

# PUBLIC OFFICIALS *of the* YEAR GOVERNING

THE STATES AND LOCALITIES

December 2017

## **Leana Wen**

Health Commissioner,  
Baltimore



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## The Stakes of Service

**A**n educated citizen, President John F. Kennedy said in a commencement speech at Vanderbilt University in 1963, “has an obligation to serve the public.” It might be as a civil servant, a lawmaker, an elected official or candidate for office, Kennedy said, “but he must be a participant and not a spectator.” The language is a little dated—when we talk about educated citizens today, we mean women as well as men—but the need has never been more urgent.

Fortunately for our democracy, plenty of educated citizens continue to answer Kennedy’s call. In this, *Governing’s* annual Public Officials of the Year issue, we are honoring nine of the best of them: a governor, a mayor, a cabinet secretary, a sheriff, a chief information officer, two state legislators, a county administrator and a city health commissioner.

These individuals have excelled at some of the toughest jobs in the world, and as is so often true of the best leaders, they’ve made what they do look easy. But don’t be fooled. The work is difficult,

and it’s been made harder by a particularly harsh political climate driven by cable news, talk radio and other forms of divisive media. When all politics is framed as reality TV, it’s nearly impossible to have a conversation about criminal justice reform, tax policies—really anything. Instead, a thousand victories go unrecognized and smaller numbers of mistakes and failures are magnified.

In my long career as a government auditor, I was usually tasked with getting to the bottom of things

when debacles, disasters and scandals occurred. What I found in most cases was that there wasn’t just one terrible thing that had happened or one bad person acting with malice, but a cascading series of bad decisions by decent people with good intentions. The capacity of the acts of public officials to sometimes inflict terrible harm is a testament to the stakes involved.

The other side of that, of course, is the capacity to do great good, to have the opportunity to shape the destiny of a community or a state for the better. Most private citizens have little idea what their public officials actually do or how important it is for them to do their jobs well.

But we at *Governing* know, and we think it’s important to identify exemplars of the best among them and tell these public officials’ stories, holding them up as surrogates for all those others in similar positions who work unrecognized. By telling these stories, we hope to encourage and inspire others to be participants, not spectators, in public life.



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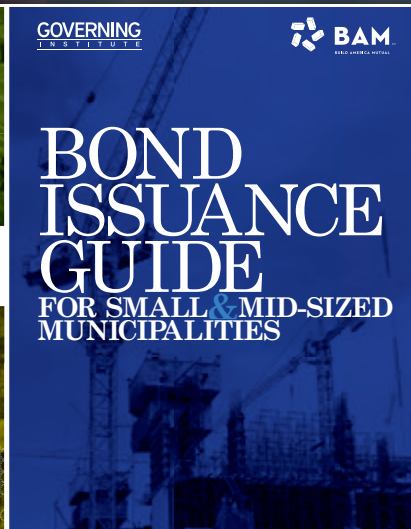
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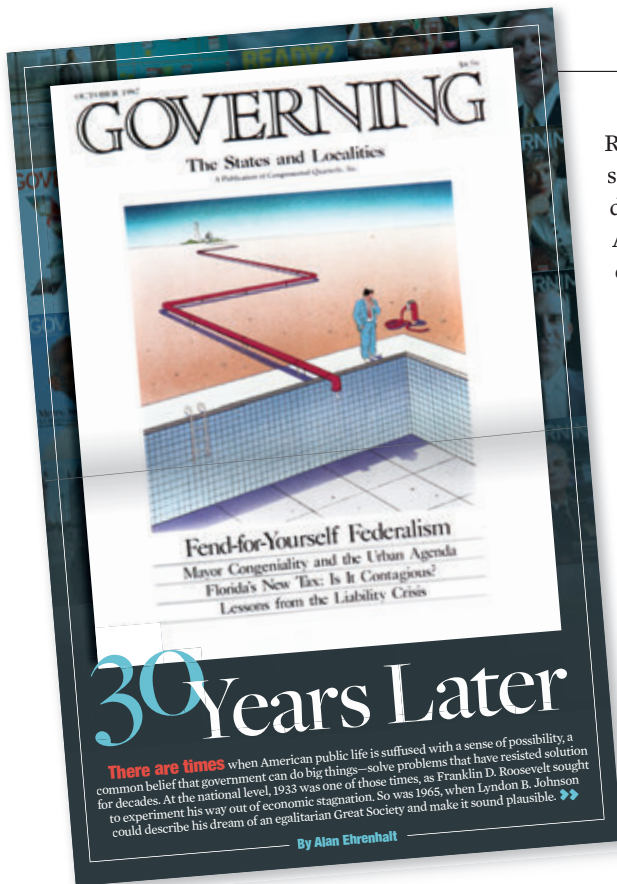


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## Federalism's Other Big Moments

*In his October Potomac Chronicle column "Modern Federalism's Big 3 Moments," Donald F. Kettl looked back at the last 30 years in federalism—the years in which this magazine has been covering the story. He submitted that the 9/11 terrorist attacks, the stimulus and the Affordable Care Act are three important events that have brought about a new form of federalism. It has evolved, he wrote, from being "largely about state and local governments asking for money from Washington to one focused on allocating power between the center and the provinces." One reader felt there were other events that were more important.*

As someone who has worked in and around the statehouse for the last 10 years, I was surprised as to the three causes you cited behind the growth of federalism in the last 30 years. Those you mentioned had effects that were very short lived as far as federal-state relations.

The most important catalyst behind polarization today is actually the Labor

Relations Act of 1946. Southern states used the "right to work" designation to suppress African-Americans' ability to organize effectively. That triggered an immense shift of the rural poor into industrial states while enticing the manufacturing supporting their standard of living to leave.

Since 1987, I would say the biggest changes tend not to be landmark pieces of new legislation, but rather reauthorizations of existing federal programs that give the states more discretion.

Not that external influences don't matter. The most important of those in the last 30 years has been the end of the Cold War. Closing military bases and eliminating procurement as a source of local revenue pushed employment centers back into the urban core. That provides little incentive for moderates to stay to invest in a political career outside of "swing states." Without those moderates, a state then becomes a prisoner to its economic incentives, and dependent on federalism to preserve those advantages.

—Thomas Soterios-McNamara,  
Sacramento, Calif.

## The Limits of TABOR

*In her October feature "Budgeting Inside the Lines," Liz Farmer wrote about Colorado's Taxpayer Bill of Rights (TABOR), which was approved by voters 25 years ago and limits the state's year-to-year revenue growth to a formula based on inflation plus the growth in population. Douglas Bruce, an anti-tax advocate, spearheaded the effort. He argues that government spending should be left up to the taxpayers. But critics, like the reader below, say TABOR ties policymakers' hands by limiting funding for key government services.*

Douglas Bruce would probably say that the people running the American Society

of Civil Engineers are [being] sadistic when they point out that 21 percent of Colorado roads are in poor condition, or that "driving on roads in need of repair in Colorado costs each driver \$580 per year, and 5.7 percent of bridges are rated structurally deficient," or that "deteriorating infrastructure impedes Colorado's ability to compete in an increasingly global marketplace."

I have watched my neighboring state and one-time home practically give up on road maintenance, particularly ice and snow removal. But then what does Bruce care? He's got his. Everyone else can go jump off of Pike's Peak.

—Pat McGann, Richfield, Utah

## Bail Corrected

*In his October feature "Bailing Out," John Buntin took a hard look at America's bail system, which most people agree is broken but hard to fix. One state that has been trying to make it better is New Jersey. The story mentioned a study the state conducted that looked into the operations of bail agents, but we mischaracterized the history of the group running the investigation.*

Thanks for your informative examination of issues related to the bail system around the U.S. Just one point of clarification: The article states that, "In 2014, New Jersey formed a special commission, and it found that bail bond agencies were being operated by unlicensed individuals, some with criminal records." While your summary of our findings in this matter is accurate, I must point out that the State Commission of Investigation, which conducted this inquiry, is not a newly formed body. It is an independent investigative agency that has been in operation for nearly 50 years and has conducted some 130 fact-finding investigations into all areas of our statutory purview, including government corruption, organized crime, and waste, fraud and abuse of tax dollars. No other state in the nation has anything like it.

—Lee C. Seglem, executive  
director, New Jersey State Commission  
of Investigation



# Q&A:

## How Benefits Modernization Can Help Build the Public Sector's Workforce for the Future

The public sector is simultaneously dealing with a retiring workforce and budget constraints that make it challenging to attract and keep skilled workers. But providing competitive benefits that give employees more choice and value at a sustainable cost may be the solution to building government's workforce for the future.

In this Q&A, **Tim Arnold, President/CEO of Colonial Life** — which has successfully served this market segment since 1955 — shares innovative benefits strategies the public sector should consider.



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**Q: Colonial Life has worked with 5,000 local governments and numerous public sector entities. What are the common challenges these customers face?**

**A:** Public sector entities have typically been very benefit rich, but they're moving toward high-deductible health care plans and asking employees to share more of their benefits costs. Unless benefit changes are properly communicated and people have the opportunity to enroll in other health and wellness insurance to fill the resulting coverage gaps, employees may become dissatisfied and look elsewhere for employment. We have a full suite of benefits and services that can help employers manage this transition.

**Q: What specific solutions does Colonial Life offer?**

**A:** We have around 6,000 benefits counselors who can sit face to face with employees and discuss their complete benefits picture to help identify potential coverage gaps. We also offer telephonic, web or self-service enrollment where employees still get important benefits education so they understand the employer's actual investment.

**Q: How does Colonial Life help employers balance offering great benefits with budgetary challenges?**

**A:** It's critical for agencies to customize their benefits offerings, especially for millennials who want more choice and whom the public sector needs to attract as its existing workforce retires. We can customize offerings to employees depending on their age, family or marital status, since everyone's coverage needs vary at different points in their lives.

We offer voluntary benefits, like accident and critical illness insurance, at no additional cost to employers. With our value-added programs, like legal services and identity theft protection, we can help increase plan participation. We can help agencies offset costs with a suite of solutions, including dependent verification which helps identify ineligible dependents.

Employers need to ensure they have a comprehensive benefits strategy and a plan to communicate benefits changes. Our benefits administration solutions give agencies options to manage that change and help employees understand the value of their benefits package.

Our goal is to ensure we're doing the right thing for every person.

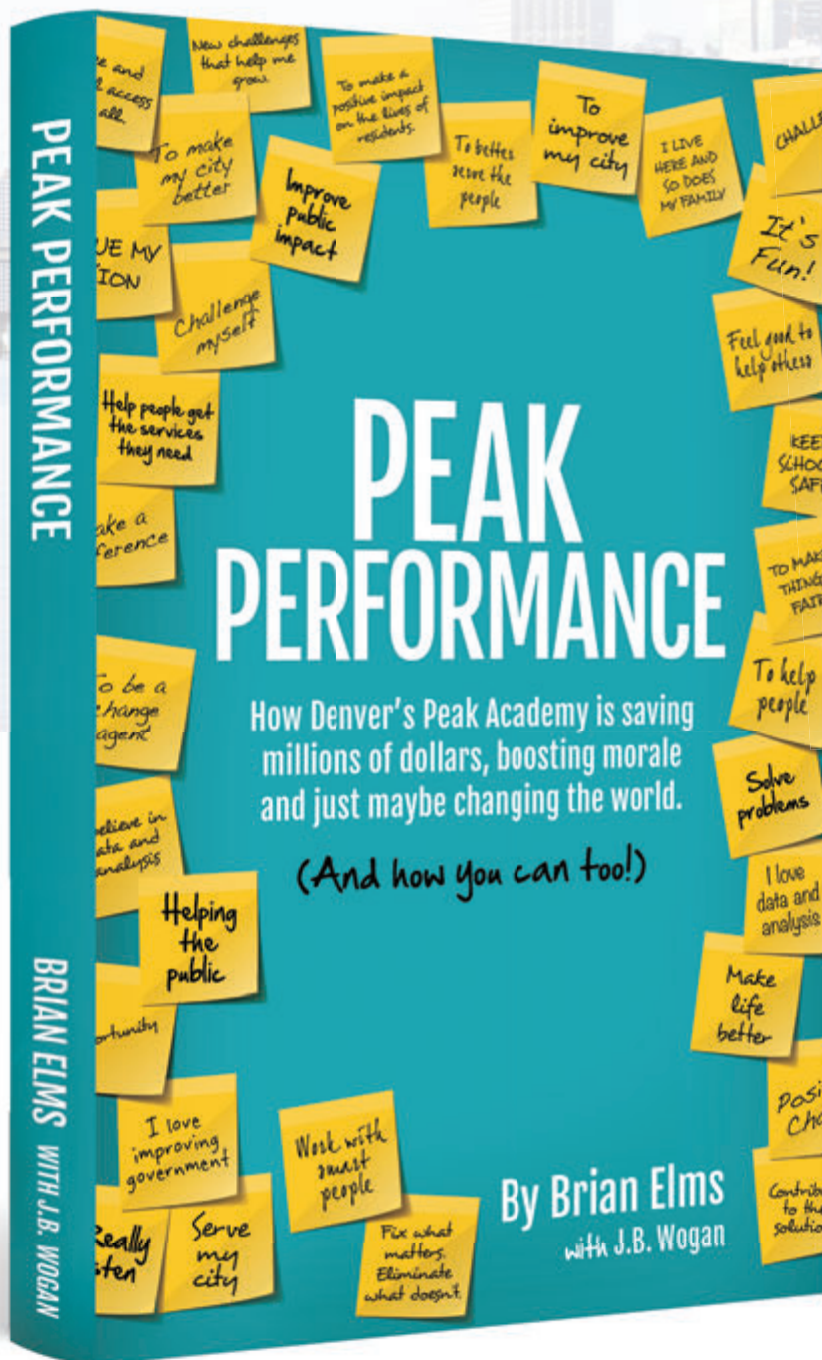
To demonstrate our commitment to excellence in the public sector, Colonial Life is sponsoring the 2017 *Governing* Public Official of the Year award. Our 60-plus years of public sector expertise has been shaped by providing the strategies, tactics and programs state and local governments need to contain costs while managing the quality of health care benefits their employees deserve.

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Hydraulic fracking has “brought back great-paying jobs,” says Steve Miskin, spokesman for Pennsylvania House Speaker Mike Turzai.

## Taxing the Golden Goose

**IF YOUR STATE** is the only oil and gas producer in the nation that doesn't have a severance tax, there's going to be a lot of pressure on you to enact one. But given the amount of money involved, it's easier to talk about creating such a tax than actually imposing it. In Pennsylvania, that talk has blossomed into a fight over more than just money; it now involves lobbying, environmental protection and the next campaign for governor.

Pennsylvania became the first place in the world to successfully drill for oil back in the 1850s. Over the past decade, however,

natural gas has overtaken oil as the big game in the state. Pennsylvania is now the nation's second-leading producer of natural gas, after Texas. Naturally, lawmakers are wary of tampering with the golden goose. “Right now, you have an industry that's growing and not asking for state dollars, like others,” says Steve Miskin, a spokesman for state House Speaker Mike Turzai. “It has brought back great-paying jobs.”

The industry has spent more than \$60 million on lobbying and campaign donations in the state over the past decade to ward

off a severance tax on its profits. Industry officials like to point out that, even in the absence of a severance tax, Pennsylvania's general business tax rates are often higher than those in other production states—notably Texas, which doesn't tax corporate income. What's more, Pennsylvania five years ago imposed an impact fee on drillers, which generated \$173 million last year. “The comparison with other states shouldn't stop and start just with the severance tax,” says Kevin Sunday, chief lobbyist with the Pennsylvania Chamber of Business and Industry. “We have to look at the whole structure.”

But no one disputes that fiscally challenged Pennsylvania could use the money a severance tax would bring in—easily as much as \$100 million a year. So quite a few legislators are determined to pass one. The state Senate actually approved a severance tax earlier this year.

It's been a tough sell in the House, though, and not only because Turzai and other Republicans are largely opposed. State Rep. Greg Vitali, a Democrat who became the first legislator to propose a severance tax nearly a decade ago, came out against the Senate package, arguing it would also loosen state control of drilling permits and weaken environmental protection. “I find myself in the odd position during these budget negotiations to suddenly be opposing it,” he says. “The passage of a severance tax now is linked to some very bad provisions that in my view would cripple the Department of Environmental Protection's ability to do its job.”

Meanwhile, the severance tax has become a sensitive campaign issue. A leaked tape captured Republican state Sen. Scott Wagner, a likely gubernatorial candidate next year, predicting that passage of the tax would guarantee a second term for Democratic Gov. Tom Wolf, a leading severance tax advocate, because he'd have a big victory to tout.

The specter of handing Wolf a win has become the final and perhaps the biggest hurdle for the severance tax to overcome. “Both the Democrats and the Republicans,” Vitali says, “are viewing the severance tax through the lens of the gubernatorial election.”

# The Battle of Snellville

**IT'S ALWAYS EMBARRASSING** for a town when the mayor is indicted. But in the case of Snellville, Ga., a 66-count indictment brought against the current mayor is just one example of long-running dysfunction and rivalry in the local government.

Snellville is a suburb of Atlanta, not far from Stone Mountain. In September, Mayor Tom Witts was indicted on charges of tax evasion, using campaign funds for personal expenses and funneling government contracts to his private business, among other alleged offenses. Witts says he is innocent, but shortly after the indictment he suspended himself from office so that his case wouldn't interfere with city functions.

Danny Porter, the Gwinnett County district attorney who brought the charges, makes no bones about the fact that his investigation was triggered by Witts' political rivals. "It was a politically motivated complaint," Porter told *The Atlanta Journal-Constitution*. "But just because it's politically motivated doesn't mean it's not true."

Porter said he gets requests after every election to launch criminal investigations. Gwinnett County in general and Snellville in particular have changed demographically in recent years, switching from largely white and conservative to heavily minority. The county as a whole gave its vote last year to Hillary Clinton. Yet white Republicans continue to hold most political offices, and they are split into factions that bicker constantly. "For whatever reason, folks have been there a long time and they just don't like each other," says Bill Torpy, a columnist with the *Journal-Constitution*. "It's almost like political parties. There are two groups, almost like families, and somehow they've lined up against each other."

Back when Witts was a member of the city council, he regularly sparred with his predecessor in the mayor's office, Kelly Kautz. They fought about minor things, such as money paid to take a leadership course, and more serious matters, like her appointment powers. An argument over Kautz's ability to fire

the city attorney reached all the way to the state Supreme Court. In 2014, she sued the city council for holding secret meetings, blocking her appointments and generally giving her a hard time. Last year, the Georgia Court of Appeals upheld a ruling ordering the city to pay Kautz more than \$83,000 in legal fees. By that time, she was out of office, having been beaten in 2015 by Witts.

The Witts-Kautz dispute is just one of a long series of fights between Snellville mayors and the city council. Back in 2009, Mayor Jerry Oberholtzer called code enforcement to complain about a city councilman who kept a toilet and a car in his front yard. Then, apparently fearing retribution, Oberholtzer asked the police chief to escort him to the bathroom at city hall.

Snellville has changed, but its politics continue to be dominated by old rivalries, petty and deadly serious. "People are probably tired of their city being in the headlines," Kautz said last year. It's a problem that shows no signs of going away.



Snellville, Ga., City Hall

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# GIS: A Powerful Tool for Improving Performance and Demonstrating Accountability

How agencies can use GIS to understand data, make better decisions and report meaningful results.



**T**he state of Alaska does not levy sales or individual income taxes. However, each of its 164 independent municipalities can levy their own sales and property taxes. The Alaska Office of the State Assessor (OSA) is required by law to gather taxation information annually for all the state's municipalities, publish it and communicate the nuances of each tax code in context for legislators, OSA staff, businesses and the public. For OSA, this is no simple undertaking. For many years, municipal taxation information, including exemptions, rates and revenue data, was compiled into a complex, massive Microsoft Excel workbook.

"Depending on who was using it, the spreadsheet could be a masterpiece or a very confusing representation of taxation information," said Ron Brown, OSA assistant state assessor.

The workbook had become so complex over the years that only Brown and one other person could work with it successfully.

Looking for a better way to collect, organize and present the information, OSA turned to Survey123 for ArcGIS from Esri to capture the tax data and present it in a more accessible, interactive manner. Using narrative, interactive maps and dashboards, OSA simplified the information and made it easily consumable. The result, Alaska Taxable 2016, is a compendium of tax rates, revenue and historic data that tremendously simplifies the process of locating tax information. Today, Alaska Taxable in story map form is used by state government staff, businesses and the public.

OSA's effort is one example of how GIS helps governments improve operational performance and, just as importantly, report performance to stakeholders in meaningful ways. This paper examines the growing significance of doing both to increase citizen satisfaction and build decision-maker support for new initiatives.

## GIS Improves Operational Performance

GIS helps agencies gather data about issues, decide how to respond and measure results — all of which can improve operational performance.

An example comes from Rancho Cucamonga, Calif., where the Community Improvement Department works with city police to respond to reports about homeless encampments. Until recently, limited staff and resources — as well as disparate systems — made it difficult for the department and police to share data. To address the issue, the city's GIS staff configured Esri's Collector for ArcGIS app to replace a pen-and-paper field survey. Using the mobile app, Community Improvement team members can quickly create a new case and enter data about a homeless encampment and its inhabitants. The Community Improvement Department saves time by having location and case information readily available. It also can easily share data with the police department, which can dispatch outreach specialists to help individuals in need.

Improving operational performance also was a concern for the Seattle Police Department (SPD). Although SPD had access to many types of information, it was all located in disparate databases. The department needed to give officers a comprehensive view of data, enabling them to make better decisions and respond to critical incidents faster.

Leveraging GIS, SPD recently launched a high-tech crime center that features a large wall-mounted display showing real-time information on active 911 calls. The display — which tracks calls by priority level, shows the location of available patrol cars and provides other visual data — updates every six seconds. Analysts monitor incoming data and report significant incidents and trends to commanders, who use the information to recognize problems, redeploy officers and aid responders on the ground. As a result, SPD improves situational awareness, maximizes resources and delivers better service.

GIS also helps governments gain a deeper understanding of performance. For example, a city may increase police patrols in a high-crime area and subsequently see a decrease in crime there. Although initially viewed as a success, an unintended result might be that the crime simply migrates to another part of the city. A broader performance strategy would allow the city to anticipate the vulnerability of surrounding neighborhoods and take preemptive steps, while measuring direct and collateral results.





## How a Recession Made Alaska's Tax Map Even More Valuable

As most of the U.S. continues to recover from the Great Recession, Alaska is entering its second year of a powerful state recession. Lower oil prices and production have pushed Alaska's gross state product down 22 percent over the last five years, resulting in weak business growth, fewer jobs and a shrinking population. As a result, the topic of revenue generation has broader interest than before, and the tax map the Alaska OSA created using GIS has become an even more valuable tool.

By showing how local governments fund themselves, the Alaska Taxable 2016 compendium of tax rates, revenue and historic data can inform larger conversations. Groups like the Institute for Social and Economic Research can use the map to prepare reports examining the vulnerability of municipalities to reductions in state aid. Local government specialists can use the map to discuss the possibility of tax rate increases with communities. They also can easily access OSA data and compare a community's current revenues with those of other communities of similar size.

The story map also improves efficiency for OSA. Previously, staff members spent considerable time organizing tax information to respond to business and public requests. Now they can easily look up individual tax rates and exemptions for each of Alaska's municipalities.

## Using GIS to Demonstrate Accountability

In addition to improving performance, GIS provides a powerful way for governments to report accomplishments to improve accountability and transparency. Shared internally, this reporting demonstrates the value of investments to leadership and supports new budget requests. Externally, it shows taxpayers the value and impact of government programs and initiatives. The latter is vital in the age of social media, which increasingly requires agencies to proactively tell a better story about their mission and performance.

In Rancho Cucamonga, GIS helped city staff quantify the extent of the homeless problem, strengthen case management and connect the city's homeless population with housing resources. As a result, one year after implementing Collector for ArcGIS, the city closed 49 of the 58 encampments about which it had collected data. The city then reported those outcomes to the public to show how its efforts and investments translated to tangible results. The app also helped the county sheriff's Homeless Outreach and Proactive Enforcement (HOPE) team connect homeless individuals with housing resources. As a result, the city developed a similar GIS tool for HOPE. That organization now uses the app to track homeless populations and outreach efforts throughout San Bernardino County's 20,000-mile jurisdiction.

Elsewhere, GIS helps government agencies determine which projects provide the best return on investment for state tax dollars and share those insights with citizens and other stakeholders.

That's the case in Virginia, where the state Department of Transportation (VDOT) uses the technology to gain a deeper understanding of local transportation issues and how to solve them.

VDOT previously used a narrow set of variables to calculate the impact of proposed transportation projects. The department's planners focused on street networks, taking little account of the fact that citizens also use other modes of transportation.

Using Sugar Access, an ArcGIS extension from Esri partner Citilabs, VDOT now includes information about local roads and public transportation systems, along with census data, when evaluating how residents travel to work, school, shopping, parks and other common destinations. For instance, planners can examine how long it takes city residents to walk, bike or drive to and from public transit stations; the reliability of public transit systems; and typical wait times.

After compiling the data, planners save it in a geodatabase and publish it using ArcGIS Online to conduct mapping and analysis and share data with decision-makers or the public. Then, using the Sugar Network Editor for ArcGIS Desktop, they can create different transportation scenarios to increase the livability of an area — adding more bike lanes, changing bus routes or other solutions.

These scenarios are fed into SMART SCALE, a statewide program that helps officials choose which transportation projects to fund to ensure the best use of state tax dollars. Today, proposals are scored based on an objective, outcome-focused process that

# GIS equips agencies to improve operational effectiveness and tell a better story to stakeholders about mission and performance.

is transparent to the public and holds decision-makers accountable to taxpayers.

Oakland County, Mich., also uses GIS to improve public accountability and government transparency. The county's open data portal, known as Access Oakland, provides location-based data that promotes informed decision-making, improves citizen services and encourages collaboration across all levels of government. Oakland County built the portal using ArcGIS Open Data, an Esri-hosted and managed solution included with ArcGIS Online. The portal is also increasing civic engagement by enabling government agencies, residents, businesses and other community organizations to share data.

## The Potential for Future Performance and Accountability Improvements

GIS is already enabling government agencies to improve operational performance. It's also providing a powerful way for agencies to enhance accountability and transparency and report performance to stakeholders in meaningful ways. As the amount of data agencies collect grows, the need for such tools will grow as well. Ultimately, such initiatives can both increase citizen satisfaction and potentially foster decision-maker support for new initiatives.

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## Miranda For Juveniles

### ANYONE WHO'S WATCHED A COP

**SHOW** on television in recent decades has a decent understanding—or at least a memory—of the rights accorded to those arrested: the right to an attorney, the right to remain silent and all the other protections given to the accused over the past half-century, following the U.S. Supreme Court's 1966 decision in *Miranda v. Arizona*.

But juvenile offenders often don't have a clear understanding of what those rights entail. Back in 2013, the American Academy of Child and Adolescent Psychiatry concluded that Miranda warnings are "too complex and advanced" for most juveniles. The group recommended that "police and other law enforcement authorities should utilize simplified Miranda warnings developed specifically for use with juvenile suspects."

Now, the sheriff's office in King County, Wash., has done just that. Working collaboratively with the public defender's office and a community nonprofit, the sheriff consulted with brain researchers to come up with simplified warnings, which were then focus-grouped among teens. "For the most part, we have always done the same warning for kids that we do for adults," says Sheriff John Urquhart. "We came to the conclusion, as we know now, that kids' brains develop slower. To be fair, we thought we should revise the warning so that they understand what their constitutional rights are."

Juvenile offenders in King County are

now told repeatedly, and in different phrases, that they have a right to an attorney, underscoring that the attorney's services are available free of charge. They not only are told that they can remain silent, but are offered an explanation that this means "you don't have to say anything. It's OK if you don't want to talk to me."

Urquhart says he's getting the same kind of pushback that law enforcement has gotten ever since the advent of Miranda warnings—namely, that no kid will ever confess with those kinds of protections. The new warnings are just being rolled out, but so far there's no evidence that they're hindering cases. The Seattle Police Department—the only force in the state larger than the King County Sheriff's Office—is now considering adopting them as well.

Laurence Steinberg, an expert on adolescent psychiatry at Temple University, describes the warnings as a "valuable change in policy." Nevertheless, he argues that even if kids have a better grasp of their rights, they generally lack the judgment or foresight to think through the implications of the decisions they make, including whether to stay silent. Like the American Academy of Child and Adolescent Psychiatry, he recommends that an adult who cares about the child's welfare, such as an attorney or a relative, should be present during interrogations. That's already standard practice in many departments.

### THE BREAKDOWN

# 111.5<sup>K</sup>

The number of students in New York City schools who were homeless at some point in the last academic year.

# 5-10%

The portion of Maine residents summoned for jury duty in 2016 who actually ended up serving.



# 15 Days

The length of time that parents can be forced to spend in jail in North Tonawanda, N.Y., if their child violates any city law, including bullying. The law took effect Oct. 1.

# 6

The number of proposals—out of 2,012 submitted—that will move forward for review by the Florida Constitution Revision Commission, a body that meets once every 20 years to consider changes to the state constitution suggested by citizens.

SOURCES: THE NEW YORK TIMES, BANGOR DAILY NEWS, THE BUFFALO NEWS, MIAMI HERALD; IMAGE: SHUTTERSTOCK.COM

# Improper Influence? Who, Us?

The Wisconsin Supreme Court



**A MAJORITY OF THE JUSTICES** on the Wisconsin Supreme Court are offended by the suggestion that they might rule improperly in cases involving their campaign donors. But even more than that, they've rejected tighter recusal standards and have taken revenge on those who suggested them.

In 2009, the U.S. Supreme Court ruled that campaign spending on judicial elections can reach a point where there's "the probability of actual bias on the part of the judge." The court in that case, *Caperton v. Massey*, called on states to "adopt recusal standards more rigorous than due process requires."

The response from the Wisconsin Supreme Court was, in so many words, nothing doing. In 2010, the year after

the *Caperton* decision, the state court adopted rules proposed by Wisconsin business lobbyists that made recusal voluntary. It's up to each individual judge to decide whether to recuse himself or herself. There's no formal trigger denoting circumstances that would require a judge to step aside.

Recusal hasn't been a popular option in Wisconsin—even in a case dealing with campaign finance a couple of years back, one that involved outside groups that had spent heavily on judicial races. "The state Supreme Court shut down a campaign finance investigation involving their own campaign donors," says Billy Corriher, who tracks state courts at the Center for American Progress, a liberal think tank in Washington, D.C. "It was

the most egregious conflict of interest you can imagine, and the current ethics rules allowed them to hear the case."

There are judges in Wisconsin who don't like the current state of affairs. A group of retired judges called on the state Supreme Court this spring to change its rules. The justices balked. The idea that judges and justices can't faithfully and impartially discharge their duties "is an entirely unwarranted presumption and we will not entertain it," a majority of the court said in an order this summer, shooting down the retired judges. One justice declared that all the judges in the state "should be highly offended by this petition because it attacks their integrity and their character."

A couple of months later, the state Supreme Court took aim at the group by putting out an order pertaining directly to retired judges. They cut off their stipends. Retired judges fill in temporarily at the circuit and appellate court level, helping to clear up cases and reduce the backlog. In order to do so, they are required to attend conferences and classes. They had been paid \$454 per day to meet these continuing legal education requirements, but now the court says they won't be paid for their time. "Just to be clear, reserve judges would still be able to submit expenses such as travel, meals and lodging related to attending judicial education sessions," says Tom Sheehan, information officer for the court system. "It is estimated the change resulting from the court's order would save the state roughly \$160,000 a year."

You can always save money when you get people to volunteer their time for required functions. But few court watchers in Wisconsin believe the Supreme Court was looking to save a few dollars. "It's not a financial thing," says Jay Heck, head of Common Cause in Wisconsin. "It's a rebuke from judges. There's no doubt it's payback."





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# The Plight of the Legacy City

There's no simple solution for these outposts of last-century industrial America.

**T**he national media enjoys taking the temperature of the nation's struggling big cities. It devotes ample space every year to the reviving economy in Pittsburgh, to incremental population growth in Philadelphia and to modest signs of life in Detroit, the anointed national symbol of urban misfortune in the 21st century.

I like reading those stories, but I sometimes wonder what I would think about them if I lived in Muncie, Elmira or Youngstown, or in any of the hundreds of other small industrial cities that have suffered just as much from pervasive decline but seem to fly beneath the radar of urbanist compassion. These lesser factory towns, scattered throughout the Northeast and Midwest, have endured the trauma of massive job losses without being able to invest the resources that even a Detroit can bring to bear against the indignities of deindustrialization.

Lately, though, in the aftermath of Donald Trump's overwhelming election performance in so many of these fading blue-collar towns, we are paying a little more attention to their problems. Just in the past few months, two scholarly reports have investigated the plight of what are called smaller legacy cities and offered some advice about what they might be able to do to survive. One is the joint project of the Lincoln Institute of Land Policy and the Greater Ohio Policy Center; the other comes out of the Federal Reserve Bank of Chicago and the Funders Network for Smart Growth.

Both make the point that we have been paying insufficient attention to these outposts of last-century industrial America. "In general," the Lincoln Institute report concedes, "opportunities for regeneration in smaller post-industrial cities have received less attention than those of larger cities whose problems are equally dire."

On the simplest level, one doesn't need a Ph.D. to grasp the problems of a Youngstown, Ohio, or an Elmira, N.Y. Factories have closed; jobs that paid middle-class wages have been lost to automation and foreign competition. Flint, Mich., lost 72 percent of its manufacturing jobs between 2002 and 2014. The 24 smaller legacy cities studied in the Lincoln Institute report lost an average of 17 percent of all their jobs across the entire range of employment categories.

But the problem goes much deeper. These cities have lost not only jobs but corporations and corporate headquarters. At some point in the past 50 years, the Lincoln Institute reports, 20 of the 24 legacy cities hosted a Fortune 500 company, and several had more than one. By 2014, more than half of these headquarters were gone.

The departure of a corporate home office takes away more than a cadre of affluent executives who live on a hill and dine at the country club. It removes the primary source of long-range thinking and community stewardship. "Patient capital aimed at building local capacity," the Chicago Fed report concludes, "seems to be a required ingredient for community revitalization." In a small city that has lost its economic anchor, the lesser businesses that remain are normally incapable of providing this. Even in towns that have been able to replace their industrial employers with technology companies, the commitment of the new business elites to long-term economic improvement is tenuous. "It remains unclear," the report says, "how the new generation of tech entrepreneurs will replace a generation of philanthropic leadership."

Most of these cities are also suffering from the absence of vital civic institutions. They generally have a college of some kind, but not a university large enough to be a significant engine of economic

development. They all have hospitals, but not the major health centers that have rescued larger industrial cities such as Birmingham, Ala., and Pittsburgh. They are desperate to bring in new employers, but the local governments frequently can't afford an economic development staff sophisticated enough to attract them.

Despite all that has happened, the unemployment numbers for most of these small cities don't look as bad as you might expect them to. They are a bit higher than the numbers for the rest of the nation. The problem is the level of wages. In a majority of these places, the older manufacturing jobs have been replaced by low-paying service work. Health care and social services made up the largest employment sector in all but two of the Lincoln Institute's 24 cities; in some of them, they accounted for nearly half of all

**The old Wean United factory, which processed steel in Youngstown, was finally torn down in 2015.**





the jobs. Home health-care workers, to cite one stark example, earned an average wage of \$22,870 in 2015. Job distribution of this sort is a major reason why the poverty rate for the 24 cities was 30 percent that year, nearly double the rate for the United States as a whole.

A few of the legacy cities are doing considerably better than the others. A primary reason seems to be location. Bethlehem, Pa., devastated when the massive Bethlehem Steel plant closed in 1995, rebounded relatively quickly, turning the abandoned factory into a casino, entertainment center and cultural campus. Whatever you may think of casinos, the strategy appears to have worked. The financial impact of the new facility is estimated to be about \$55 million a year. Some of that has been a function of competent local planning, but more of it may stem from the fact that Bethlehem is less than 70 miles from Philadelphia and just 82 miles from Manhattan. It has a large customer catchment area that most of the legacy

cities don't possess. Youngstown, which suffered a similarly catastrophic plant closing nearly 20 years earlier but lacked Bethlehem's geographical advantages, has never recovered in any significant way.

Still, location isn't everything. Cedar Rapids, Iowa, suffered through a disaster of a different sort, a flood in 1993 that caused \$6 billion in damage and destroyed 1,200 homes. Cedar Rapids proved to be atypically resilient: Within five years it had generated \$307 million worth of investments in its battered downtown. Cedar Rapids isn't close to any major metropolis, but it had its own secret weapon in the willingness of one of the leading local employers, Quaker Oats, to stay in town and invest heavily in the revival.

Indeed, the level of commitment from one or more major local employers seemed to trigger a revival, for better or worse, in almost all of the cities covered by the two studies. Grand Rapids, Mich., for example, is an outlier. It was a center of office furniture manufacturing before the deindustrialization of the past few decades, and it remained one as the key companies chose to stay. More than 20 percent of the jobs in Grand Rapids today are in manufacturing, compared to about 8 percent for the nation as a whole. The community is relatively prosperous as a result.

Few of the legacy cities have done as well as Grand Rapids, but if you look at the better performers, they nearly all benefited from the commitment of a big corporate employer. That is true for Kalamazoo, Mich., which continues to be a major product center for the Pfizer pharmaceutical company; it is true for Columbus, Ind., which has held on to the family-run Cummins Engines.

Those are the success stories. They focus on advantages that most of the smaller industrial cities simply do not have. The majority of these have had to bet their futures on longer shots. Dayton, Ohio, suffering from heavy losses in both employment and population, has gambled on a large-scale effort to attract a new cohort of young people, and thus businesses, to live in the community, including both transplants from bigger U.S. cities and

immigrants from other countries.

There have been some tangible results. In 2016, Dayton led the nation in percentage of homebuyers under the age of 35. But like most legacy cities, Dayton suffers from a perplexing housing problem: Its housing costs are so low that developers are reluctant to build new market-rate units because they can't sell them at a price high enough to cover their investments. So for the time being, at least, Dayton's campaign to bring in millennials suffers in part from a problem of supply.

You probably won't be surprised when I tell you that neither of these reports provides a recipe for getting out of the box most of these cities are in. There are recommendations, but just about all of them are general and obvious: "Build Civic Capacity and Talent," "Engage in Community and Strategic Planning," "Build an Authentic Sense of Place." You get the idea. It's not that Muncie and Youngstown haven't thought of those things. It's that they frequently are unachievable in distressed circumstances.

One piece of advice does make a lot of sense to me, though, even if the two studies only imply it. It's the reminder that cities grow and prosper by exporting things. Sometimes those are office chairs or diesel engines; sometimes they are simply good ideas that customers far away will invest money in—a new piece of computer technology, say, or a snack food no one has heard of before. But they have to be products that appeal to somebody on the outside. New parks and stadiums and entertainment districts built for the use of local residents can do good things for morale. In the end, though, a city needs to get into the export business, whether it is distressed, thriving or modestly scraping by. There really isn't another choice.

J.A. Froude, the 19th-century English historian, was aware of this in 1876. He is supposed to have said that "you can't have an economy by taking in each other's laundry." You still can't, at least not a successful one. In the midst of wrenching change, some simple truths remain true. **G**

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# Whose Disaster Is It?

Everyone wants protection against weather emergencies. Few want to pay for it.



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With its pink sands and warm water, Bermuda is a great place to visit. It's also a great place to live. It has the fourth-highest per capita income in the world. But that's not because of tourism.

It is because of reinsurance, the arcane business of selling insurance to insurance companies. We buy coverage to protect ourselves from really big losses, and the insurance companies do the same—they buy policies from reinsurance companies to defend their bottom lines from disasters much like this year's hurricanes. Low tax rates attract many of these reinsurance companies to havens such as Bermuda. It's the big reinsurers, like PartnerRe, Everest Re, Ace and XL, that float much of Bermuda's economy.

But hurricanes are a huge nightmare for these companies. As Hurricane Harvey showed this year, a single big storm can drown whole neighborhoods and cause

tens of billions of dollars in damage. Economists have argued for years that the best way to manage such risks is for the government to identify neighborhoods that are prone to flooding, create zoning laws that restrict construction in these areas and encourage everyone else to buy flood insurance.

First-line insurance companies are very queasy about this approach. Big storms such as Harvey, Irma and Maria can put the companies—financially speaking—underwater. That's where the reinsurers might be expected to come in. They are the masters of disaster, selling policies to other insurance companies to protect against mega-losses. But it turns out reinsurance companies don't much like flood insurance either, because the potential for sudden, large-scale losses is so great.

The federal government has its own flood insurance program, and that constitutes a major line of defense when the

reinsurers back away. Most citizens in hurricane-prone regions, however, don't take advantage of this federal coverage. Fewer than half of all Florida residents have purchased federal flood insurance. In Houston, it's just 15 percent, and in Puerto Rico, 1 percent.

Some citizens simply don't have the money to buy insurance. Some are caught up in the "it won't happen to me" syndrome. And some, perhaps, assume that the government will sweep in to provide relief if they're ever hurt, even if they didn't buy protection.

So the combination of reinsurance and federal coverage isn't enough to solve the problem. That realization led Florida to step in with its own state-run insurance program. The program has boosted the number of Sunshine State residents with flood insurance, but critics complain that the state coverage is too expensive, and conservatives grumble that it's a socialist takeover of private markets. Meanwhile, the program's supporters argue that it's ultimately the state that ends up protecting residents who are abandoned by private insurance companies and who fail to buy federal policies.

Florida's program weathered Irma's fury, but the state was lucky because of the storm's last-minute zigs and zags. Had the hurricane hit Florida with the impact that forecasters initially feared, the losses might have collapsed the state insurance program entirely.

All of this is generating a huge debate about who ought to be responsible for what in the world of natural disasters. What should we do when private companies back off from selling policies where they might suffer big losses—and when the reinsurance companies get nervous about backstopping the industry? What should we do about a federal flood insurance program that people won't pay for, even



though they should? And what should we do about state-based programs that can be wiped out with a single big storm?

One could argue that the federal government is inevitably the insurer of last resort. When a catastrophic flood occurs, everyone tends to look to the feds to provide help—even those who refused to buy federal flood insurance. That, in turn, triggers another puzzle. When the federal government does provide aid, should it forbid homeowners from rebuilding in harm's way?

This brings the economists back into the debate. The private insurance option is surely the most efficient answer to the dilemma: Define the risks, allow people to make their choices, encourage them to buy coverage, and do relatively little for those who refuse to buy the insurance and then lose their homes. But like many solutions that economists favor, this one may be politically unfeasible. The political costs of allowing the uninsured to suffer are probably too great. And beyond the politics, the strategy would require stabilizing the private insurance market, especially convincing the reinsurers to take the risk that comes with the potential of more Harvey-Irma-Maria hurricane seasons.

That's a tall order. With the likelihood of more big storms, a private insurance industry struggling to cope and state-based programs likely to be swamped—the odds are that even fans of small government will have to accept increased involvement on the part of Washington.

Everyone wants protection from mega-storms, but no one really wants to spend money to get it. And no one wants to be told that they can't build wherever they want to. These dilemmas are pushing the policy debate away from private market solutions and more toward a federal strategy where taxpayers foot the bill—and where we struggle over national decisions about local land use. It's no wonder that the Bermuda reinsurers would rather spend their time enjoying the island's pink sands than struggling with these tough dilemmas. **G**

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## Cities' Vanishing Black Mayors

Despite recent wins, they're on the decline.

Last month's elections brought a lot of diversity to city halls around the country. Minneapolis elected two transgender candidates to the city council. Hoboken, N.J. will have a Sikh mayor. Topeka, Kan., elected its first Latina mayor, while Charlotte and New Orleans both elected their first black women mayors. St. Paul, Minn., and a number of smaller cities elected their first black mayors ever, while Helena, Mont., is about to swear in its first black mayor since the 19th century.

But, at least in terms of black representation, those wins run counter to the larger trend that's seeing fewer black politicians elected to lead major cities. Until recently, Jacksonville, Memphis, Philadelphia and San Antonio all had black mayors. Now, they've all been replaced by white successors. Detroit Mayor Mike Duggan, who is white, defeated Coleman Young II, the son of that city's first black mayor, to win reelection last month. The nation's largest cities—New York, Los Angeles and Chicago—have each had just one black mayor, and that was some time ago.

By 2000, 19 of the country's 50 biggest cities had or would soon have black mayors, *Forbes* recently reported; by 2017, that number had fallen to six. This shift is perhaps most strikingly illustrated by Atlanta. Back in 1973, Atlanta was the first major city in the South to elect an African-American mayor. This month, Mary Norwood could become the city's first white mayor in nearly half a century.

In the 1970s and 1980s, when blacks were first being elected mayor in several major cities, urban America was in decline. Many whites had decamped for the suburbs, downtowns were largely empty and violent crime was on the rise. The fact that blacks were winning political power under such circumstances was described as a "hollow prize" by academics.

Today, many cities are booming, gaining jobs and population. In a lot of cases, those population gains have been driven by whites. In Atlanta, for example, the black share of the population has declined by 10 percentage points over the past decade. It's still a black-majority city, but just barely. "In the '80s, a lot of white people were leaving the city," says Andrea Benjamin, a University of Missouri political scientist. "Now, a lot of them are coming back."

What's more, voter turnout among blacks tends to run behind that of whites. That can be exacerbated when African-Americans have had expectations elevated by black leadership that failed to deliver results, says Melissa Marschall, who runs a center on local elections at Rice University. "Some research has shown that especially if first-time black mayors don't make good on promises made to black voters, those voters become more disaffected," she says. They may think, "We elected one of our own and we're still not getting anything, so why bother?"

That doesn't mean white candidates can ignore black voters. Whites must court them, pledging to improve government without arguing in explicitly racial terms that previous black leaders failed, says Michael Leo Owens, an Emory University political scientist. "White candidates can figure out the right tone, condemning city hall without seeming like they're making an attack on black leadership." **G**



Charlotte's new mayor, Vi Lyles

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# The Birthing Bust

Ob-gyn wards are costly, and they're shutting down across rural America.

**L**ocated as it is in rural southwest Kansas, you'd expect the Kearny County Hospital to be a relatively sleepy operation. The county's population is just under 4,000, and the closest metropolitan area, Wichita, is four hours away. But the hospital's birthing suites are busy: They're now averaging almost one birth every day, nearly twice as many as a few years ago.

There's no mystery as to why the number of babies being born annually at the county-run hospital in Lakin jumped from 189 to 360 in a four-year period. Other hospitals across the region have closed their expensive ob-gyn wards, reflecting a trend across rural America. A study published in September in the journal *Health Affairs* found that 1 in 10 rural counties had lost their ob-gyn wards in the past 10 years.

It used to be unimaginable for any hospital to shutter its obstetrics ward, says Benjamin Anderson, the Kearny County Hospital's CEO. But for hospitals struggling to stay open at all, there aren't a lot of units to close other than the maternity ward. "It requires so many fixed costs," Anderson says. "You have to have birthing suites, anesthesia, medical staff with C-section capabilities."

Yet even getting out of the birthing business hasn't enabled some rural hospitals to survive. Since 2010, 82 of them have closed

their doors, the result of factors ranging from the costs of health-care reform to declining populations to aging local workforces that make staffing a particular challenge.

The Affordable Care Act forced hospitals to modernize their operations and change existing structures of health-care delivery. Rural hospitals often lacked the resources to comply, but this was especially true in states such as Kansas that didn't expand Medicaid under the federal law.

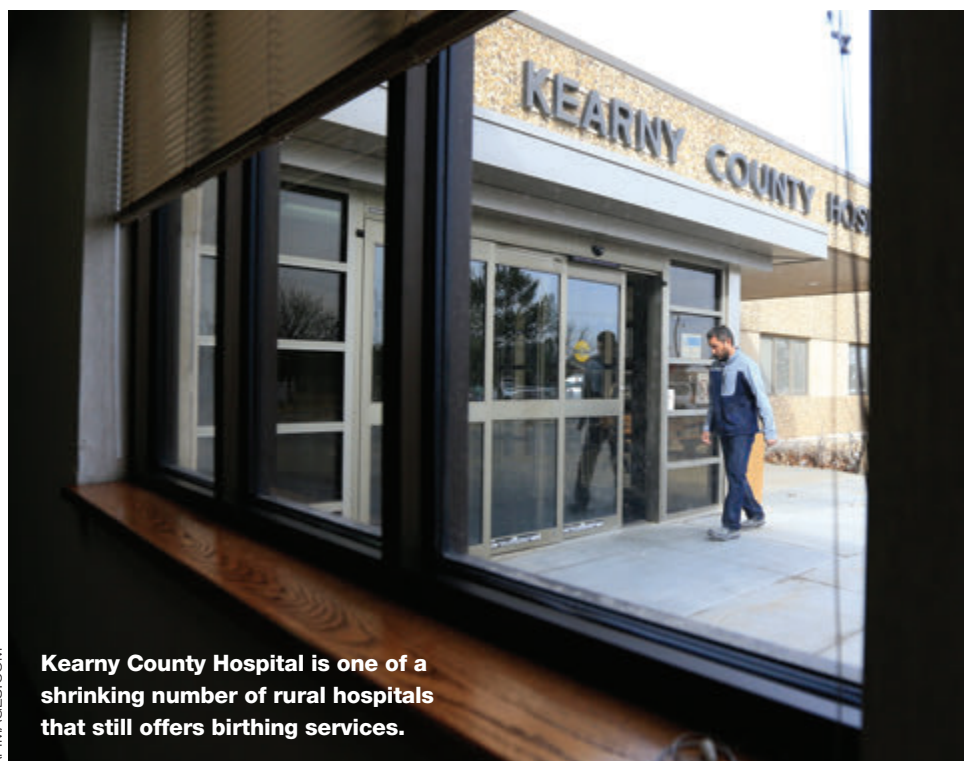
Maternal health in rural America is made more complicated by the fact that rural areas routinely rank higher than urban areas in rates of noncommunicable diseases and preventable deaths. Birth outcomes are poorer, too. And with fewer and fewer ob-gyns available, there will likely be more high-risk pregnancies, unhealthy births and resulting long-term health issues. "What happens during pregnancy sets the tone 20 or 30 years down the road," says Lisette Jacobson, an assistant professor of preventive medicine and public health at the University of Kansas.

Meanwhile, costs and maternity ward closures are likely to continue to mount. Anderson says that by offering obstetric services, his hospital is operating at a six-figure annual loss, even after receiving funding through a public-private partnership to

expand its maternity offerings. Women are coming in from two hours away to give birth, and the hospital is quickly running out of birthing space, he says.

There's no funding solution in sight. While states might try to pick up some of the slack, there's a consensus among most health-care experts that a federal partner is needed. Even a reform as simple as mandating a minimum distance between delivery sites—along with the funding to make that work—would benefit not only new mothers but their families as well, Anderson says. "Mothers make about 80 percent of the health-care decisions in a family, so if mom is healthy, that's one of the most significant factors to making sure the whole family is healthy. We have to get this right." **G**

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**Kearny County Hospital is one of a shrinking number of rural hospitals that still offers birthing services.**

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# Plugging the Carbon Leak

California is targeting supply chain emissions. Will others follow?

In early 2006, the California Department of Transportation put out a bid for work on the San Francisco-Oakland Bay Bridge. Several steel mills from around the West Coast threw their hats in. But ultimately, it was a mill 6,500 miles away in China that won. California's steel mills were furious.

The decision was controversial for a lot of reasons. But for California steel mills, the issue was simple: They have to comply with some of the strictest pollution rules in the world. Because of that, they've invested in clean technology that produces half the emissions (or less) per ton of steel than the dirtiest mills. But, they argued, there was no market advantage to them for making their product cleaner; the playing field wasn't level. The Sierra Club of California and the BlueGreen Alliance, which is a national organization that connects labor with environmental issues, agreed. There was indeed no requirement that the state Department of Transportation select the cleaner steel. Why not then, the groups wondered, make one?

Enter the Buy Clean California Act, the world's first legislative effort to address supply chain carbon emissions. The act, which Gov. Jerry Brown signed into law in October, requires state agencies to consider the carbon footprint of materials used in infrastructure projects when purchasing steel, flat glass and mineral wool, which is a broad category of insulation for buildings.

The idea of targeting supply chain emissions isn't new. Greenpeace, for instance, has the Click Green campaign that tries to encourage large technology companies to buy 100 percent renewable energy. But the Buy Clean California Act is the first legislative iteration of such efforts.

It targets something climate policymakers call "the carbon loophole." More than 20 percent of the world's greenhouse gas emissions are caused by the manufacture of products in one state, but consumed in another. But states can only directly regulate the emissions that come from within their borders; they can't make other states adhere to their standards. "What happens is you pass a regulation in California and the industries that don't want to comply move away. They can therefore continue polluting at the same rate," says Matthew Lewis, a communications consultant for the ClimateWorks Foundation, one of the organizations behind



**The San Francisco-Oakland Bay Bridge's eastern span was replaced with a new crossing that opened in 2013.**

the law. "That's the carbon loophole, and the problem we're addressing with the Buy Clean California Act."

The law is backed by labor unions, industrial factories and environmentalists because it has something for everyone: The state spends about \$10 billion a year on infrastructure, and under the law, a large chunk of that money will now be directed at low-carbon suppliers.

Buy Clean formally takes effect in 2019, but state agencies will begin working on it next year. They are tasked with identifying benchmarks, adopting them and adding them to the procurement process. While the law only targets steel, glass and mineral wool, "we're hoping to expand that to include more categories in the next year," says Lewis. "There's an appetite both among the legislature and governor's office—and really by California voters who overwhelming support climate policy at the state level—to eventually cover all products purchased by the state of California."

Already, California has received inquiries about replicating the law in other states and at least one European country. "What we hope will happen is that any factory that makes any covered product will look at the California market and say, 'That's a big enough market for us to also invest in cleaner processes and cleaner technologies,'" says Lewis. "This is also something state and local governments can do on their own." **G**

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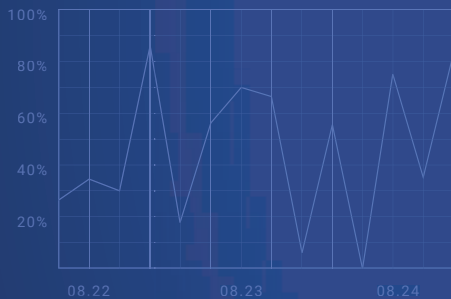


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08/22/17 09:36 – 88%	08/23/17 10:16 – 5%
08/22/17 14:24 – 18%	08/23/17 15:46 – 58%
08/22/17 19:12 – 58%	08/23/17 20:27 – 0%



### STATISTICS

AVG. FILL LEVEL AT COLLECTION  
83%

AVG. WEIGHT AT COLLECTION  
21 LBS / 9.53 KG

AVG. TIME BETWEEN COLLECTIONS  
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# What Elon Musk Doesn't Get

The tunnels he wants to build under L.A. would profoundly affect the surface.

I'm no genius, but Elon Musk certainly is. After all, the 46-year-old inventor and investor shoots rockets into space, talks confidently of colonizing Mars, and has built in Tesla a car and solar energy company that the market values at tens of billions of dollars despite it having yet to turn a profit.

But I believe I know something that Musk doesn't: Transportation systems don't just get us from point A to point B. They shape the entire way cities look and feel and grow.

Let me back up a bit. One of Musk's current big ideas is to build a vast network of tunnels underneath greater Los Angeles. Cars riding on wheeled platforms called "electric skates" would speed along at more than 120 miles per hour. "You should be able to get from, say, Westwood to LAX in five or six minutes," Musk said in a TED Talk interview earlier this year. That drew great applause from the audience: Interstate 405, the highway that now carries most traffic the 10 miles between the Los Angeles neighborhood and the airport, is the nation's most congested.

This vision is not just a pipe dream.

His tunnel-boring company—called the Boring Company, of course—has already been given permission to dig a 1.6-mile test tunnel underneath Hawthorne, Calif., where the company is headquartered. It's now under construction. (The Boring Company was also recently given permission to dig a 10.1-mile tunnel in Maryland as part of Musk's proposed "hyperloop" transportation system.) Crucial to Musk's idea is that he envisions developing cheaper tunnel-boring technology—so cheap that one could essentially build an infinite number of tunnels underground. "You can alleviate any arbitrary level of urban congestion with a 3D tunnel network," Musk has said.

But while the engineering vision is incredible, Musk doesn't seem to know much about how transportation affects what is around it. Musk, like many people, apparently thinks of transportation simply as getting from one place to another. But as I wrote in my first book, *How Cities Work: Suburbs, Sprawl and the Roads Not Taken*, if you create a well-used new way of moving, you create a new way of living. Subways created subway cities. Streetcars created

streetcar suburbs. The postwar interstates created linear cities along the superhighways' spines. And Los Angeles' elevated freeways and limited-access roads created sprawling neighborhoods below that, to this day, people both love and love to hate.

With this in mind, you can see where Musk goes wrong. He talks of the built environment as if it were static—as if you could have all of these tunnels going between places and nothing would change up on the ground.

But of course if you had high-speed tunnels under Los Angeles, developers would build to dovetail with them: things like apartments, office buildings and retail. Churches and schools would spring up in new places. Musk envisions his tunnels as helping get people to Pasadena in minutes. But if these tunnels really work, then Pasadena would have new residents living there, and it wouldn't be like present-day Pasadena anymore. Giant parking garages might develop above tunnel stations. Or if some driverless car scenario minimizes the need for parking, even-denser collections of apartments and shopping and office centers would come.







Sure, Musk's envisioned L.A. tunnel system looks pretty cool. An animated video on the Boring Company website shows what looks like a Tesla sports car in tortuously slow regular traffic on a city street. Then, like some Q-designed vehicle in a James Bond movie, the car rolls onto an electric skate in the parking lane. The skate drops down beneath the surface and is ferried off to the tunnel system. The skate-carried car rockets along at a breathtaking speed until it is delivered back up to a surface street, where the driver continues on his or her journey.

But you can see the shallowness (forgive the pun) of Musk's thinking in that in the videos these deep tunnels have only a light amount of traffic in them. In the real world, of course, they would fill up very quickly. I was reminded of the influential Swiss architect and planner Le Corbusier from the 1920s, whose sketches of his proposed new cities of towers showed only a few cars on their highways. We all know how that worked out.

I was curious as to what Musk or an associate would say about my criticisms, but I couldn't get anyone to talk to me. I did reach a Boring Company spokesperson, who referred me to their website's FAQ section. There, I found a very interesting discussion about the engineering aspects of the tunnels, but nothing about land use.

So how could a new layer of cheaper tunnels be put to more beneficial use than what Musk envisions? Well, it may not sell many Teslas, but one answer might be a more complete subway or bus system, combined with bicycling and walking networks aboveground. The nice thing about those is that we have a history of pleasant urban spaces being built around them and some models to work with.

Whatever is done, one should always remember that transportation determines land use, either by design or in unintended ways. Another lesson is that one should be wary of geniuses bearing gifts. They may be well-intentioned, but they may not know everything about what their packages contain. **G**

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## What Harvey Teaches Us

Did this year's storms shake us from our complacency?

Every disaster is different, and that's part of the problem for cities. The experience of Hurricane Harvey here in Houston, where I live, is a case in point.

The word "hurricane" was kind of a misnomer. Yes, Harvey flattened small cities to the south, but Houston itself didn't experience torn-off roofs or widespread power outages that typically accompany hurricane-force winds. A better name for the storm would have been Rainstorm Harvey: It sat on the city for several days without moving, dumping up to 50 inches of rain on some neighborhoods.

In the aftermath of the storm, officials began to look to other cities for guidance, especially to New Orleans because of Hurricane Katrina and New York City because of Superstorm Sandy. Yet the comparisons may not be that instructive. Unlike Katrina, Harvey did not shut Houston down completely; only about 10 percent of residents saw serious property damage or lost their homes. Everybody else was more or less OK. And unlike Sandy, Harvey did not do severe damage to public infrastructure. A couple of freeways were shut down for a week or two, but that was about it.

For these reasons, it would be easy for Houstonians to think that Harvey was a freak thing that affected a relatively small number of people. In fact, that's what some people have publicly argued. Yet Harvey did one important thing to all of us in Houston: It vastly increased our sense of vulnerability. And that's something that all these storms have in common.

Harvey was the third major flood in Houston since I moved here three years ago, and at least the sixth since Tropical Storm Allison in 2001, which was Houston's previous rainiest storm. Some places have flooded over and over again, but in the past 15 years most places have flooded at one time or another. The whole thing is a little like the earthquake situation I used to know when I lived in California: You know which areas are vulnerable, but it's impossible to predict with any certainty who's going to get whacked next. That's why we feel so vulnerable.

So the challenge for Houston, as it was for New Orleans and New York, is to recognize that something's wrong and figure out what we can fix and what we can't. Some people are calling for lots of hard infrastructure solutions, such as dams, reservoirs and pipes. Others are calling for green solutions that include protecting and expanding our open spaces and parks system. Still others are calling for a massive effort to buy out some homes and elevate the rest. It will probably take all of these solutions for us to feel safe again. But the good news from Harvey—if there is any—is that it will likely shake us from our complacency and remind us that, even in Houston, we have to work with nature rather than against her. **G**

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**G**overnment works. In the current political climate, that's a statement that can come off as bold, or even radical or controversial. Hyperpartisanship has put a chokehold on Washington, and on some state capitols and city halls. It often seems impossible to get anything done at all.

But the best public servants know that isn't true. They know the power of the public sector to innovate, to find a way forward, to make real improvements in the lives of all Americans.

They know that government can, in fact, get it done.

Each year, *Governing* honors outstanding public officials who have made an indelible impact on the lives of the people they serve. This year's nine honorees are outstanding examples of the strong determination, the bold ideas and the incredible amount of grit it takes to get things done in government.

Government can work. And thanks to the leadership of these nine remarkable public leaders, government can work wonders.

**2017**

# PUBLIC OFFICIALS *of the* YEAR

# Marybel Batjer

SECRETARY OF GOVERNMENT OPERATIONS, CALIFORNIA

**M**arybel Batjer knows how to make big moves quickly. In just five weeks in 2013, she went from being vice president of Caesars Entertainment Corporation in Las Vegas to becoming California's first-ever secretary of the Government Operations Agency (CalGovOps). As soon as she arrived, she was given a mandate by Gov. Jerry Brown to begin a prompt overhaul in how the nation's largest state government operates. But Batjer, who at age 62 has advised two other governors and been a Pentagon insider, knows how to move deliberately as well—she has run the professional equivalent of a marathon or two already in her career. “You have to set yourself in a pace or cadence where you’re not trying to boil the ocean,” she says. “You’re not trying to learn the depth of everything—but you’ve got to get on top of everything quickly.”

In her four years heading up CalGovOps, she's tackled California's slow-moving bureaucracy head-on by shaking up the state's hiring practices and project management. She is redesigning a personnel system she says has been “stuck in the last century,” with individual hires taking as much as a year and employees working in walled cubicles with outdated computers. That's completely unappealing, she says, to a generation raised online. “People who are used to everything at the tip of their thumbs on their smartphones, they walk into a state office building and they're taken back 30 years,” Batjer says.

One way Batjer has changed the hiring process is by revamping civil service exams. More than 200 of these are now online in California, and Batjer wants to simplify things even more by consolidating exams for similar jobs offered by different state departments. She's pushing to eliminate tests altogether for some licensed professionals, such as lawyers and

doctors. And once candidates are hired, she is making sure their work environment is more responsive to the expectations of a younger generation. She has modernized employee orientation and made leadership training mandatory for supervisors.

But perhaps the biggest change under Batjer has been in the state's IT department, where projects have historically run over time and over budget. To combat that, CalGovOps worked with the tech advisory group Code for America to introduce a new system that launches projects in stages. Known as agile project management, the system requires departments to hit specific benchmarks prior to moving ahead, such as successfully testing a procedure before applying it statewide. It sounds obvious, but for California, it is something new. The idea, says Batjer, is to “fail fast,” so that departments can find out in a matter of weeks—rather than years—if an idea needs to be reworked. The new approach is being tested on the state's 20-year-old child welfare case management system, in which the traditional long-term contracting model is being dumped in favor of multiple contracts with vendors on shorter deadlines. This change has the eyes of the tech world and has made California the “epicenter of digital government services,” according to management expert Aaron Pava.

Recently, Batjer was preparing for a speech about agile management and asked her team what stood out to them during the transition. Surprisingly, it wasn't any particular substantive change. It was the revolution in how decisions were made. “You made a decision. You said “yes,” and you said “yes” fast,” Batjer remembers them telling her. “It's a reminder that we do really cool things in government—we just have to give people the ability to go do it.”

—LIZ FARMER





# Phil Bertolini

CHIEF INFORMATION OFFICER, OAKLAND COUNTY, MICHIGAN

**P**hil Bertolini has spent the better part of his career dealing with tech issues for the second-largest county in Michigan.

But what he's best known for these days is his commitment to helping smaller communities around the state get access to better technology.

Oakland County, where Bertolini is CIO, has been providing shared services to other localities for decades. But Bertolini has taken that process a huge step further. In 2011, he brought the intergovernmental process online to let smaller governments with limited investment capacity take advantage of the work that bigger ones like Oakland had already done. He did that by launching G2G Cloud Solutions, which provides computing services that allow residents of even the smallest municipality to pay tickets, bills and property taxes online. Soon after that, Oakland County followed up with the G2G Marketplace, an online store where governments can find lists of approved vendors and ready-to-go contracts that they can use to research and buy technology and services.

A number of the larger governments around the country do this to some extent. But none have done it on the scale Oakland County has. So far, 82 agencies in Michigan have joined G2G Cloud Solutions, and 52 of them are outside Oakland. Even more remarkable is the fact that there are 721 users participating in the G2G Marketplace across 49 states. Bertolini's team also makes house calls: They swoop in and troubleshoot IT problems in a number of other jurisdictions,

including the state government in Lansing.

The reason for sharing is simple, says the 54-year-old Bertolini: It's the right thing to do. Oakland County, with a population of 1.2 million and an annual IT budget of more than \$55 million, has tech resources that most local governments in Michigan couldn't possibly afford. "Philosophically, I believe bigger governments should be helping smaller governments," Bertolini says. "I believe if we have the wherewithal to help somebody, why wouldn't we?"

Oakland isn't exactly giving away the store in this deal. Bertolini has structured it so Oakland makes a little money in the process. The county takes a share of any access fee a city or town might charge its residents for a service that uses Oakland County computers. Last year, those fees totaled \$1.7 million. And whenever another locality takes advantage of a vendor's rate that Oakland has negotiated and put up in the G2G Marketplace, Bertolini's county gets a discount on its own contract with that vendor. To date, that procedure has saved the county some \$630,000.

The collaborative mindset has earned Oakland County national recognition as a tech leader. Earlier this year, Oakland was named one of the most digitally advanced counties in the country (it came in second to King County, Wash.). All of this, says County Executive Brooks Patterson, is a far cry from when he took office in 1993 and discovered county employees were still using typewriters. "We came from nowhere," Patterson says. "And it all goes to Phil. He's really put this place on the map."

—LIZ FARMER





# Tom Dart

SHERIFF, COOK COUNTY, ILLINOIS

America's largest mental health hospital is the Cook County jail. With a daily population of some 9,000 inmates, it's the biggest single-site penal facility in the country, and it's estimated that as many as one-third of the people housed there have mental health issues. "When you walk around, you can't help but feel you're in the wrong place," says Sheriff Tom Dart. "You feel like you're in a mental health hospital. If they're going to make it so that I am going to be the largest mental health provider, we're going to treat these people as patients."

Since becoming sheriff in 2007, Dart has worked to transform the jail from a warehouse for prisoners into a facility that provides its occupants with the mental health care and resources they desperately need. Three-fifths of Dart's correction officers have mental health training; all new incoming staff now must complete 60 hours of advanced training in mental illness treatment. In 2015, he chose a psychiatrist to be warden of the jail, said to be the first such appointment in the nation. Dart has implemented mandatory screening for behavioral and substance abuse disorders when suspects are detained, and he refers them to treatment outside the jail's confines if they seem to need it. For those sentenced to hard time and ineligible for treatment outside, Dart instituted group therapy. To reduce recidivism, he established a 24-hour telephone hotline for ex-inmates struggling after they are released.

Dart didn't set out to be the sheriff of the nation's second-largest county. In fact, he grew up wanting to be a priest. But after beginning his career as a prosecutor and then serving for a decade as a state lawmaker, Dart saw the job of sheriff as one in

which he could work on the health and social welfare issues that mattered most to him.

As sheriff, Dart is also responsible for foreclosure evictions, and he has fought to limit them. As the housing crisis was cresting in 2008, he made news for refusing to process evictions against tenants he believed had been treated unfairly by lending institutions. He installed new rules that make it harder to kick out tenants when their landlords have fallen behind in their mortgage payments. His efforts won national attention; *TIME* magazine put him on its list of the 100 most influential Americans.

After asking what he called "basic questions" about the Illinois child welfare system, Dart realized that states often don't try to find runaway foster kids. In 2012, he established a task force to track down children in Cook County who've left foster homes. "Our child welfare system does not look for these kids," Dart says. "How can we accept that?"

Dart is politically popular, but his tenure hasn't been without controversy. Correctional officers' unions have criticized him for protecting inmates at the cost of officer safety. He's fought with County Board President Toni Preckwinkle over staffing levels. He's been called "Sheriff Goofy" for sponsoring chess tournaments, teaching inmates to raise chickens, and allowing them to make and serve pizza to each other. But he says he wears that nickname proudly.

And the results speak for themselves. Thanks to Dart's diversion programs, the Cook County jail population is at its lowest point in more than a decade—a trend that could save taxpayers more than \$180 million over the next 10 years.

—MATTIE QUINN







# Infrastructure That Delivers the Highest Public Good

## 3 strategies to help maximize the impact of government spending

America's public infrastructure is aging, and it will require a huge investment to renovate or replace it. In fact, the American Society of Civil Engineers estimates a \$2 trillion investment will be necessary by 2025 for new and upgraded infrastructure across the country. This eye-opening level of need continues to drive the public sector's focus on infrastructure projects that produce high levels of financial value and public benefit. Whether receiving funds or financing, these types of projects can be easier to sustain when government leaders apply three strategies for project selection, financing, and delivery.

### STRATEGY 1: CREATE A PORTFOLIO VIEW OF PROJECTS

Government entities often struggle to develop a comprehensive portfolio view of infrastructure needs, making it difficult to prioritize competing projects. Due to this, the projects that proceed are often those with the most powerful political support. In contrast, a portfolio view enables governments to prioritize projects based on factors such as critical need and anticipated economic benefit.

Developing a full view of the infrastructure portfolio is challenging because typically no single agency looks at all infrastructure within a jurisdiction. This means the government or agency cannot optimize overall infrastructure spending or maximize the use of available federal funding. However, overcoming the challenge is worth the benefit of having a portfolio view that enables stakeholders to identify the big picture of infrastructure needs and best areas for investment.

Once the portfolio view is in place, the next step is to create a business case analysis for each infrastructure project. The business case should include a quantified scoring of project risks and benefits.

Running comparative analytics on the business case data also helps officials prioritize the projects for planning, funding, and delivery. These analytics encompass

cost modeling and an objective assessment of business case factors to identify the projects that will likely achieve the best investment objectives.

Together, the assessments produced by the business case and comparative analytics help decision-makers evaluate tradeoffs and improve resource allocation among projects. These activities also help governments select and prioritize projects in an outcome-focused process that is transparent to the public.

Virginia uses a portfolio-based process to score transportation infrastructure projects. State officials have replaced politically driven wish lists with an objective, data-driven, and transparent decision process, making the best use of limited state funding. Projects are scored and evaluated objectively based on improvements to safety, congestion reduction, accessibility, land use, economic development, and the environment. The criteria for prioritizing projects and the scoring results are available to the public online.

### STRATEGY 2: IDENTIFY POTENTIAL FUNDING AND FINANCING

The question of funding has delayed many infrastructure projects in recent years as governments focus on serving increasing citizen needs with limited growth in budgets. To move forward on infrastructure projects, governments can look to new options for funding such as private global investment funds and private equity markets.

To leverage capital investments from the private sector, infrastructure projects need to generate a certain and robust funding stream. In many cases, that funding will require some type of tax increase. A strong business case may help leaders educate the public about the project need and gain support for new taxes, fees, or tolls.

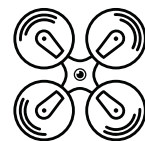
Whether the initial funding comes from a tax levy or private investors, the next step is to arrange the project financing, traditionally by issuing municipal bonds. Future infrastructure

### SPOTLIGHT: LEVERAGING NEW TECHNOLOGIES

Once construction is underway, several new technologies can help agencies improve project tracking and ROI:



Construction analytics tools can gather information from multiple systems and public data to identify issues and predict risks early.



Drones enable managers and workers to see details of the project that were not previously visible.



Wearables such as glasses and safety vests collect and upload valuable project data, including safety metrics and construction progress.



3D printing boosts jobsite productivity and improves worker safety.

projects will increasingly rely on innovative financing, including equity involvement through design/build contracts and public/private partnerships (P3s). Governments can also discover financing options by taking a new look at how project roles, risks, and rewards can be allocated among multiple partners (see figure 1).



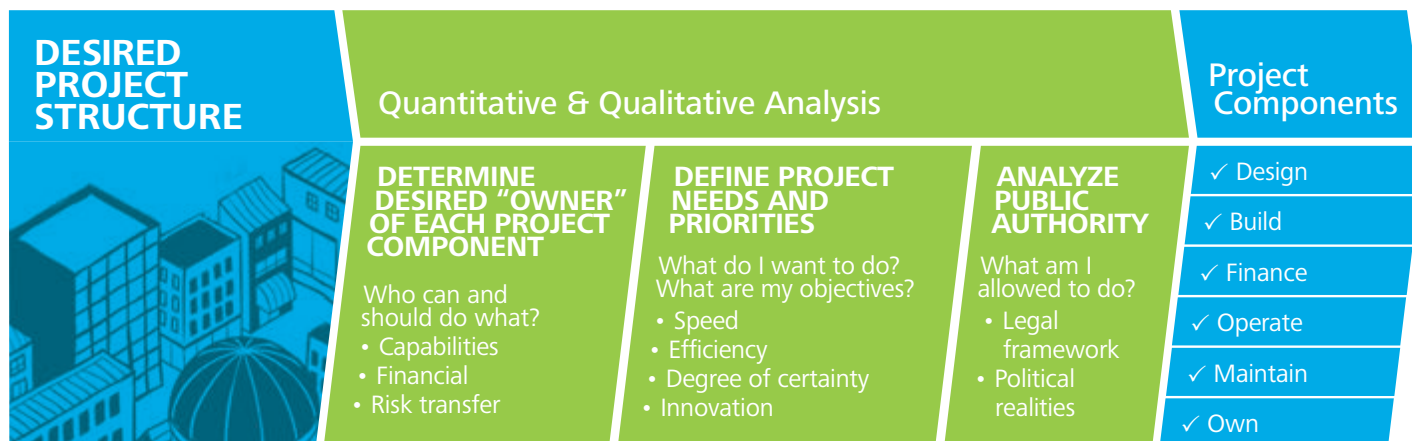


Figure 1. Elements for designing new project structures

### STRATEGY 3: CLEAR A LEADERSHIP PATH FOR PROJECT DELIVERY

Governments need to increase public confidence about their ability to deliver an infrastructure project without delays and cost overruns. As a starting point, agency leaders need practical resources and political backing to clear a leadership path for accomplishing the project according to plan.

An ever-growing suite of tools is available to support this path through renewed capabilities for:

- Improving the organizational structure, systems, and controls in planning and managing capital projects
- Implementing alternative procurement practices
- Adopting innovative methods for construction planning and management

These tools can help complete projects faster, with better quality, and at a lower cost. In turn, the success of one project improves public confidence about subsequent projects in the pipeline.

### EXPANDING THE VIEW TO MAXIMIZE THE BENEFIT

By viewing infrastructure projects as a whole, all stakeholders can participate in meaningful discussions about priorities and the trade-offs of financial costs and investment for economic benefits. This approach can help governments move beyond selecting projects based on what is politically palatable to decisions based on obtaining the greatest public good. Using new tools such as construction analytics can give government the confidence it needs to promote critical infrastructure projects, and help deliver them on time and budget.

### AN INFRASTRUCTURE PLAN FOR MICHIGAN

Michigan, like most states, is working on its long-term infrastructure planning. To accelerate action on addressing critical infrastructure needs, Governor Rick Snyder created the 21<sup>st</sup> Century Infrastructure Commission in 2016. In a parallel effort, the CEO roundtable in Michigan, Business Leaders of Michigan, commissioned Deloitte to study the state's infrastructure performance and practices in comparison to other governments, then recommend strategies for improvement.

The study findings should help Michigan leaders across the public and private sectors understand the overall level of infrastructure investment needed, prioritize projects, coordinate project planning and procurement, and explore new approaches to project funding and financing.

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Government infrastructure and capital projects are challenging and require a new approach. Deloitte can help government organizations define an achievable strategy by incorporating new techniques to analyze, prioritize, and determine funding or financing of projects, with an enhanced visibility into cost, schedule, and quality.

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# Jim Denning

SENATE MAJORITY LEADER, KANSAS

**B**y the beginning of 2017, most politicians in Kansas recognized that the state's "real-live experiment" with tax reduction had failed. Following passage in 2012 of a large tax cut and economic restructuring package, state revenue shortfalls had become a constant, while the promised increases in jobs and businesses never materialized.

But ending the failed experiment and restoring fiscal responsibility was never going to be an easy sell. Gov. Sam Brownback, the architect of the tax-cut regime, had made it clear that he would not sign any legislation to roll it back. After Brownback vetoed an initial attempt in February, and the legislature failed to override him, it became certain that a two-thirds majority would be required.

It wasn't clear where the additional votes would come from. The Kansas Legislature is split into three

parties—Democrats, conservative Republicans and moderate Republicans. Conservatives had lost seats to both of the other groups in 2016, but there were still enough of them around to matter, particularly in the state Senate. "All along the way, there was a core group of Democrats and Republican moderates who supported a new tax policy in some form and never wavered from that," says University of Kansas political scientist Patrick Miller, "but they didn't have enough votes to override."

The House Women's Caucus ended up playing a key role in summoning up the needed votes, hosting sessions that allowed legislators to air their concerns and priorities, and helping to give the final bill its ultimate form. But it was two legislative leaders, one in each chamber, who ultimately got the job done. "If you get a Jim Denning and a Jim Ward, then

DAVID KIDD





# Jim Ward

HOUSE MINORITY LEADER, KANSAS

you get everything in between, too,” says Ward, the 58-year-old Democratic leader in the Kansas House.

Denning, the conservative Senate majority leader, concedes that raising taxes is “nothing that I’m proud of,” but he recognized that the 2012 cuts, which he had supported, had gone too far. Notably, the elimination of taxes on sole proprietorships and limited liability corporations, which created loopholes to “pass through” individual income, had clearly been abused. “I knew we needed to do something to get Kansas back on sound financial footing,” says the 61-year-old Denning. “We were taking on water.”

Denning and Ward disagreed about a number of other issues, such as the number of individual tax brackets and whether to make any tax increases retroactive. But they were eventually able to find agreement, bringing enough of their caucuses with them to override another

Brownback veto in June. “The main MVP ended up being bipartisanship,” says Heidi Holliday, executive director of the Kansas Center for Economic Growth.

Or perhaps that should be tripartisanship. With most major bills, it’s clear who’s most responsible for passage, whether it’s a bill sponsor, committee chair or chamber leader. In the Kansas case, it took initiatives from all three major factions—and the political leadership of Denning and Ward—to find the votes within each subgroup and overturn a policy that had hampered the state.

Voters aren’t happy about paying higher taxes, and no lawmaker wants to be the one to raise them. But the legislature ultimately had no choice. “Most Kansans look at it that way,” Ward says. “There had to be adjustments in the tax policy because it was bankrupting the state.”

—ALAN GREENBLATT







# Bertha Henry

ADMINISTRATOR, BROWARD COUNTY, FLORIDA

**B**ertha Henry took over as Broward County administrator at what must have seemed to her the worst possible time. She had spent 30 years working up to a top position in local government only to reach it in 2010 in the middle of a crippling recession. Rather than setting ambitious new goals for the county, she had to focus on minimizing the recession's impact on her workforce. "Many of our employees were the only breadwinner in their families," she says. "I did not want to add to the growing list of the unemployed."

Henry implemented a series of strategies to protect her workers. Like a lot of places, Broward County instituted a hiring freeze and had to downsize some departments. But Henry made sure the county had taken inventory of the affected employees' skills so she could avoid layoffs and fill vacant slots. When service cuts were inevitable, she tried to trim where citizens would least notice. She looked at data showing which days were busiest at local libraries, and then closed neighborhood branches on the days with the lightest use.

Henry studied accounting in college, and her first job was as a budget analyst for the city of Miami, where she grew up. Later she held multiple posts in local government in Florida and Ohio. But strict financial management has been a consistent theme throughout her career. Three years ago, Broward became one of only four Florida counties to receive AAA bond ratings from all three credit rating agencies.

Over nearly a decade as county administrator, the 62-year-old Henry has left a lasting mark on the Fort Lauderdale metro area, particularly when it comes to infrastructure and economic

development. Due to her efforts in building a new runway, the Fort Lauderdale-Hollywood International Airport has become the fastest-growing airport in the country, and recently added four international airlines. She engineered a deal to keep the area's pro hockey team, the Florida Panthers, from declaring bankruptcy and leaving the state. Under the contract she worked out, all of the \$86 million in new public investment for the team goes toward capital improvements and operating costs for the arena, meaning that if the team ever left, the county would still own a valuable asset. The deal allowed the county to refinance its bond debt for the arena and get a lower interest rate.

A good example of Henry's management style was her intervention in a dispute over ride-sharing rules. Two years ago, the Broward County Commission passed regulations, including a fingerprinting requirement for drivers, which prompted Uber and Lyft to suspend operations in the county. Henry crafted a compromise that satisfied both the regulators and the private companies. The amended law required criminal background checks for drivers, but not fingerprinting, and instead of a rule that would have made the county responsible for forcing drivers to be insured, she arranged to have the ride-sharing companies verify that their drivers have insurance. As a result, Uber and Lyft came back. This year, the Florida Legislature enacted rules that supersede what localities already had on the books. Nonetheless, Dan Lindblade, who heads the Fort Lauderdale Chamber of Commerce, says Henry still deserves credit for brokering the deal. "That takes a unique leader," Lindblade says.

—J.B. WOGAN

# Terry McAuliffe

GOVERNOR, VIRGINIA

**T**here are limits to how much a governor can get done, absent help from the legislature. But there's also a lot a governor can do on his own. Terry McAuliffe is proof of that.

The 60-year-old McAuliffe, who is stepping down in January due to Virginia's one-term limit, is a Democrat. Throughout his term, the Virginia Legislature was controlled by Republicans. That means McAuliffe has not gotten much traction on his legislative agenda, including his highest priority, expanding Medicaid.

But while McAuliffe has been handcuffed in many ways, he's found plenty of useful work to do. He decided early on to spend much of his time promoting Virginia all over the world as a great place to do business. By the time he leaves office, he'll have taken nearly three dozen trips abroad; just last month, he visited five countries in Asia, promoting the Virginia brand. "I don't compete against the other governors—it's really expensive to do that," McAuliffe says. "Ninety-five percent of the world's customers live outside of America, so I've focused on international travel."

The bottom line is that Virginia has created more than 200,000 jobs on his watch, with unemployment well below 4 percent—and with the rate down in every county in the commonwealth. "Having him out there making the case for Virginia is positive," says Frank Ruff, a Republican who chairs the Virginia Senate's economic development subcommittee. "He's a born salesman and that's generally what it takes."

Some Republicans—and even some Democrats—were dubious about how McAuliffe might perform as governor. A former chair of the Democratic

National Committee, he came across as stridently partisan and performed poorly during his first run for governor in 2009. But he spent the next four years traveling the state and mastering the issues. "He won in part by being this enthusiastic champion of business in Virginia," says Quentin Kidd, a political scientist at Christopher Newport University, "and a much more mature candidate."

McAuliffe has, of course, attended to the normal duties involved in running the state, such as promoting transportation projects and initiatives in education. He talks about making Virginia the first state to functionally eradicate homelessness among veterans.

His proudest single achievement, however, is restoring voting rights to ex-felons. In most states, this happens automatically. In Virginia, former felons are barred from voting unless they can obtain a pardon from the governor. McAuliffe tried to offer a blanket restoration to felons as a class, but the state Supreme Court shot that idea down. So McAuliffe started taking up each case individually. "I said, 'Fine, I'll do each one myself,'" he recounts. "Line 'em up, I'll get the pens."

McAuliffe has restored voting rights to more than 165,000 ex-convicts, arguing that if they've served out their sentences, they should have the full rights of citizenship. It's the largest enfranchisement effort ever undertaken by an American governor. It's also another example of McAuliffe getting as much done as he possibly can in the face of concerted political opposition. "With each challenge put up in opposition to it," says Tammie Hagen, a community organizer who had her own voting rights restored, "he had a counterplan to carry it out on every front."

—ALAN GREENBLATT

DAVID KIDD





# Greg Stanton

MAYOR, PHOENIX

In 2011, a sociologist at New York University wrote a book that called Phoenix “the world’s least sustainable city.” The next year, Greg Stanton became mayor. He treated the book not as an insult but as the template for an urban agenda.

Phoenix was the kind of city it had been for decades: a sprawling, car-oriented metropolis economically dependent on the real estate industry. It prospered during the housing boom and suffered worse than most places when real estate values plummeted and construction slowed in the Great Recession. The city was also poised to experience some of the worst possible effects of climate change—temperatures even hotter than usual, more frequent droughts and parched soil. The city’s water came from a distant and dwindling source: the Colorado River.

The most brilliant political leader in the world couldn’t make Phoenix as green as Boston or Seattle. But under Stanton, the city has taken significant steps in the direction of sustainability. It sought to cut its greenhouse gas emissions 15 percent by 2015, and achieved that goal by replacing 90,000 energy-wasting streetlights with LED bulbs, making municipal buildings more energy efficient and converting more of the methane released from city landfills into electricity. Stanton now wants to reduce emissions 40 percent by 2025. Earlier this year, when President Trump announced that the federal government would withdraw from the Paris Climate Agreement, Stanton was one of the first mayors in the country to announce that his city would keep its commitments to cutting back on energy use and air pollution.

Two years ago, while campaigning for a second term, Stanton also campaigned for a 35-year transportation package that would add 42 miles of light rail, more than 1,000 miles of bike lanes, 135 miles of sidewalks and expanded hours of bus service, at a projected price tag of \$31.5 billion. It’s not typical for politicians to push for a sales tax increase as they seek re-election. “My political consultants were not happy about that,” Stanton says, “but it was the right thing to do.” Voters said yes to both Stanton and his transportation agenda by comfortable margins.

Stanton frames his environmental policies as part of a broader goal of diversifying Phoenix’s economy. Perhaps the clearest illustration of this green market-based philosophy is a business incubator supported by the city and Arizona State University. The school’s campus houses burgeoning public-private partnerships that aim to help the city recycle materials that would otherwise go to a landfill. So far, firms have found ways to create new, profitable products from discarded mattresses, food waste and palm fronds. In five years, the city has doubled its waste diversion rate from 15 percent to 30 percent.

The 47-year-old Stanton, who has announced he will step down as mayor to run for Congress next year, likes to point out that his environmental policies have coincided with a booming local economy. Last year, Phoenix had the largest numerical increase in residents of any city in the country. Not only has the city unemployment rate steadily declined, but in the past year the Phoenix metro area saw the highest year-over-year wage growth in the nation. Tech jobs increased more than 18 percent and the number of tech companies downtown has quadrupled.

—J.B. WOGAN











# Leana Wen

HEALTH COMMISSIONER, BALTIMORE

Leana Wen never had her sights set on public office. She was happy working as an emergency room doctor and lecturer in medicine in Washington, D.C. And when the position of Baltimore health commissioner came open, in 2014, she was only 31 years old. But a widely respected former commissioner urged her to apply for his old job, and she decided to go for it.

There was no way Wen could have imagined what she was about to get into. Just a couple of months after she moved into her new post in Baltimore, riots erupted in the city following the death of Freddie Gray, an unarmed black man, in police custody. Wen leveraged the unrest to start a conversation about police brutality and poverty as public health issues. “If we care about our children and their education,” she said, “we should also care about lead poisoning in their homes. If we care about public safety, we should also address mental health and substance addiction and the huge unmet need there.”

Once Baltimore calmed down, Wen began to use her platform to introduce and bolster a wide array of new public health programs, focusing on poverty and violence. One of them, Safe Streets, uses reformed ex-felons to intervene in potentially violent situations. Vision for Baltimore gives eyeglasses to school-age children who otherwise couldn’t afford them. The city’s needle exchange program is now one of the most extensive in the country.

As the opioid crisis began to decimate communities across the country, Wen gained national recognition by issuing a standing order to allow any Baltimore resident to get naloxone—the lifesaving antidote to an overdose—at any local pharmacy.

This effort caught the eye of the Obama White House, and she was invited there to speak publicly about the epidemic alongside the president. “She used her voice both as an emergency room physician and health commissioner to challenge the medical community,” says Michael Botticelli, who served as drug czar in the Obama administration.

Wen’s relationship with the Trump administration hasn’t been as warm—she has publicly criticized the president for cuts to family planning programs and for waiting too long to declare the opioid epidemic a state of emergency. But her peers insist that even without a close federal partner, Wen is now too far into the role of national advocate to return to anything less visible. “She will continue to bring innovative programs at the local level,” Botticelli predicts, “but also be the voice of reason on the national level.”

Born in Shanghai to a family of Chinese dissidents, Wen emigrated to the U.S. when she was eight and grew up in Compton, south of downtown Los Angeles. She graduated college at 18—summa cum laude from California State University—and then went on to become a Rhodes Scholar at Oxford, held a clinical fellowship at Harvard, and wrote a book called *When Doctors Don’t Listen*.

Wen says growing up in a low-income, heavily immigrant neighborhood taught her how crucial physical health is to the overall well-being of any community. As a child, she watched a neighbor die during an asthma attack because she didn’t have an inhaler and her undocumented family was afraid to call 911. “The opposite of poverty,” Wen likes to say, “really is health.”

—MATTIE QUINN

Suburbs  
first gained  
popularity for  
being everything  
a big city wasn't.  
Now they want  
to be just like  
downtown.

**By Alan  
Greenblatt**

Sudo



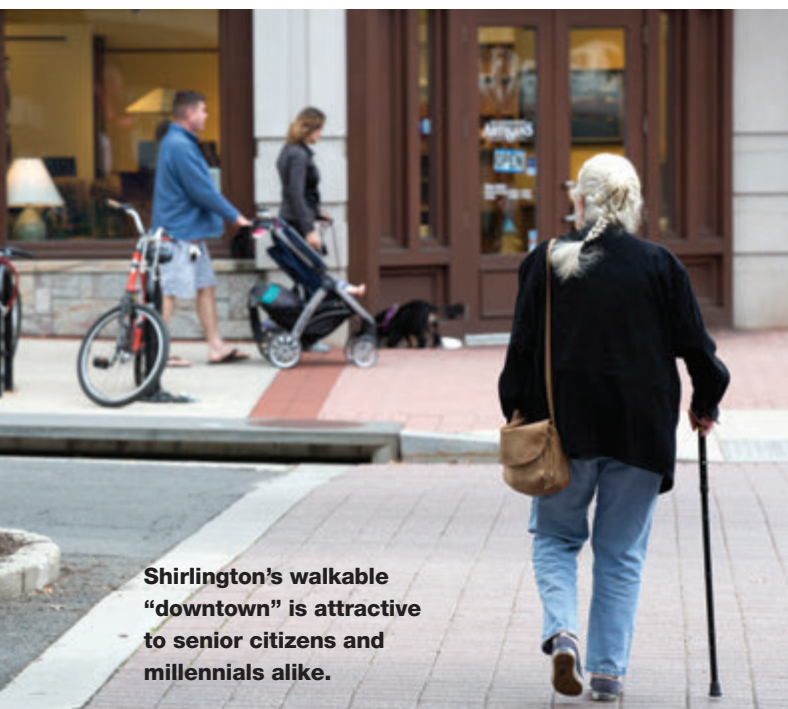


urban



It's a sunny Saturday afternoon in Shirlington. Clusters of people are sitting outside, dining al fresco at restaurants serving high-end American or Italian food, or quaffing drinks at a pub named for a famous Irish writer. Women walk by with mats under their arms, fresh from yoga class or sessions of massage or reflexology. Shoppers step in and out of an artisanal bakery, a kitchenware store playing peppy French music or a cheese boutique named Cheesetique. All the stores have doors that open right onto the sidewalk, with most people parking at a multilevel garage tucked off the main drag. Newly built apartment towers loom over the scene, although none of the residents are out on their tiny terraces.

Shirlington is a slice of suburban Virginia, just outside Washington, D.C. But it could just as well be a retail pocket in any number of suburbs in the D.C. area, or, for that matter, on the edge of Atlanta, Cleveland or Denver. All over the country, suburbs are rushing to develop new mixed-use corridors, complete with dense, walkable shopping areas, often attached to a town hall or performing arts complex, as in Shirlington, and usually surrounded by mid-rise apartment or condo buildings.



**Shirlington's walkable "downtown" is attractive to senior citizens and millennials alike.**

DAVID KIDD

Mixed-use developments like these are becoming kind of a cliché in American metropolitan areas—but that doesn't make them any less revolutionary. After decades offering themselves as safer, quieter alternatives to cities, suburbs are refashioning themselves to become more like them. Development built around cars, with zoning restrictions that strictly segregate housing from office space and shopping, is giving way to the desire to create new downtowns, bubbling with all kinds of activity, and create

them largely from scratch. "We're starting to see some competition even between these comparable types of developments, as consumers and even businesses are looking to have a different atmosphere," says Julie Palakovich Carr, a member of the city council in Rockville, Md.

Back in the 1970s, Rockville, which is a few miles north of Shirlington, tore out its downtown in order to build an enclosed shopping mall. That mall declined over the years due to local competition and the overall drop in brick-and-mortar shopping, so now it's been torn down in favor of a mixed-use development. In effect, the downtown has been put back where it once was. Lots of suburbs have torn down dead or dying malls, putting in their place town centers that encourage foot traffic among the shops, while still taking advantage of their proximity to a highway or major arterial road. Office parks are reshaping themselves as well, hoping to hold on to tenants as big companies buy into the trend of moving back to center-city downtowns.

Demographics have also brought changes to what many people are looking for from suburban life. Carr points out that in Rockville, the biggest demand in housing over the next 20 years is going to be from one-person households. That's true in a lot of places. Around the country, one out of every four households is composed of a single person. Three out of four households don't have a school-age child living at home. There just aren't as many traditional families with a couple of kids at home, wanting a big yard, as there used to be.

Instead, the demand is for amenities not only at home but also out in common areas, whether it's a fancy game room or swimming pool in an apartment complex or a wide range of choices for things to do in the neighborhood—preferably without having to drive to them. "People who don't have kids in their houses eat out a lot more than people who have kids," says Ellen Dunham-Jones, director of the urban design program at Georgia Tech University and a leading authority on suburban evolution. "Suddenly," she says, "you see the suburbs have way more restaurants than they used to, even bars and nightlife, which used to be anathema."

Certainly, this isn't the case in every suburb. Suburban populations are still growing fastest in developments further out, where cars remain king and sit in big garages next to big houses on big lots. Meanwhile, many close-in older suburbs with small bungalows built in the 1950s for a blue-collar clientele have entered into decline, with homes turning into downmarket rentals and rundown garden apartments leasing for cheap. Some of these suburbs are becoming pockets of intractable poverty, while others are ports of entry for new immigrants who are moving directly to conventional suburbs, bypassing urban life altogether.

But all of this creates a tempting opportunity to cater to members of the millennial generation who are attracted to cities but can't afford to live near the urban center. "The downtown housing has gotten absurdly expensive in those cities that have revitalized," says Dunham-Jones. This explains to a large extent the denser development taking shape in communities such as Shirlington and Rockville. Many millennials—and a lot of empty nesters as well—want a walkable lifestyle, with just about everything they need within a few blocks of their homes. Some suburbs have learned that they can attract this cohort by offering these



**In some markets, the biggest demand in housing over the next 20 years is going to be from one-person or childless households.**



DAVID KIDD

urban-style amenities, often alongside high-performing schools that are better than their center-city counterparts.

This model of development isn't going to work everywhere. There has to be enough market demand for builders to be interested in reshaping large parcels of property. But the old suburban model of subdivisions as residential worlds unto themselves, often in a cul-de-sac format, has lost at least some of its luster. An increasing number of developers want to appeal to people who prefer to live and work in places where they don't have to drive for everything they want. "The suburbs that have gotten that are going to be the winners in the future," says Ed McMahon, a senior resident fellow with the Urban Land Institute. "The way people work, shop and move around is changing. Those that have figured that out are going to prosper, and others are going to decline."

**S**uburbs have always been shaped by transportation. The ones made possible by carriage and rail lines a century ago that took residents away from the pollution and noise of the big city were given the name of "streetcar suburbs." Following World War II, the desire to leave the city and attain some space was enabled by the interstate highway system. Those suburbs were built for and around the use of automobiles.

Now suburbs are being reshaped again, but this time more by communication than transportation. You might call them "smartphone suburbs." There's less need to go to the mall if you can have goods produced practically anywhere in the world shipped to your door by online retailers—and perhaps more important, can stock up on toilet paper, diapers and medicine without ever leaving home. When you do need to get out, you don't have to

own a car. Taxi service was always notoriously bad in suburbs, but now you can hire a Zipcar for weekend trips to Home Depot, or summon an Uber or Lyft to take you to a distant friend's house for dinner. "When I was a kid, getting your driver's license was a ticket to freedom," McMahon says. "Today, the cellphone is a way to connect without having to get in a car."

It's true that millennials are driving less. Teenagers, too. In 2014, only one out of four 16-year-olds had a driver's license, compared with nearly half back in 1983, according to a University of Michigan study. The share of 19-year-olds with licenses has also plunged, by 21 percent.

If more people are embracing a car-lite lifestyle, they're also looking for more social interaction. The smartphone may have something to do with this as well. People have gotten used to sharing interior thoughts and intimate feelings over digital devices. They may not be baring their souls to all and sundry around the town center fountain, but they're not coveting privacy in the way that earlier generations used to. This applies to older people as well as millennials. "The privacy that the aging boomers really valued while raising their kids, now they're beginning to question that," Dunham-Jones says. "Do I really want to mow that big lawn? If they're retired, suddenly that privacy can seem lonely." Or, to put it another way, the ability to conduct much of one's life on a cellphone may be generating a desire for in-person contact, perhaps the only thing the phone cannot deliver.

Whatever is driving the demand for walkability in the suburbs, it's clearly very much in vogue. You'll pay at least 25 percent more per square foot for housing in Reston, Va., which is built around a town center, than in nearby Sterling, a postwar cul-de-sac suburb that's the same driving distance from Washington. And there are

more urban-style developments emerging all the time. In 2008, when Dunham-Jones and June Williamson published their book *Retrofitting Suburbia: Urban Design Solutions for Redesigning Suburbs*, they could come up with about 80 examples of suburban developments built to reduce automobile capacity. Today, their database contains more than 1,500 examples. “People are more willing to have compact housing,” says Williamson, an architecture and urban design professor at the City University of New York, “if it’s in the right location.”

**T**o succeed, mixed-used developments have to be truly mixed-use. Simply moving town hall out from behind its big parking lot and onto a main street isn’t going to magically attract retail. If you build housing on top of retail, but can’t attract jobs to the area, your shops are going to be empty during the day. Or they’ll be empty at night if they’re near offices but no one’s living nearby. Suburban office parks, for their part, are attempting to bring in more restaurants and coffee shops. For decades, there were three rush hours at Research Triangle Park in North Carolina—morning, evening and lunch hour. Forty thousand people work in the park, but until recently there was no place for them to buy a cup of coffee, let alone lunch. Now there is a growing number of choices. The managers of even the most successful office parks admit they will have to change to survive. “Downtowns have a sort of personality that does not exist in a suburban research park like ours,” says Bob Geolas, the Research Triangle Foundation’s former CEO. “A big part of what we’re doing is building a personality that people can relate to and be inspired by.”

It is possible to have a successful retail environment without including either housing or offices, but then you’ve just created, in effect, a roofless shopping mall. An enclave that’s pedestrian-friendly, but which everyone drives to, is not going to be as successful as one that combines jobs and housing and is connected to the outside world by transit, says Armando Carbonell, who leads the urban planning program at the Lincoln Institute for Land Use Policy.

That may be the most radical change in suburban planning: the growing consensus that transit matters. The most in-demand suburban developments are being built around transit, and this is true even where the share of commuters using transit is still low. Shops and apartments are springing up alongside fixed-rail stations all over the country. New developments are capitalizing on proximity to bus rapid transit lines, or sometimes just plain buses, as has happened with some projects that have taken over former malls. In Carmel, Ind., new housing is built near biking trails that can get residents directly from their doors to downtown Indianapolis.

Steve Bellone understood that transit was the one asset the struggling town of Babylon, N.Y., could count on. The Long Island Rail Road can take you from Babylon into Manhattan in under an hour (at least when there are no delays). Nevertheless, at the start of this century, when Bellone was serving on the town council, Babylon was rated the most economically distressed community on Long Island, with a failing school district, the highest unemployment rate in the area and all the other standard indicators of

**Shirlington's restaurants and shops open right onto the sidewalk.**



blight. Back then, it took a herculean effort to combine federal, state, county, town and local nonprofit resources just to build a supermarket. “It was certainly a nice addition to the community,” Bellone says, “but it didn’t fundamentally alter any of the underlying conditions.”

Bellone knew his town needed to think bigger. Over a number of years and following a long planning process, the result was Wyandanch Rising, a \$140 million development that mixes apartment towers near the station and shops within walking distance. A majority of the apartments are subsidized, helping to lift up longtime residents rather than chasing them out. The first phase is open and lessons from the development are already being applied at a similar project nearby in East Farmingdale.

For an area that’s about 15 miles from Levittown—one of the pioneering postwar suburbs and an early model of exclusionary





DAVID KIDD

zoning—Babylon’s is a new approach, but one that harkens back to city building of the past. “What we’re really doing in suburbia is retrofitting it in a way that is [similar to] how we used to build communities,” says Bellone, now the Suffolk County executive. “You absolutely have to go back to the way we built communities in the past.”

As Bellone suggests, the new approach in suburbia is really a return to form. For centuries, people congregated within compact areas, doing all their trading and socializing, as well as interacting with government officials, in cities. The concept of suburbs dates back to Roman times, but the modern American suburb—which amounted to a barracks where people could sleep separate from all their other activities—represented a break from historic norms. Today’s suburbs represent an attempt to recapture a very old style of living, with commerce and community all mixed in together.

It’s clear now that the old suburban model created imbalances. Even before the recession, retail space was being built at several times the rate of growth of retail sales. There was an oversupply of large-lot, single-family homes, and an undersupply of every other type of housing. The new developments are an attempt to give today’s households what they are looking for in terms of convenience and choice.

Maybe today’s mixed-used plazas will be torn down one day in favor of a new generation of strip malls, but that seems unlikely. “The automobile-based suburb isn’t going to disappear overnight, and may never disappear,” says Carbonell of the Lincoln Institute. “But the suburb that provides more of a center and is connected to the metro region is going to be the growing sector.” **G**

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The Liberty Hotel in Boston was once a county jail.



# NEW LIFE FOR THE *ol' Lockup*

**THERE ARE LOTS OF CREATIVE IDEAS FOR  
REPURPOSING MOTHBALLED PRISONS.  
DO ANY OF THEM WORK?**

**BY DANIEL C. VOCK**

**F**rom the moment he saw Brushy Mountain State Penitentiary, Pete Waddington wanted to turn the shuttered prison deep in the mountains of Eastern Tennessee into a tourist destination.

It hasn't been easy.

The effort started four years ago when Waddington, a businessman from Chattanooga, rode his motorcycle on a wooded route nicknamed the Devil's Triangle. The path took him through dense forest to a clearing where several flagpoles stood next to a closed prison gate. The prison, Waddington later learned, was considered so remote, the chances of escape so daunting, the prisoners' crimes so serious, that state officials called Brushy Mountain "the end of the line."

The maximum security prison, which opened in 1896, initially had its inmates mining coal in the nearby mountains. Later, after Tennessee lawmakers banned that practice, the prisoners quarried limestone out of those same mountains for a new prison building named The Castle.

The end of the line for the state penitentiary itself came in 2009. That's when the state closed the century-old facility. The local landmark sat unused until Waddington came upon it and hatched a plan to turn the 280-acre site into a distillery, with a restaurant and prison tours.

To do so, Waddington and other supporters of the plan had to convince the county, which is otherwise dry, to let him sell End of the Line Moonshine. He also had to persuade the legislature to let the county use a portion of the sales tax revenues generated at the distillery to pay for infrastructure improvements. Other state officials had to sign off on relinquishing state property, which they eventually did. They gave it to the county's economic development commission to lease to Waddington and his investors. Waddington figures the distillery will finally open next spring.

Brushy Mountain is a rare example of how states and local communities can transform empty prisons that had been a cornerstone of the local economy into other productive uses. Old, closed prisons have been turned into hotels, homeless shelters and museums. Others have been proposed as movie studios, commercial real estate and farming incubators. But actually seeing these proposals to fruition is the hard part—even as the need to repurpose them is an increasingly urgent problem.

Since 2011, at least 22 states have closed or announced closures for 94 state prisons and juvenile facilities, resulting in the elimination of more than 48,000 state prison beds and an estimated cost savings of over \$345 million, according to the Sentencing Project, an advocacy group pushing for alternatives to incarceration. The closures are the result of a changing focus in the criminal justice

MAYCREATE/BRUSHY MTN GROUP



**Brushy Mountain State Penitentiary housed many notorious inmates, such as Martin Luther King Jr.'s assassin James Earl Ray, over the century before it was closed in 2009.**



system, with a move away from imposing lengthy sentences for offenders to one that emphasizes rehabilitation.

But that leaves dozens of former facilities sitting unused. Like Brushy Mountain, many are far from urban areas or even interstates. These old prisons have often been exempt from building codes that they would have to abide by in their new capacities. Just the fact that the properties are owned by a state can add restrictions to how they can be used in the future.

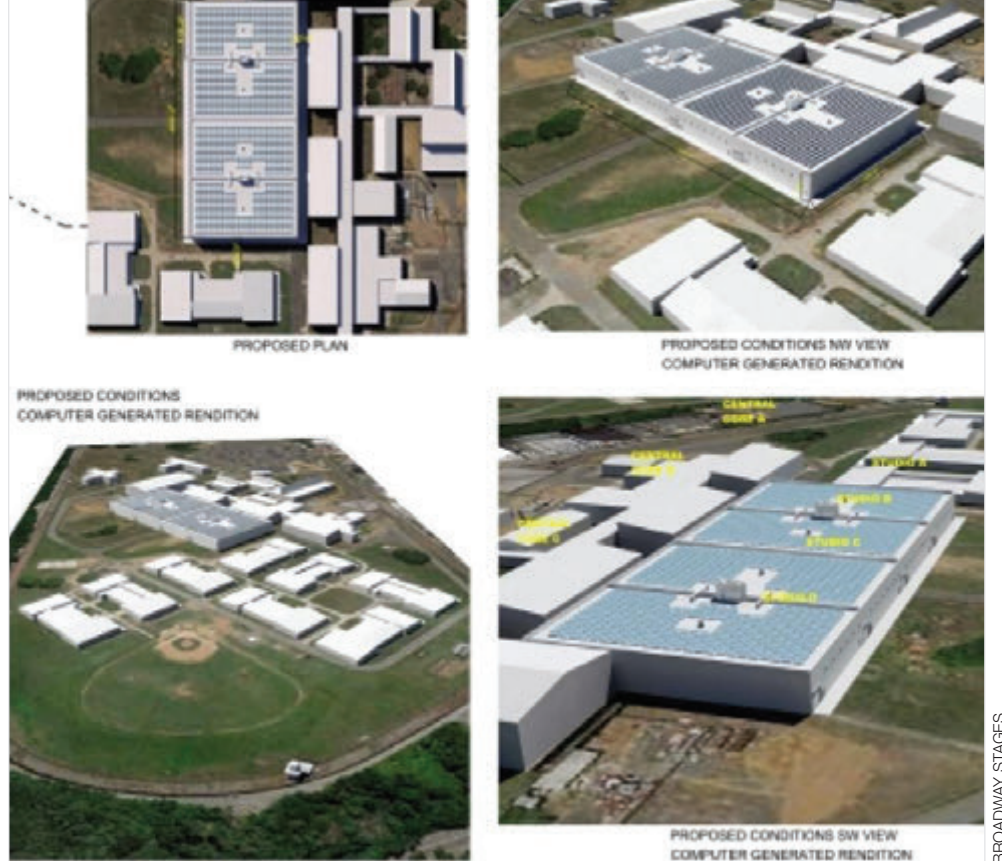
Denial can be a powerful detriment, too. Many communities hope that the state will once again need their correctional facilities, which would bring back jobs without a major effort. As unlikely as those prospects are, they would be dashed if the prison grounds were used for another purpose.

Those obstacles can be overcome with strong local leadership, says Nicole Porter, the director of advocacy for the Sentencing Project. Local officials could use their sway to gather ideas from government, business and nonprofit leaders in the area. They could also consider the unique characteristics of the site to come up with a plan. One of the reasons Waddington wants a distillery at Brushy Mountain, for instance, is that it has natural springs on the grounds.

A viable plan is a heavy lift, especially for local leaders who may not have had a say in closing the prison in the first place. “I empathize with the challenges that local officials must deal with when they get word that a closure is going to happen,” Porter says. “The state should take responsibility in working with those local communities to think through what might be next.”

But even state and local officials who aren’t currently dealing with the issue should keep their eye on creative attempts to reuse prisons, she adds, because with all the newly vacant prisons in the country, they will likely confront similar challenges in the future.

**T**here are success stories out there. Pennsylvania revamped Eastern State Penitentiary in Philadelphia to become a public museum that features haunted tours in the fall. In Boston, a former county jail is now a high-end hotel called Liberty. In 2015, New York state handed over the keys to the minimum-security Fulton Correctional Facility in the Bronx to the Osborne Association, a prison reform group, to refurbish it to house former prisoners, provide them job training and help them adjust to their new lives. And in Florida, the city of Gainesville and Alachua County turned a 507-bed prison



**The company that bought the Arthur Kill Correctional Facility, which closed down in 2011, wants to convert it to a movie studio with five soundstages.**

in a wooded area into a full-service facility for homeless people. Government officials worked with nonprofit groups to renovate the buildings so that they don’t feel like a prison. Today, the city and county offer services out of the center such as substance abuse and mental health counseling, help signing up for Medicaid and food stamps, and access to showers, restrooms, meals and clothing storage.

Perhaps the most radical transformation is slated for a prison in Staten Island. It could soon become a film studio. A company called Broadway Stages inked the deal with New York state in August to buy the Arthur Kill Correctional Facility for \$7 million. The company has promised to complete \$20 million worth of renovations, which will create five soundstages covering a total of 100,000 square feet. The renovations will allow film crews to use the existing buildings for prison scenes, as well as other projects. In fact, Arthur Kill has already been used on NBC’s “The Blacklist” and the film *Ocean’s Eight*, which is expected to be released next summer.

The path to repurpose was not smooth, however. The intrusion of politics delayed the deal between Broadway Stages and the Empire State Development Corporation for three years after the company initially won its bid. The state comptroller’s office blocked the sale because company CEO Gina Argento’s fundraising efforts were being investigated by federal prosecutors: She contributed to a political campaign and a nonprofit led by New York City Mayor Bill de Blasio. After a year-long investigation, the U.S. attorney’s office announced in March that it would not bring charges.

Both Arthur Kill and Fulton are among the 13 prisons New York Gov. Andrew Cuomo has closed since 2011. New York created tax credits and a \$50 million capital program to help communities

affected by those closures. Even with that support, it's been difficult to find new purposes for many of the facilities, particularly those upstate. But Porter says New York's program should be a model for other states since most shutter prisons without warning or any assistance for the affected communities.

That's what happened with the Hanna City Work Camp in central Illinois. "They closed the work camp and physically walked away," says Scott Sorrel, the Peoria County administrator. Papers were left on desks. Dishes were still sitting on tables. "They abandoned it. Literally."

That was more than a dozen years ago, and local officials still haven't found a good use for it—though not without trying. The local sheriff convinced state legislators to transfer the property to the county so that his department could turn it into a training facility. The idea was to use it as a firing range for local police departments, including the sheriff's office, and maybe add a commercial component. But the county didn't have any money to remodel the work camp, and interest waned when another training facility opened. Later, a county board member proposed turning the property into a farming incubator to help people learn how to grow crops other than the dominant corn and soybeans in the area, and to act as a distribution center for locally grown food. But that idea never took hold.

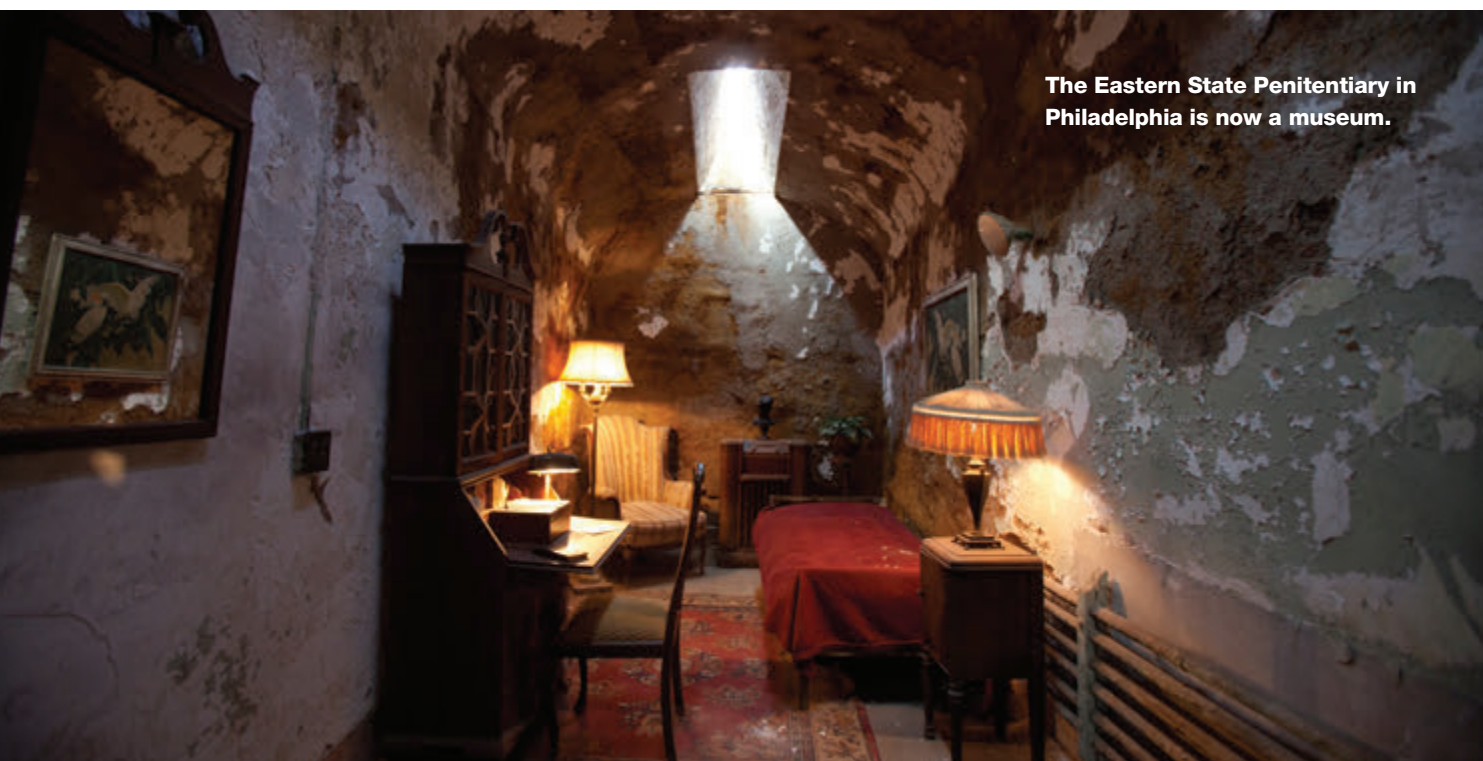
Along with a lack of consensus about what to do with the work camp, the county must contend with restrictions on the land from the federal government. The state inherited the property from the Army after World War II. The Federal Aviation Administration still owns a radar facility for high-flying aircraft there, which means no steel structures can be built nearby. Plus, the federal government stipulated that the land must be used for a public purpose,

a constraint that effectively bars any private use. Peoria-area officials have talked to anyone who would listen in Springfield or Washington to remove the restrictions, to no avail. "It's been nothing but a pain," Sorrel says. It doesn't help that the Hanna City site is far from the city, with old structures that contain both lead and asbestos.

Those certainly aren't issues for the former Dawson State Jail in Texas. The 10-story tower built in 1995 sits on a prime location in downtown Dallas. The only restriction on its future use is that it not house inmates.

Stan McClure, a real estate agent who is overseeing the Dawson site, says potential buyers love the location, especially the views from the roof. The former prison sits right along the Trinity River, near a park that's being redeveloped, and it's not far from several gentrifying neighborhoods. But the immediate vicinity is the problem. The tower sits next to the county jail and court buildings and has very little parking of its own. Plus, limited road access deterred a potential buyer who wanted to make a distillery there, complete with a rooftop bar. A city council member and the city manager suggested using the tower to house homeless people, but the city manager left and the costs of buying the property appeared to be prohibitive. McClure suggested that public storage might be the best use for the building, because it doesn't require much parking. Texas asked for bids for the property in June, but by the end of October, no winner had been selected.

October marked a turning point in a five-year effort to transform an abandoned prison in Wagram, N.C. Located about 35 miles southwest of Fayetteville, it's on its way to becoming an environmentally friendly farm and education center for troubled teens and veterans. A group called Growing Change worked on the concept



**The Eastern State Penitentiary in Philadelphia is now a museum.**

DAVID KIDD





MAY/CREATE/BRUSHY MTN GROUP

**Investors want to turn Brushy Mountain into a tourist destination with a distillery and restaurant.**

for several years, starting off as “polite squatters,” says the group’s founder Noran Sanford. Eventually, the program attracted the interest of state agencies, eight universities and a growing list of nonprofit organizations. They wanted to show that they could improve the lives of youth who were at risk of going to prison. The teenagers were recruited for key leadership positions and were involved in the design and operations of the facility. Researchers tracked how they did over five years, and found that the program was 92 percent effective in preventing them from going to prison. With that track record, North Carolina transferred control of 57 acres to Growing Change in March.

The grand opening in late October coincided with the first harvest in 30 years on the farm portion of the site. Growing Change partnered with the local park district and invited the community to join the festivities. They gave out 320 pumpkins for kids to paint during a harvest festival, led zombie tours through the prison buildings, and offered wine and cheese tastings for the adults.

The group has big plans for the site in the years to come. It will build a climbing wall on an old guard tower, add onsite housing for veterans to mentor youth while working toward college degrees, and convert old cells into aquaponic tanks that raise fish and support the soil-free cultivation of crops. It will develop a

museum about North Carolina’s use of work camps. The group is even working with Duke University and the Durham School of the Arts (a magnet school for 6th to 12th graders) to develop a virtual reality program to show people the current condition of the Wagram prison and how it will look if Growing Change successfully carries out its master plan.

Growing Change, though, is also looking beyond its current site. The group’s goal, Sanford says, is to help communities across the country implement similar processes for transforming prisons. With two dozen closed prisons, he says, “North Carolina is ground zero to answer the new question of what to do with old prisons.” Visitors have already come from Florida, Illinois, Michigan, New York and South Carolina to see what they can learn from Growing Change’s efforts. The group was even taken to Amsterdam to give a presentation to members of the Dutch parliament.

What Sanford hopes to share with other communities are lessons in how to develop local leadership, and to make sure that their transformation projects are economically viable over the long term. “We’re developing a replicable model, not a scalable model. We’re not going to be running facilities for them,” he says. “We’re giving the model away.” **G**

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## Doing Less With Less

Suppressed staffing levels may be a permanent consequence of the recession.

**W**hen the economy first began unraveling during the Great Recession, most governments didn't feel it right away. Then, as revenues began to tumble, states and localities cut back on services, implemented hiring freezes and left vacancies unfilled. By 2010 and 2011, many state and local governments were shedding staff and making sizable cuts to agency budgets.

The economy since then has recovered at a sluggish pace, but governments have recuperated even more slowly. Today, many jurisdictions continue to operate with staffing well below pre-recession levels. Given that this month marks the 10-year anniversary of the official start of the recession, it's worth considering whether limited staffing and resources can ever rebound fully, or whether they have become a more permanent fixture of the public sector.

There are about 7.5 million full-time equivalent state and local government workers, excluding those in education, according to last year's Census Bureau survey of governments. That number is 3 percent below the levels of March 2008, shortly after the recession began. Taking population growth into consideration, noneducation local government employment per capita is down about 8 percent, while state employment is nearly 11 percent lower.

Several compounding factors have constrained public-sector staffing levels: Income tax revenue growth remains weak; property tax collections for many jurisdictions aren't keeping up with the demand for services—hampered in some places by laws placing a cap on rate increases; and sales taxes are growing sluggishly,

partially because of shifts to e-commerce and untaxed services. As a whole, state revenues just haven't tracked broader economic growth, says John Hicks, executive director of the National Association of State Budget Officers (NASBO).

Rising pension and health-care costs are also making it difficult for states and localities to fill vacant staff positions. For state governments, it's Medicaid that's eating up an ever-larger share of the budget. "There's a crowding out effect," Hicks says. "The rest of the government has been living with flat or declining [spending levels]."

There aren't a lot of reasons for optimism, either. Most state governments reported revenues coming in below original projections earlier this year. Governors' budget proposals called for just a 1 percent uptick in general fund spending for fiscal 2018, the smallest recommended increase since 2010, according to NASBO's Fiscal Survey of States.

Cities find themselves in a similar situation. Christiana McFarland, the National League of Cities' research director, says that she's starting to see revenues contract, signaling more difficult times ahead. "Generally speaking, we may be in a new normal in terms of what personnel levels look like," she says. The association's annual survey of finance officers found cities budgeted lower property tax revenue growth and expected declines in both sales and income tax revenues this year.

Personnel downsizing has extended across different areas of government unevenly. Census Bureau data shows a particularly large cutback of 9.2 percent since 2008 for those classified as state and local government "highways" employees, which includes most public works functions.

Administrative and non-sworn police employees have suffered similarly large reductions. On the other hand, state-funded higher education has yet to experience a national slowdown in hiring. Areas such as parks and recreation, relying more on user fees, also have weathered the recession better.

Some governments in states that sustained major property tax losses from the housing market collapse, including Arizona and Florida, haven't come close to recovering those losses. The Census data indicate Arizona, Massachusetts and New Jersey have suffered the largest declines in combined state and local government employment, excluding education, since the start of the recession in early 2008. Only Colorado, North Dakota, Texas, Utah and Washington, D.C., have seen their public-sector workforce expand more than 5 percent over that time period.

In other places, the gradual shrinking of government payrolls began long before the recession. For Michigan's local governments, it started in the early 2000s. Mounting cuts to aid from the state accelerated around that time. Shanna Draheim, the Michigan Municipal League's policy director, says the recession only exacerbated existing structural problems. "The system as a whole is broken," she says, "We can't track with the economy."

Meanwhile, localities' legacy costs continue to climb, with infrastructure, pensions and other line items siphoning away more dollars. Michigan's local leaders worry the situation isn't sustainable over the long term without more state aid. "I don't think any of them are accepting this as a permanent reality," Draheim says. But it has long since ceased to be a temporary phenomenon.

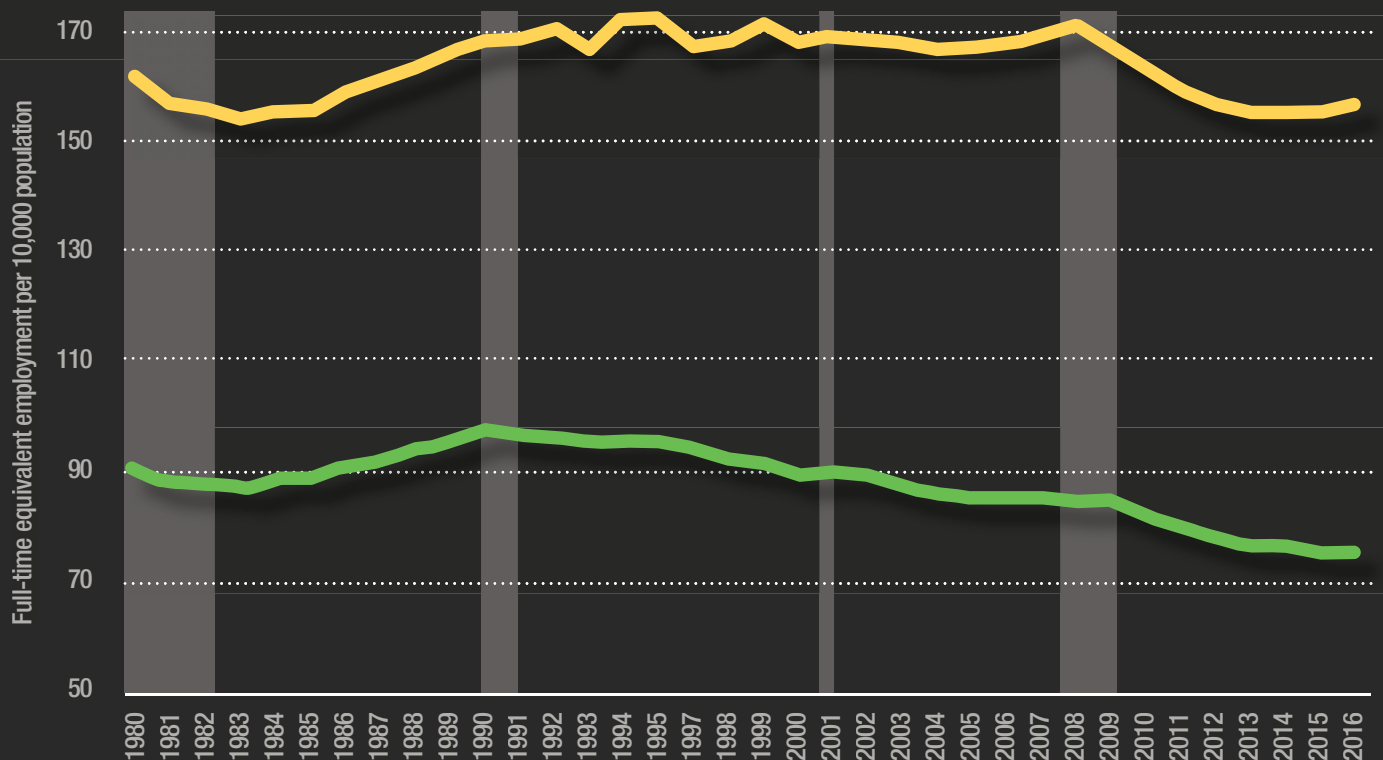


By Mike Maciag

## Downsizing the Public-Sector Workforce

Numbers of state and local government workers (excluding education) per capita declined sharply following the recession and haven't rebounded.

■ Recession Years  
■ Local Government ■ State Government



The challenge for governments continues to be maintaining service levels with fewer resources. Some jurisdictions have responded by pursuing shared service agreements or partnerships with non-profits, while others have sought efficiencies through technology and performance management initiatives.


The public's expectations certainly haven't waned. A Pew Research Center poll conducted earlier this year found 48 percent of Americans prefer a bigger government providing more services. That exceeded those preferring a smaller government with fewer services (45 percent) for the first time since late 2008. Many may be assuming, incorrectly, that their governments are fiscally strong if the local economy shows visible signs of growth.

All of this raises a crucial and worrisome question: Are governments any better prepared for the next recession than they were for the last one?

The good news is that states have managed to bolster their reserves. The median rainy day fund balance as a percentage of state spending has exceeded its high from the last decade, according to NASBO. And a few sources of revenue, albeit relatively small ones, are increasing. Many states are collecting more online sales taxes and expanding taxes on digital services, while others have sought additional gaming revenue.

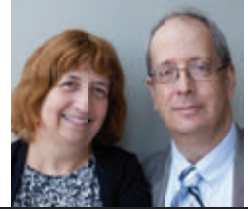
Local governments aren't in a better position to weather the next downturn, but they may be more prepared in terms of management, says McFarland of the

National League of Cities. Managers who worked through the last recession have proceeded cautiously. Rather than staff up, they're relying more on contractors and temp workers.

By now, suppressed staffing levels and diminished resources have persisted long enough that employees of affected jurisdictions have grown accustomed to them. Given the not-so-rosy financial outlook for many states and localities, it's a reality that's unlikely to change anytime soon. "There may be an acceptance of where we are right now," says Elizabeth Kellar of the Center for State and Local Government Excellence, "and an effort to see what we can do under the new circumstances." 

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SOURCE: GOVERNING ANALYSIS OF CENSUS BUREAU ANNUAL SURVEY OF PUBLIC EMPLOYMENT & PAYROLL DATA. NO SURVEY WAS CONDUCTED IN 1996.



By Katherine Barrett and Richard Greene

# How's My Program Doing?

Program evaluation offices let lawmakers know if a program is delivering.

**O**ur third-grade reading scores were not where we wanted them to be," says Charles Sallee, New Mexico's deputy director of program evaluation. His office set out to determine which public programs were actually working to improve those statistics, and which weren't. Sallee's team found that the state's pre-K efforts, and a suite of other early literacy programs, had a positive and lasting impact on the educational achievement of young people. So funding for literacy programs was expanded. The office also found that a different set of programs that focused on providing less formal, less education-oriented child care programs in New Mexico weren't functioning effectively enough to make a difference. So the state promptly halted their expansion.

The New Mexico story is just one of many in which program evaluation efforts can make a huge difference and bring insight into the degree of success of state

and local programs. Among the states, New Mexico's evaluation office is widely known as one of the best, followed closely by those in Mississippi and Virginia.

Not many of us, however, have heard of evaluation offices, which are almost always housed in the legislative branch. Although a few exist within some agencies, the office and its services have not gained traction as a centralized executive branch function. The evaluators themselves, who utilize standards and guidelines to reach their conclusions about program effectiveness, are typically men and women who have expertise in the particular field they're assessing.

Notwithstanding a convincing list of the benefits an effective program evaluation office can have, there is no guarantee that these offices will continue to receive support to do their jobs. Consider the up-and-down history of Florida's Office of Program Policy Analysis and Government Accountability (OPPAGA). It had long been known as one of the best program evaluation offices in the nation. In 2010, it had been well-funded at \$8.2 million, with its money coming from a dedicated source. Then came the cuts. The program was put into the hands of legislative leadership and the dedicated source of funds was eradicated in

favor of a year-to-year budgetary decision. Lawmakers clipped its funding back to \$5.5 million in 2011 and kept chipping away in subsequent years. Its role is similar to what it's always been, but fewer reports are being done—and more and more of them are coming at the behest of a lawmaker rather than from OPPAGA staff.

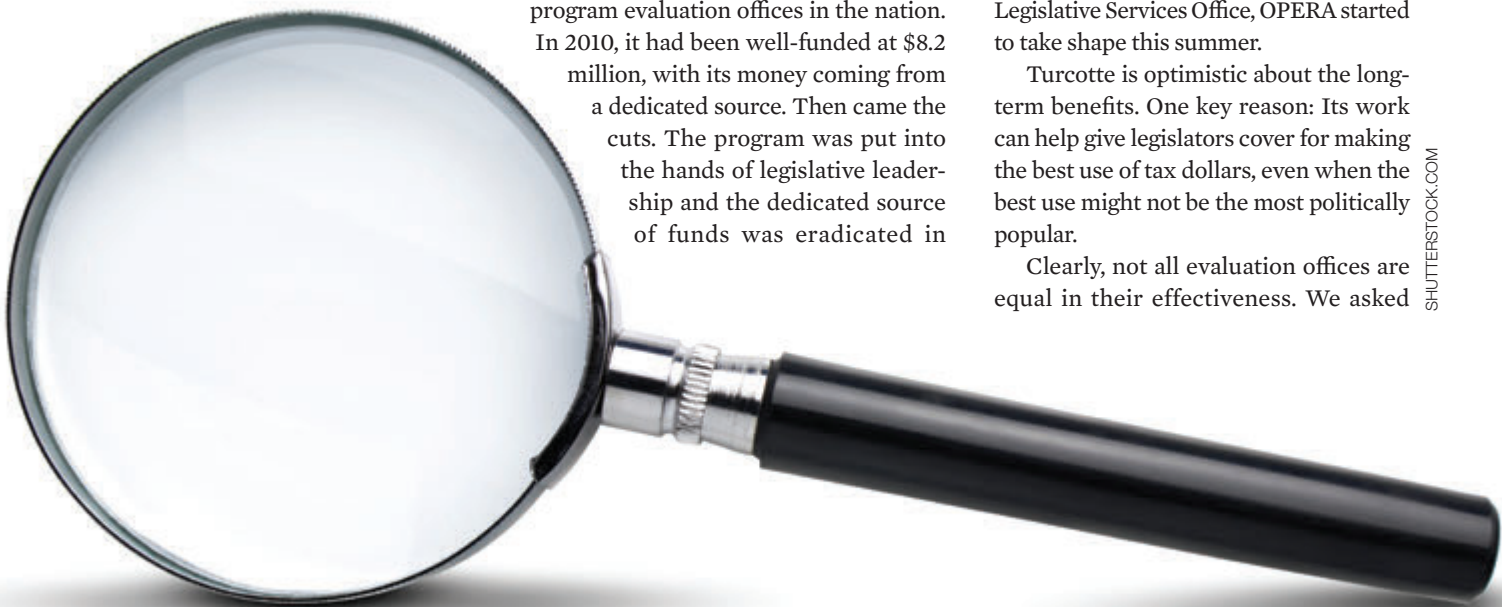
Countering the Florida situation is one from North Carolina. Back in 2015, the state's Department of Health and Human Services failed to provide consistent and accurate performance information on its programs. This infuriated legislators, who channeled that anger into legislation, establishing a new Office of Program Evaluation Reporting and Accountability (OPERA) within the department.

There things stood. A couple of years passed with no action until the State Appropriations Act for fiscal years 2017-2018 finally mandated its establishment and promised funding. With the help of John Turcotte, the director of the state's program evaluation services division of the Legislative Services Office, OPERA started to take shape this summer.

Turcotte is optimistic about the long-term benefits. One key reason: Its work can help give legislators cover for making the best use of tax dollars, even when the best use might not be the most politically popular.

Clearly, not all evaluation offices are equal in their effectiveness. We asked

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Kathryn Newcomer, president of the American Evaluation Association, what the keys are to building and maintaining a strong system. She suggested three criteria: The first is to educate politicians and senior executives on the need to collect data on how programs are being implemented and how they're working. Unless you convince them about that, nothing will be done. Second, articulate and frame the questions that will be looked at in programs and policies. Prioritize the questions, because resources are not unlimited. And last, produce concrete evidence of why the set of findings delivered for creating or changing a program are more persuasive than other alternatives.

There's action on this issue at the federal level as well. In March 2016, the federal government established the Commission on Evidence-Based Policymaking, which then assembled research detailing the significant benefits of evaluation efforts in a paper. One of the major recommendations was for all federal agencies to set up a chief evaluation officer to coordinate evaluation and policy research.

So far, the Labor Department is the only cabinet-level federal department to have created such a position, according to Newcomer. Some other federal agencies, such as the Centers for Disease Control and Prevention, have put such offices in place and others may soon follow suit.

The commission's recommendation holds for states and localities as well. One of the paper's authors, Robert Shea, a principal of the public-sector practice at Grant Thornton, would like to see a continuum of evaluation offices at various levels of government. He sees the possibility that these offices "could be the central point through which you bring together these communities to consolidate funding streams, share best practices and so on. It could be a balm for what ails federalism."

Shea notes that states and localities have the same needs as federal agencies in terms of coordinating evidence-based research. Establishing such offices should be, in Shea's words, a "no-brainer." **G**

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## The Disrupting of Homelessness

We'll never end it, but cities and counties need to manage it better.

When the subject is homelessness, we hear the word "eradicate" a lot—the idea that the problem can be completely eliminated. Indeed, "Strategies for Eradicating Homelessness" was the title of a panel at *Governing's* recent Summit on Health and Human Services. But I doubt that either of the two panelists, Albuquerque Mayor Richard Berry or James Mathy, the Milwaukee County Department of Health and Human Services' housing administrator, would tell you that the outstanding work their jurisdictions are doing will result in the outright eradication of homelessness.

It's time to change the way cities and counties deal with the issue, but our conception of homelessness makes it more difficult to do what needs to be done: manage it in an efficient, effective and sustainable way. There always is going to be a stream of newly homeless individuals. Right now, a convergence of issues—including the affordable housing crisis, the shortage of resources for mental health treatment, rising rates of addiction to opioids and other drugs, and income volatility resulting from the changing nature of work and the stagnation of wages—has made this perennial fact even more intractable.

But as governments become more assertive, they are often going to be seen as intruding in a space long dominated by nongovernmental players. In Albuquerque, as in many cities, services for the homeless are delivered by an array of faith groups, community organizations and nonprofits. When Berry created the Heading Home initiative, it was seen as disruptive. There was resistance to change. But the mayor brought multiple stakeholders to the table, listened to them, and showed them the gaps and overlaps in services. His message was that there was an opportunity to innovate and thrive.

Mathy says Milwaukee County's Housing First project also met some resistance from the network of nonprofits and community groups serving the homeless. Eventually, however, people came to realize that it wasn't about cutting their funding but about serving the homeless in a more comprehensive and effective way. As in Albuquerque, the county took a systematic approach. Under the new initiative, for example, one of the shelters became more of an overall homeless services agency.

An important part of the way local governments manage homelessness will be changing the way the public perceives the problem. People tend to think of homelessness as an individual issue, divorced from larger economic forces, rather than as a collective one. That tends to increase the public's sense of fatalism about the problem, limiting support for it as a legitimate one for government to manage.

We need to begin to conceptualize dealing with homelessness as an ongoing core function of local government and acknowledge that cities and counties can no more eradicate it completely than they can fill every pothole or stop every crime. What they can do, and what Albuquerque and Milwaukee County seem to be doing well, is to be more assertive and responsible in managing it. **G**

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FLICKR/ ELVERT BARNES



# A Bureaucrat Named Alexa

Artificial intelligence is making inroads into government.

**H**ave a question about taxes, vehicle licensing or simply need the phone number for a state agency? If you live in Mississippi, just ask Alexa, Amazon's digital assistant that has been programmed to also work with state and local governments.

In fact, Mississippi is one of several governments that uses so-called chatbots to handle a range of basic but frequently asked questions. In Utah, teenagers can solicit help reviewing questions that might be on a driver's test. In Los Angeles, residents can get detailed information about city-sponsored events. And Las Vegas' digital assistant can answer queries about parks, upcoming elections and the status of building permits.

These early forms of artificial intelligence are popular with governments because the technology is both affordable and doesn't require a lot of custom development. But A.I. could have big implications beyond just cost savings. "Mississippi is a rural state," says Craig Orgeron, the state's chief information officer, "which can mean accessibility challenges for residents." The one piece of (mostly) universal technology among all residents is a smartphone, which isn't ideal for conducting transactions with the state. But if the state uses a chatbot to intercede, says

Orgeron, then it becomes a bit easier for someone to get help, renew a car's registration or apply for benefits. "It could be the perfect marriage of services, access and mobility," he says.

A.I. simulates human intelligence and changes the way it behaves without intervention. It can perform both simple and complex tasks. For example, A.I. can schedule meetings for workers, search for documents or even fill in forms by asking users specific questions. In the case of the more complex situations, A.I. can predict the best time for a caseworker to intervene in a child welfare case.

Despite just a smattering of uses for A.I. in government so far, some experts are already urging caution. Hila Mehr, a fellow at the Harvard Kennedy School, recently wrote, "Despite the clear opportunities, A.I. will not solve systemic problems in government, and could potentially exacerbate issues around service delivery, privacy and ethics if not implemented thoughtfully and strategically."

Specifically, Mehr calls for A.I. to augment and improve services. It should not, however, be viewed as a technology that can simply replace workers, nor should it ever become a substitute for making critical decisions about citizens. In other words, even if A.I. can predict when a foster kid might be mistreated, caseworkers shouldn't rely on it alone. Mehr also points out that the technology is not unbiased. After all, she wrote, it was programmed by humans.

One of the biggest effects A.I. will have on government relates to jobs. It will almost certainly replace some workers, such as call center agents whose job is to answer questions and help complete discrete types of transactions—just the kind of task for an A.I.-enabled device such as Alexa. But the workforce that remains is likely to be smarter. "There's a trend of the government worker becoming the knowledge worker," Orgeron says. **G**

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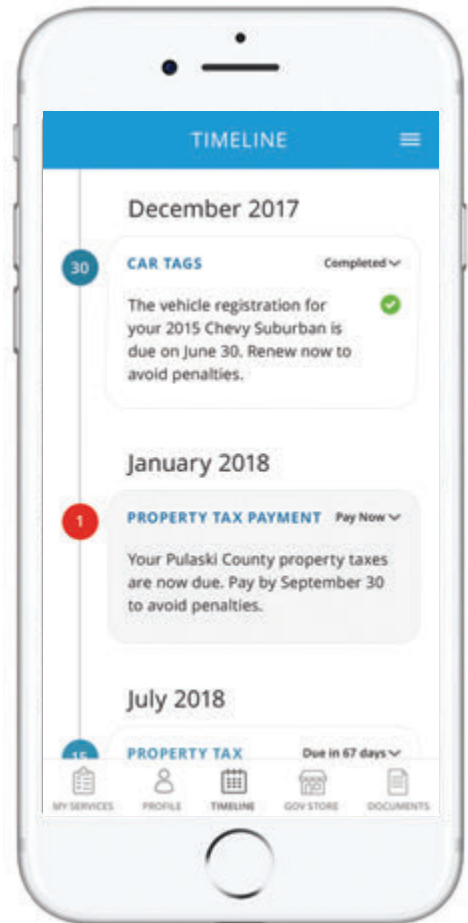


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# Friends with Tax Benefits

A tax break for hospitals could save public health agencies a lot of money.

**R**epublicans in Congress spent much of 2017 trying to undo the Affordable Care Act (ACA). As the year draws to a close, the individual mandate, the state exchanges and other key features of that law remain in place—and highly contentious.

But there's another part of the ACA that's received far less attention, enjoys bipartisan support, and could mean a world of difference for state and local budgets. In fact, the real legacy of the ACA might be some major changes in how we pay for local public health services.

About two-thirds of hospitals in the U.S. are tax-exempt, nonprofit organizations. Like other nonprofits, the hospitals don't pay federal, state or local taxes, can issue tax-exempt bonds and can receive tax deductible contributions from donors. These benefits add up. In 2011, the Congressional Budget Office estimated that this preferential tax treatment saves nonprofit hospitals about \$25 billion annually.

So what's in it for taxpayers? Federal law requires tax-exempt hospitals to deliver "community health benefits." Hospitals can meet that requirement in two ways. One is providing health care to those who can't afford it—also known as charity care. The other is community-building activities designed to keep people out of the hospital. This includes investments in everything from health education and affordable housing to environmental conservation and support for the local half-marathon. Since community benefits include such a huge swath of activity, public finance experts often ask if those benefits are larger than the tax revenues we forego to realize them.

The ACA came about in part because of a concern that tax-exempt hospitals don't meet this standard. But several large states such as Illinois and Texas

have minimum charity care obligations that would ensure this benefit equation is in balance.

Nevertheless, in response to this concern, the ACA included several new requirements around community benefits. Tax-exempt hospitals must now develop a "community health needs assessment" every three years, along with a plan to implement it. And they must provide the Internal Revenue Service with annual reports on their community benefits spending. These new requirements had two goals in mind: Make hospitals more accountable for and encourage them to spend more on community benefits.

The timing of these new requirements was perfect for public health agencies, whose budgets had been savaged by cuts throughout the worst of the Great Recession. In those tough fiscal times, many public health leaders protected their core activities, such as immunizations and water quality inspections. But they did so by cutting other activities. The ACA community benefit requirements set the stage for a new model. To keep their tax-exempt status, hospitals could now partner with public health agencies and pay for initiatives, helping offset those cuts. It seemed like a win-win.

So did it happen? Sort of.

Perhaps not surprisingly, hospitals continue to prefer charity care over community benefits. A study published in the

*New England Journal of Medicine* in 2013 found that hospitals traditionally spend only about 1.5 percent of their operating expenses on community benefits. There's evidence that that figure hasn't changed a whole lot post-ACA. That won't do much to move the needle on expensive but preventable health problems like diabetes and hypertension.

One especially big concern is that spending on community health-building is often disconnected from actual community health needs. In fact, several studies have shown that hospitals haven't really engaged the community in their health needs assessments.

Lately, though, the conversation has changed. Hospitals are becoming more transparent about why they're reticent to spend more on community health. One obvious barrier is that it's bad for business. A healthier population means less demand for hospitals.

But the ACA community benefits experiment has revealed another problem that revolves around the ins and outs of the tax break itself. The IRS, the hospitals say, has given them unclear guidance on precisely what counts as a community benefit. Oddly enough, the IRS and state and local tax authorities could take on this problem—assuming that some version of the ACA survives. **G**

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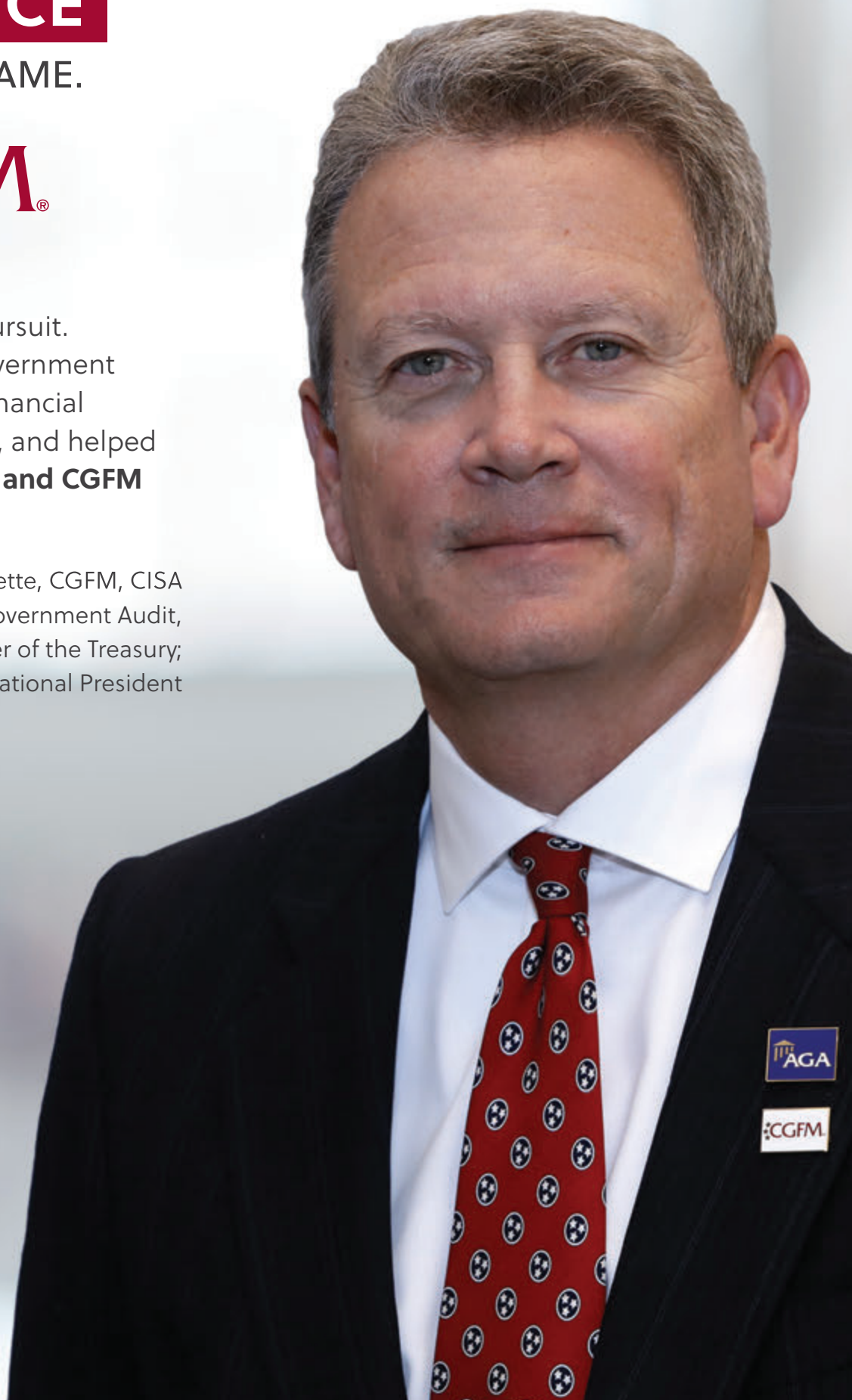
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# Last Look



It may seem counterintuitive, but fall and winter is tree-planting season in much of the country. For the next six months, cities will be taking advantage of cooler temperatures and better soil conditions to care for and grow their urban forests. One of those places will be Washington, D.C., which will plant more than 100 trees a day as part of an effort to increase the city's overall tree cover by 40 percent by 2032. Most of those trees will come from a farm just 70 miles west of the city in Berryville, Va. There, on 730 acres of rolling land along the Shenandoah River, Casey Trees, an urban forestry nonprofit, grows a variety of species. Back when Thomas Jefferson was president, Washington was known as the "City of Trees." But disease and rapid development brought about a precipitous decline in their number. Now, the city is trying to recover its nickname. Since 2002, Casey Trees has been working with the government, as well as with businesses and citizens, to plant, maintain and promote healthy trees. For the next year, they'll be putting in more than 10,000.

—David Kidd



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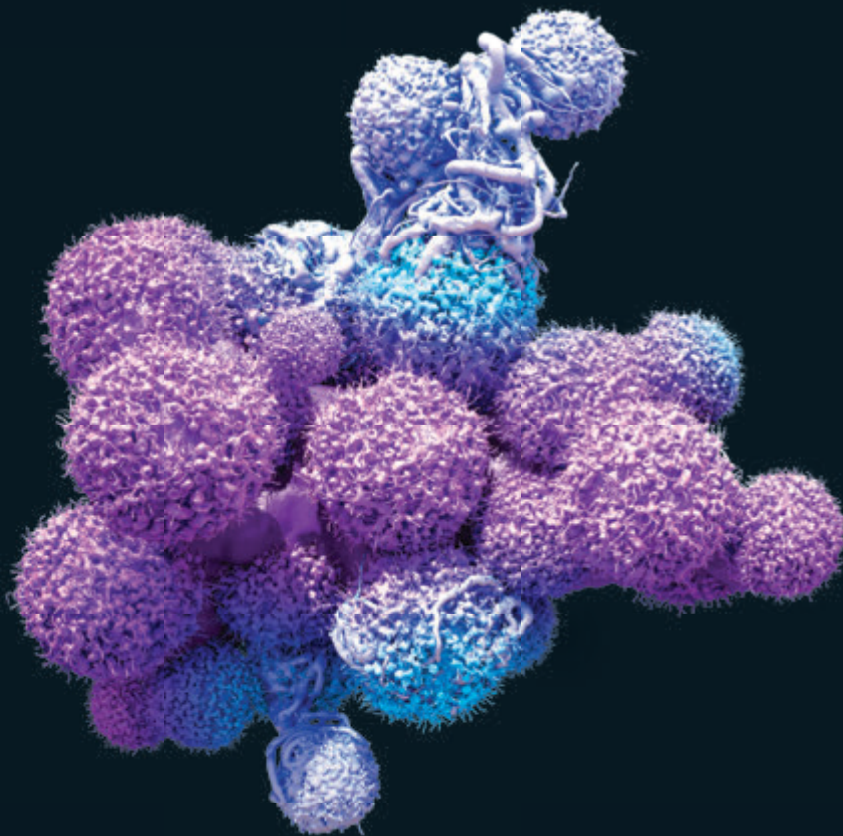
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