women in the 35-member Senate.) She got smoking banned in the Capitol, and she defied and ultimately changed the discriminatory dress code. In 2011, she led a protest of five female senators to draw attention to the fact that seven of the Senate's 20 committees had no women. That quickly changed.

In 2013, she made history again: As Senate minority leader, she was the first woman in memory to serve as minority or majority leader in either the Alabama House or Senate.

Ignition by inductive automation

Ignition Increases Flexibility, Lowers Costs for Two Water Utilities

Improved Data Visibility, Reporting, Energy Usage, and More

When Park City Water in Utah needed a new system for supervisory control and data acquisition (SCADA) and human-machine interface (HMI), it picked the same solution chosen by its neighbor, Mountain Regional Water (MRW) District.

The two utilities collaborate on projects often, share some resources, and even share data now that they both use Ignition by Inductive Automation® — an industrial application platform with tools for building solutions in HMI, SCADA, and the Industrial Internet of Things (IIoT).

Both MRW and Park City have seen significant improvements since switching from their previous SCADA systems to Ignition. MRW saves more than $400,000 per year on energy with greater control from Ignition. Park City saves the equivalent of one full-time employee by using Ignition to automate its reports to a state agency. Both utilities plan to do more with Ignition in the future. And operators are becoming more engaged with the data at both organizations, creating their own screens in Ignition.

Ignition was implemented at both utilities by system integration company SKM. Based in Bountiful, Utah, SKM operates all over the western United States. "Both utilities need to see data, track the data very closely, and store large amounts of data," said Allen Rogers, a principal and project manager at SKM. "They wanted the data to help them make better decisions, run their operations more efficiently, and save energy. Being able to track everything in their systems was key to all that. And both utilities are constantly expanding. I knew we needed a SCADA system that allowed for growth and could handle a lot of tags, without the need to go back and relicense things. Ignition was a great fit for both Mountain Regional and Park City."

Mountain Regional Water saw significant improvements after switching to Ignition for HMI/SCADA.

Using Ignition, SKM has built several solutions for both utilities.

No Limits

Ignition's unlimited licensing model is perfect for the growing utilities. "We needed a new HMI/SCADA system primarily because the one we were using was difficult to expand," said Doug Evans, water & energy manager for MRW. "Every time we wanted to add a site or expand our water system, we needed to acquire new licenses. We wanted a SCADA system that could provide everything we needed in one package. Ignition is a system that can grow with us."

The number of SCADA tags for each utility jumped sharply with Ignition. MRW went from 5,000 tags to more than 90,000. Park City went from 8,000 to 130,000. "We took them from looking through a peephole into their systems, to having a nice bay window," said SKM's Rogers.

"The granularity of our data collection with Ignition allows us to see things in our water system that we were never able to see before," said Nick Graue, public utilities engineer for Park City Water. "The real-time data allows us to monitor our system very closely now."

It's also easy to add more clients. "Prior to Ignition, we had multiple operators fighting over the mouse to control the SCADA system," said Graue. "Now we have individual terminals for each operator. Everybody has eyes on the system, and nobody is getting in anyone's way."

Help All Around

The mountainous region requires MRW to pump plenty of water uphill. That consumes a lot of energy.

"One of the things we really value with Ignition is that it allowed us to venture into new realms of energy and power management," said Evans. "And it saved us over $400,000 a year. That savings more than funds my entire department, as well as much of our SCADA improvements and upgrades."

For Park City, reporting has become much easier. "I really enjoy the reporting tool that SKM built for us within Ignition," said Graue. "I'm able to query any parameter of any tag within our entire system, and learn anything about what was happening at a certain time."

Like MRW, Park City is expanding, so it really likes the unlimited licensing. "It gives us the flexibility to continuously add tags of our choosing, whether it's new instrumentation, or new reporting capabilities," said Graue. "We are constantly modifying our SCADA system. Before Ignition, we did not have that luxury."

Bright Future

Park City sees Ignition as a strong base for the future. "Ignition, in our minds, is a great foundation for what we see as the smart utility," said Graue. "We have various other critical business systems, such as our automated meter reading and our CMMS. We feel we can continue to capitalize on these great technology systems by integrating them with each other."

Rogers of SKM said he was very impressed with the speed and power of Ignition when he first became familiar with it. "I was really surprised at how fast and easy it was," he said. "I was able to download Ignition and install it, and within 10 minutes I was connecting to PLCs and adding tags. It was very impressive."

Rogers also liked that he could try Ignition without having to buy the software first. "Being able to download the software, and experiment with it, without having to get licenses from a vendor, it was so easy," said Rogers. "And we also saw the free training videos online. The whole process made it easy to see the power inside Ignition."

SKM, Inc. is a premier electrical engineering firm specializing in SCADA, telemetry, electrical, and control design. Its engineers have extensive experience in electrical design, instrumentation and controls, PLC and HMI programming, and design services. For more information, visit skm-inc.com.

Watch the case study video online at:
bit.ly/ia-MRW

Ignition Case Study for MRW and Park City
by: Inductive Automation

A Blue Bidding War

Hiring police officers is a much harder job than it used to be.

Like many law enforcement agencies, the Utah Highway Patrol has lots of vacancies to fill as officers leave for higher-paying jobs. It also has a lot of competition. Salt Lake City recently announced plans to hire 50 additional officers for its police force. This prompted the city council in nearby Ogden to approve pay raises and extra bonuses for many of its officers as a preemptive measure to thwart departures to the larger department in Salt Lake.

Highway Patrol Col. Mike Rapich has observed what he calls a "wage war" among agencies competing for personnel. "We're in a really aggressive recruiting effort," he says, "probably more so than I've seen in the 25 years I've been with the agency."

Law enforcement officials across the country say they're struggling to fill vacancies, largely due to retirements and moves to the private sector. A national survey by the Center for State and Local Government Excellence found last year that governments are having more trouble hiring police than any other category of personnel. Agencies are scrambling to attract and retain talent, often by boosting compensation packages or ramping up recruitment.

When police departments were hiring decades ago, they were often flooded with several hundred or even a thousand applicants for relatively few openings. Now, police chiefs report, applicant pools can be a quarter of what they once were.

One driving factor is the stronger economy. Rapich says about half of his departing state police officers moved to the private sector or chose to pursue other opportunities outside of law enforcement, such as going back to school. That's led the agency not only to bolster its recruiting efforts, but also to seek funding help from the legislature.

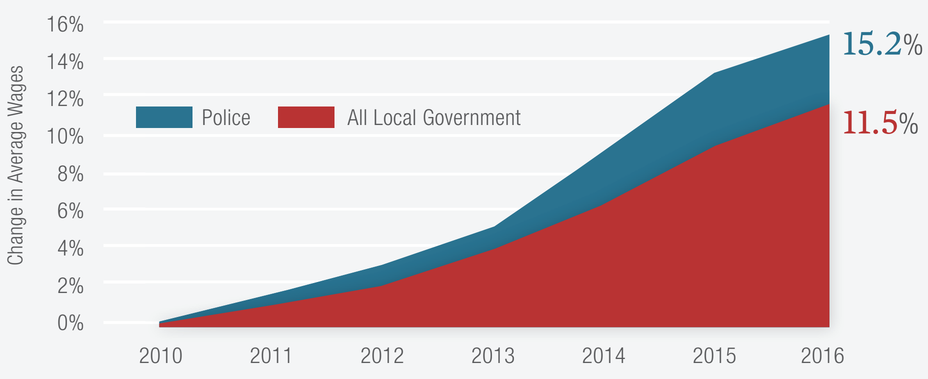
Another factor is the uptick in retirements among baby boomers. Some law enforcement officials also blame negative public perceptions of police for part of their recruiting woes. "The national narrative of the last couple of years is pretty condemning of policing," says Richard Myers, executive director of the Major Cities Chiefs Association. "It has had a strong adverse effect on recruiting people from the very communities we most need to hire." In all, Myers estimates about 80 percent of large city departments are struggling to attract enough job applicants.

Some of those departments are getting creative in their recruitment efforts. The Fort Worth Police Department produced a series of *Star Wars*-themed recruiting videos on YouTube that officials say generated a lot of interest. San Jose, Calif., police hired a professional advertising and marketing firm to help attract job candidates. Off-duty "satellite recruiters" are deployed to community events in San Jose and assist with mentoring and coaching applicants through the hiring process.

The San Jose Police Department also has expanded its reach with more out-of-state recruiting trips. A trip to a job fair in New York City last year yielded more than 150 applicants. "Hearing it from an officer is so much more powerful than reading it in a flyer or advertisement," says Heather Randol, who heads the recruitment effort. "There are fewer applicants than there were 10 or 15 years ago, but they're out there. We're figuring out a way to find them, and we know other agencies are doing the same."

Rising Wages for Cops

Average wages for police personnel have climbed at a greater rate than for local government as a whole. The following illustrates changes in annual average weekly wages since 2010.



SOURCE: *GOVERNING* CALCULATIONS OF BLS QUARTERLY CENSUS OF EMPLOYMENT AND WAGES DATA

By Mike Maciag

With fewer applicants, some law enforcement agencies have revised hiring requirements to accommodate more prospective officers, such as lowering education requirements or removing restrictions prohibiting those with prior minor offenses from qualifying.

Perhaps the most pervasive consequence of all the competition is the effect on compensation packages. San Diego gave its officers pay increases of 25 to 30 percent last year, after staffing dropped well below authorized levels. Along with wage hikes and enhanced benefits, some departments are offering new hires additional signing bonuses. Salt Lake City police recruiters actively target officers from other cities, attracting lateral hires by allowing them to count their years of experience toward their salaries in the new position. The department reports it may soon make enough lateral hires to fill an entire police academy class. It's also one of several agencies offering employees incentives to refer experienced officers in other agencies for job openings. Salt Lake City awards up to $6,000, while San Jose officers may receive up to $6,500.

Increasingly, the competition for officers is pitting localities against their states, as it has done in Utah. Georgia awarded its state law enforcement officers 20 percent raises early last year. The move frustrated local police chiefs, who contend their cops deserve a similar raise. State and local elected officials are exploring proposals to help close the gap.

All of this has serious consequences for agencies that are struggling to keep up. Ogden reports it has lost 16 officers over the past two-and-a-half years to Salt Lake, which is more than twice as large. In January, Ogden city officials approved pay raises and bonuses for employees meeting education requirements in an effort to stem further attrition. "Police officers with a good record and good experience are a highly marketable commodity," says Randy Watt, the police chief in Ogden. "It's not as much increased demand as competition between the agencies."

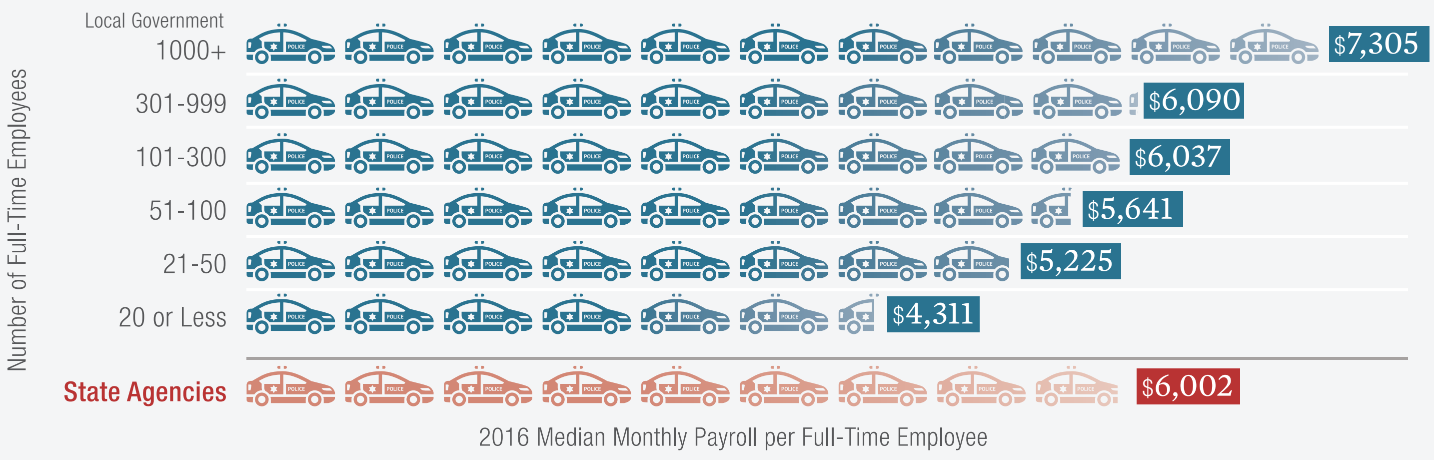
For smaller departments with thinner budgets, competing for candidates can be particularly challenging. They don't have the resources to recruit the way Salt Lake or San Jose can afford to do. Payroll data reported in the Census Bureau's Annual Survey of Public Employment and Payroll suggests that larger agencies tend to pay more, with particularly big disparities between localities with more than 1,000 officers and other departments. "The stress on the smaller agencies is great," Watt says. "We're losing our people to state agencies and Salt Lake City because their tax base is so high."

The police department in Clearfield, Utah, which has about 30,000 people, conducts regular wage comparison studies in an effort to remain competitive. Kelly Bennett, Clearfield's assistant chief of police, says his department of 31 officers is typically able to retain those who don't have a desire to work for a large municipality. Those without that small-town preference, however, are the ones likely to leave over differences in pay. "We're seeing compensation plans we've never seen here in Utah," Bennett says. "Everyone is trying to get creative to have that perfect compensation plan to attract officers from other departments." **G**

Email mmaciag@governing.com

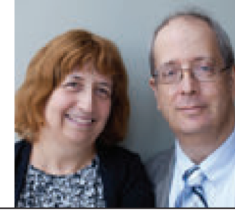
Wages by Agency Size

Larger local police departments and state law enforcement tend to pay officers more than those serving smaller jurisdictions.



Note: The average monthly payroll expense per officer was calculated for approximately 4,400 reporting jurisdictions. Numbers shown represent median values for each category.

SOURCE: *GOVERNING* ANALYSIS OF U.S. CENSUS BUREAU 2016 ANNUAL SURVEY OF PUBLIC EMPLOYMENT AND PAYROLL DATA



By Katherine Barrett and Richard Greene

Bad Housekeeping

Affordable housing programs in cities are often undermined by poor management.

The need for affordable housing in the U.S. is as great as it's been in several decades. "There are 8 million people in housing that is defined as 'worst needs,'" says William M. Rohe, director of urban and regional studies at the University of North Carolina. That means they are paying more than 50 percent of their income in rent or living in overcrowded units or ones that are not up to code.

For the most part, it's an urban problem. Incomes aren't keeping up with the cost of living in big cities, and more specifically with climbing rents. To counter this decades-old problem, many cities and states have developed affordable housing programs and are using incentives for developers to increase the number of affordable units. Some localities may require developers to build a portion—say 10 or 20 percent of units in new developments—exclusively at the affordable level. Or they may simply provide subsidies to developers to build housing stock that qualifies as affordable.

Although many of these programs have been godsends to the low- to moderate-income people who live in them, there are also a good number of programs that are riddled with management flaws that undermine the housing effort. Ineligible people are able to wrangle their way into this housing, leaving eligible men and women searching for an affordable place to live. Official funds are used inappropriately. Sometimes the housing stock is almost worthy of being condemned.

One recent audit in Austin put the matter forthrightly: "Program funds were used for questionable transactions and potentially ineligible participants."

Most of the management problems have their roots in false or missing data of one kind or another. For example, in Washington, D.C., applicants for inclusion in city-sponsored affordable housing may be required to use a pay stub in order to demonstrate that their income qualifies them for affordable housing. But if the person has two jobs, they can simply submit just one of the two pay stubs, thus making it appear that the income is half of what it really is. "What gets the attention is the ribbon cutting," says Kathy Patterson, the city's auditor. "We open the units up and people move in." Beyond that, there's very little effort made to see if the units comply with the rules for affordable housing.

Similarly, New York does a minimalistic job of checking compliance on a number of fronts. For many federal programs, there's a requirement to verify occupants' income every year. "But in city programs here, you don't have to do that," says New York City Comptroller Scott Stringer. "The Department of Housing, Preservation and Development should be doing these independent checks."

But it isn't. On the question of housing quality, New York issues violations when it uncovers substandard housing units, including those that are overrun with vermin. But issuing a violation without follow-up is like driving a car without

DAVID KIDD

gas. The city has a very poor system of tracking whether the violations have ever been fixed. As a result, according to the comptroller's office, there's a dependence on "socially minded developers, to check on their own progress in alleviating the violations that have been identified; otherwise the mice hiding in the closets can settle in and create cozy nests that remain indefinitely."

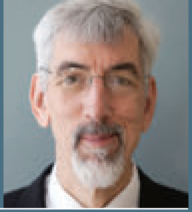
In many cities, part of the management problem is gross understaffing of program administration. Chicago's Community Land Trust, for example, is charged with preserving the long-term affordability of homes created through city programs. It has a board of 18 members and the use of two full-time staff who are employees of the city's Department of Planning and Development—but no staff of its own. In Washington, D.C., the Affordable Housing Trust Fund, which began life in 2001, still doesn't have a single person doing full-time oversight. This is a $100 million a year program.

Ensuring that affordable housing dollars are appropriately used has been an issue in many cities. In Chicago, for example, fees that developers pay to the city in lieu of building on-site affordable units is supposed to be used for affordable housing. A report by the city's Inspector General's Office found that of $89.9 million in funds collected from developers from 2003 to 2015, $4 million was dropped into the general fund to be used for other needs. To mitigate this problem, Chicago began segregating affordable housing monies in a separate fund in 2016. "Without some mechanism that ensures that this money is used for the program, it gets spent for other programs in the city," says Inspector General Joe Ferguson. "It gets lost."

Such losses of information are problems, of course. But they're not the type that are of exclusive concern to public administration gurus. In this case, the cost of flaws exhibits itself in fewer housing units for low- and moderate-income residents—units that could be there if the programs were better managed. **G**

Email greenebarrett@gmail.com

By Mark Funkhouser



What Sunsetting Is Good For

Occupational licensing requirements need some serious scrutiny.

I'd earned a master's degree in social work and had no idea what auditing was when I showed up in Nashville in 1978 to work for the Tennessee state auditor. Tennessee, like many other states, had enacted a sunset law mandating legislative review of every agency, board and commission to determine whether they should be abolished, restructured or continued. The auditor was required to do performance audits for each of them and needed to add staff with social science training.

My experience in Tennessee left me with a view of sunset laws less cynical than that of many people in public administration. While major agencies are almost certainly never going to be terminated under a sunset law, the audits and the legislative review process can bring significant benefits. A November 2017 audit of the Tennessee Corrections Department, for example, found major problems in its management of a private prison contractor.

But the cynics are correct that these laws have largely not resulted in reductions in state regulations or abolition of unnecessary programs. One form of regulation in particular, occupational licensing, has been spreading like kudzu. The Brookings Institution reported recently that it now covers around 30 percent of the U.S. workforce, up from 5 percent in the 1950s.

> "The Brookings Institution found that licensing now covers around 30 percent of the U.S. workforce, up from 5 percent in the 1950s."

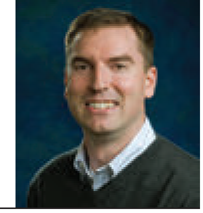
The licensure requirements often seem ridiculous. A few years ago, it was reported that Texas required 2,250 hours of training to be licensed to teach hair braiding. The libertarian Reason Foundation reported on a Tennessee barber—ineligible for a license because he didn't have a high school diploma—who was hit with $2,100 in fines and fees when he was caught using a fake license. Across all states, according to the Brookings report, "interior designers, barbers, cosmetologists and manicurists all face greater average licensing requirements than do EMTs."

Advocates of these requirements cite a need to protect consumers. But according to a recent study by George Mason University's Mercatus Center, "a broad and growing consensus among economists suggests that these rules primarily serve to protect incumbent providers from competition at the cost of higher consumer prices and excessive barriers for new entrants in the field."

It seems to me that these requirements are stifling job growth, especially among marginalized people who can't afford to go unpaid as they undergo the required training. Clearly there are alternative, less onerous methods—voluntary certification, for example. For that matter, should you really need a license to teach hair braiding?

State legislators and policymakers who want to do a better job of balancing consumer protection and employment opportunities might want to look to Colorado. The state that passed the nation's first sunset law now also has a "sunrise" process that requires reviews of requests for licensure. Last year, its Department of Regulatory Agencies did 22 reviews, and it recommended against requiring licensure in two cases and for doing away with it in another. Maybe it's time give the idea of sunsetting another look. **G**

Email mfunkhouser@governing.com



By Justin Marlowe

Partners at Last

CIOs and CFOs haven't always gotten along. That's not true anymore.

Most government chief financial officers will tell you the most difficult—and essential—part of their job is not balancing the books or preparing financial statements. It's building trust with legislators, taxpayers and their fellow government employees. Fortunately, today's CFOs have an unlikely ally for trust-building: the chief information officer.

This may strike you as surprising since finance and information technology have had a topsy-turvy relationship in local government. Throughout the 1980s and 1990s most finance folks saw IT as an expensive black hole. It was a strange new subculture, one in which its projects invariably ran over budget. Naturally, CFOs became naysayers, and even worse, they were often handed the blame when IT systems failed. In the parlance of tech, we'll call this era CFO-CIO Version 1.0.

Then came the aughts, and CFO-CIO fates intertwined. Like money, technology became ubiquitous and essential to every aspect of local government operations. The Government Finance Officers Association formed a technology resource group to develop best practices for finance-IT integration. CFO-CIO 2.0 had arrived.

But by the late 2000s, the group disbanded. Many localities realized they needed specialized IT capacity far beyond what the finance shop could support. For example, when Oakland County, Mich., implemented its enterprise resource planning system a few years ago, it had to integrate 500 "shadow systems." Permitting, asset management, business licensing and many other departments maintained miniature IT systems to serve their unique needs. With that sort of specialized challenge, many CFOs and CIOs went their separate ways. CFO-CIO 3.0 was here.

But today there's a new chapter emerging. It all starts with the cloud. Back in the day, IT hardware such as servers, wiring and computers were part of the capital budget. Cities would buy now and pay later. But when IT moves to the cloud, the hardware mostly goes away and IT systems become an operating expense. Operating money is much harder to come by in today's era of tight budgets.

In smaller jurisdictions that has meant reintegrating finance and IT. Many of today's big cloud-based technology innovations are designed to streamline back-office functions like payroll and HR. But their most immediate effects are often on core financial processes, such as budget development, procurement and financial reporting. In fact, with the right IT support many smaller cities have launched aggressive new financial transparency initiatives like open checkbooks that were once available only to larger jurisdictions. Of course, these new systems are also expensive and need close scrutiny from the finance shop. So in many smaller places the CFO and CIO are kindred spirits once again.

For larger jurisdictions, this CFO-CIO 4.0 means "separate but symbiotic." Like many IT departments, Oakland County CIO and Deputy County Executive Phil Bertolini notes, his staff bills other county departments for its services. Local governments often see this billing process as a painful compliance exercise. Bertolini, who believes "personal relationships grow out of trusted business relationships," sees it as an opportunity to build trust. His shop maintains a state-of-the-art project management system that allows IT staff to track and bill for their time in 15-minute intervals. Gone are the days of the IT black hole. Oakland County is a good example of IT demonstrating precisely the sort of financial transparency that makes the CFO's trust-building task that much easier.

The CFO can also help bring the CIO's IT security concerns to life. Most line staff are not focused on malware, Russian hackers and other threats that keep CIOs up at night. The CFO can educate line staff on what they can do to prevent those threats, mostly by showing what it will cost the organization if they don't. Mike Bailey, technology director for Redmond, Wash., says IT security concerns offer the CFO an opportunity to move beyond their traditional role as "leader of the rescue squad," where trust-building is an afterthought.

We'll see what version 5.0 might hold. But for now, the CIO and CFO are partners in trust-building. **G**

SHUTTERSTOCK.COM

Email jmarlowe@washington.edu

Driving Better Value through Hyperconvergence

Lenovo helps government agencies realize the value of hyperconverged systems to simplify IT and reduce costs and complexity.

Hyperconverged systems are part of the new thinking for data center infrastructure technology. This emerging breed of solutions natively collapses core storage, compute and storage networking functions into a single software solution or appliance. As a result, hyperconverged systems offer government agencies of all sizes more streamlined and efficient data center management.

How hyperconverged systems can benefit government agencies:

Simplifying IT:
Because the time needed to manage storage can decrease from one to two hours per day to one to two hours per month, hyperconverged systems can help agencies significantly reduce the complexity of their overall IT infrastructure.

Reducing Costs and Complexity:
Because most systems can be deployed in less than two hours, as opposed to weeks with traditional IT hardware, government agencies can greatly reduce the costs and complexities around IT deployment and system integration.

Reducing Demand on IT Staff:
Because they are free from the daily obligations of managing application-related tasks, hyperconvergence can help free IT staff to focus on other tasks. A new virtual machine, for example, can be provisioned in minutes with hyperconverged systems as opposed to hours with traditional IT hardware/software.

Hyperconvergence in Action

Government agencies are increasingly leveraging hyperconvergence in a number of areas, including VDI, video recording storage and access for police body cameras, as well as surveillance/security operations centers.

Lenovo and Nutanix recently partnered to develop a new line of hyperconverged appliances to help government agencies leverage the agility and scalability of public clouds into their data center environments. Lenovo appliances that feature Nutanix Xtreme Computing Platform (XCP) software with models optimized for different needs include:

Lenovo Converged HX3000 Series:
Targeted at smaller virtualization workloads and some remote environments

Lenovo Converged HX5000 Series:
Targeted at big data workloads including Hadoop and Splunk, in addition to disaster recovery

Lenovo Converged HX7000 Series:
Targeted at large database workloads and I/O-intensive workloads such as SQL and Oracle RAC

Lenovo Government

Intel® Xeon® processor

To learn more about how Lenovo products and solutions can help agencies build the data centers of the future, visit **www.lenovo.com/government** and follow us on Twitter **@LenovoGov**.

Last Look

WILLIAM LACHANCE

William LaChance is a successful St. Louis artist whose paintings are hung in galleries around the world. But one of his most famous—and largest—works of art is routinely walked on, run on and even dribbled on. Last summer, he transformed a cluster of neglected basketball courts in the Missouri town of Kinloch into a giant, brightly colored abstract painting. Once a flourishing African-American community, the Kinloch area began to decline in the 1980s—and the local park along with it. LaChance was contacted by Project Backboard, a nonprofit devoted to improving dilapidated basketball courts through art. The new courts were recently named by *Vogue* as some of the best designed in the world. **—David Kidd**