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Contents

December 2018

22 Public Officials of the Year
Chris Castro, Karen Ragland, Eric Garcetti, Rahul Gupta, Bill Haslam, Toi Hutchinson, Amber McReynolds, Rick Raemisch, Polly Trottenberg, Faith Winter

42 Bumped Out
When pregnant women are fired or discriminated against in the workplace, the federal government isn’t very good at protecting them. States are stepping in.
By Mattie Quinn

46 Politicizing the Portfolio
Should pensions be investing in gun manufacturers? What about fossil fuel companies? Private prisons? It’s an increasingly divisive question.
By Liz Farmer
Chronic absenteeism is a big issue in the nation’s public schools.

The Business of Government

SMART MANAGEMENT

52 Oysters and Fiscal Notes
As Maryland has learned, notes can tell legislators a lot about a bill.

ON LEADERSHIP

54 An Urban Warrior on Poverty
For Philadelphia’s mayor, it’s about what poor people really need.

PUBLIC MONEY

56 Partnering Up
State incentives urge localities to share services. But do they work?

TRANSPORTATION + INFRASTRUCTURE

58 What GPS Has Taken Away
There’s something to be said for paper maps. They help us to know a place better.

HEALTH + HUMAN SERVICES

59 Schoolhouses of the Homeless
Educators are struggling to cope with a surge of housing-insecure students.

ENERGY + ENVIRONMENT

62 Recycling Post-China
The country only wants the cleanest trash. Can cities get consumers to recycle better?

64 Last Look
Joan of Arc is a national hero of the French. Although historians regard Joan’s role as one of many factors in the winning of the complex 100 years war, her presence both as a warrior and spiritual visionary sparked the beginnings of France’s rise as a great European power.
Dialogue

“We need a new space where people can get information on how they feel, on where to go, and a network for us to interact and review our mental health spaces, and to create a community of people helping people.”

—Chance the Rapper on his pledge to donate $1 million to improve mental health services in Chicago. Chance has been a vocal critic of the 2012 closure of six city-run mental health clinics, which was detailed in the October feature “Mental Breakdown” by Mattie Quinn.

Correction

In the November Urban Notebook column “A Policing Paradox,” Scott Riley wrote that the Baltimore Police Department employed about 41 officers per capita in 2016. It should have instead said that the Baltimore police employed 41 officers for every 10,000 residents in 2016.

A Town and Gown Debate

In the October feature “Towns, Gowns and Real Estate,” J. Brian Charles looked at how some cities with universities as their main employer struggle financially as a result of property tax exemptions and aggressive university real estate expansions. He focused primarily on New Haven, which is home to Yale University. There, a full 54 percent of all property in the city is tax exempt. Meanwhile, 1 in 4 New Haven residents lives at or below the poverty line.

Charles explored the complicated town and gown relationship, particularly the issue of whether universities should pay property taxes or make other financial contributions. Several readers on Reddit weighed in.

If these cities didn’t have their universities, they’d be far worse off in a number of ways. They would have developed differently, and their urban cores wouldn’t be as economically strong and vibrant. Universities boost the value of land in the areas around them, bringing in more money for the city. They pay thousands of people who in turn pay taxes, buy houses and send their kids to school.

The problems in these cities are caused by different things, notably deindustrialization and the flight of people and capital to the suburbs in the second half of the 20th century. The places that suffered during that era were older cities on the East Coast and Midwest. Taxing the universities would bring in revenue, but you’d lose revenue from other sources that capture the universities’ economic impact.

Universities help fund public services that would otherwise not exist. An example is [in my town where] the university fee pays for bus service around the city, allowing other people not affiliated with the university to still get around. Without the university pushing for the bus network, the city would have never developed it on its own.

The university also has its own police force that aids the city’s police force and reduces the costs the city would otherwise be on the hook for.

You can simultaneously appreciate Yale’s contributions to the city and still believe they could be doing more.

Part of the problem is that New Haven, and other Connecticut cities, are tiny, so a large campus like Yale takes a lot of taxable, potential business property off the grand list. If New Haven were the size of say, Charlotte, N.C., the effects would be much less pronounced. But as it is, the Yale campus is almost a city unto itself, and it stands in stark contrast to the surrounding neighborhoods.


—Hashslingingslashar on Reddit

If a city has to pay for infrastructure to support a ton of property that’s exempt from property taxes, it seems inevitable that the city will suffer for it.

—Eurynom0s on Reddit

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Seattle and other big cities are finally closing the wealth gap between themselves and their suburbs.
Twenty states elected new governors last month. Few will change the tone in their state capitols as quickly as Illinois Democrat J.B. Pritzker.

In large part, that has to do with the man Pritzker unseated. Republican Gov. Bruce Rauner spent his four years in office feuding with the Democrats who run the legislature, notably state House Speaker Michael Madigan. Most notoriously, their disagreements led to a two-year period during which the state could not enact a budget.

Like Rauner, Pritzker is a millionaire hundreds of times over for whom the governorship will be his first elected office. Corporate kings who enter politics are often frustrated to find that their word is not final. But where Rauner had been a takeover artist, accustomed to telling people and corporations to do things his way, Pritzker is inclined toward congeniality. He grew up in the hospitality business: His family made its fortune owning the Hyatt hotel chain.

Pritzker has been around politics a long time. He ran unsuccessfully for Congress 20 years ago and has been a major Democratic donor, leading a tech initiative for Chicago Mayor Rahm Emanuel and funding a school breakfast program for the state. He won't be challenging the legislature, as Rauner routinely did, over issues such as establishing term limits or taking away the General Assembly’s authority over redistricting. “He will certainly work closely with the Democratic leadership in the House and Senate,” says Democratic state Rep. Barbara Flynn Currie. But, she adds, “he won't be Mike Madigan’s right-hand man.”

Madigan has ruled the state House for all but two years since 1983. He hasn’t always gotten along with Democratic governors. But the potential coziness between Pritzker and legislative Democrats was a central theme of the Republican campaign. A couple of weeks before the election, Rauner released an ad dramatizing a same-sex “unholy union” between Pritzker and Madigan, with the speaker vowing to be an “unlawful partner in destruction” and Pritzker pledging obedience “always” to the speaker.

Rauner’s complaint all along has been that Illinois’ finances are in disorder and in need of a severe shock. It’s hard to argue with him, even though legislative Democrats rejected his prescribed medicine. This year’s budget as passed was nominally balanced, but the state almost immediately warned bond buyers that it was actually $1.2 billion in the red. That shortfall is expected to grow in the new year. “What we know with Madigan is that, for one reason or another, digging out of the fiscal hole isn’t his priority,” says Brian Gaines, a political scientist at the University of Illinois.

Pritzker said during the campaign that he’d like to create a graduated income tax, moving the state away from the current flat rate and calling on higher-income individuals to pay more. That can’t happen right away. Even if it’s approved by the legislature, the question would have to be put to voters, which wouldn’t occur until 2020. In the meantime, Pritzker might try to raise the personal income tax rate, perhaps offsetting some of the bump with deductions. He also favors legalizing marijuana, which could bring in some new revenue.

In general, though, his victory over Rauner was such a foregone conclusion that he wasn’t pressed to offer many specifics about what he’d do in office. “Pritzker has not had to go out on a limb with too many promises,” Gaines says. “He hasn’t given us much clue as to what he has in mind.”

What’s indisputable is that the new governor will inherit the same pension and budget problems Rauner was unable to solve. “There are at least two more years of a strained financial situation in Illinois,” predicts GOP Rep. David Harris. “I don’t think there’s any way of getting around that.”

—Alan Greenblatt
THE SPRINGFIELD SURPRISE

Sucessful cities nearly all have something in common: leadership that can figure out where the community needs to go and can execute a plan to take it there. Fifteen years ago, it seemed inconceivable that Springfield, Mass., could be described in such terms. But after almost collapsing into bankruptcy, Massachusetts’ third-largest city is in the best shape it’s seen for more than a generation.

Heading into the 21st century, financial mismanagement wasn’t just a problem in Springfield, but a perennial habit. The city kept its property tax records on filing cards and budgeted as if it could collect 100 percent of the revenues that were owed, even though it continually fell millions of dollars short. As a result, Springfield ran deficits for 18 unbroken years. By the time a state control board took over in 2004, the cumulative deficit was, in fact, twice as big as city officials themselves realized—$41 million, not the $20 million estimated.

Springfield’s finances were too big a mess even to qualify it for junk bond status. The credit rating agencies couldn’t get enough information out of the city to be able to rate it, so they gave up. “A deficit that was twice as high as they thought—what does that tell us about the condition of the city at the time? asks Stephen Lisauskas, who served as executive director of the state control board.

City officials knew very little about what was happening under their own roof. They were unsure how many employees they had or the extent of their health-care costs. Timesheets were done on paper, using an honor system that was barely honored.

During its five years in charge of Springfield, the control board restructured city departments, laid off employees and ran a rigorous performance measurement program, using data to keep track of what was going on. Mayor Domenic Sarno, who was first elected in 2007, has helped put in place real-time accounting systems that allow agencies to respond promptly when changes are called for. “If you manage your people costs, you’re freeing up money for all the other investments needed in the city,” says T.J. Plante, the city’s finance director.

Springfield now has real-time crime analysis that takes advantage of cameras all over the city, including newly negotiated body cameras worn by the police. The schools have improved: High school graduation rates are up 56 percent over the past five years, and the dropout rate has been cut in half. After a tornado ripped through town in 2011, city officials used federal funds strategically, melding their own investments and infrastructure planning with economic development projects. Previously, public and private investment had rarely been knitted into coherent long-range plans. A big downtown casino and a rail car manufacturing plant are now starting to have spinoff effects, with a total of $3 billion worth of public and private development projects at various stages of construction and planning.

Springfield is not a renewed paradise. Nearly 1 in 4 residents lives in poverty, and more than half of schoolchildren qualify for free or reduced meals. It has not been able to overcome the larger economic forces that have kept Boston booming while Western Massachusetts keeps slipping behind. City pension plans are still sorely underfunded. But Springfield’s credit rating is now the highest it’s ever been. Housing prices have been perking up after decades in the doldrums, showing that people are willing to invest in a city that has finally figured out the proper ways to invest in itself. —Alan Greenblatt
Observer

THE BREAKDOWN

0
The number of shootings in New York City on the weekend of Oct. 12–14—the first shooting-free weekend in the city since 1995.

14
The number of animals killed by Idaho Fish and Game Commissioner Blake Fischer on a vacation in Africa, including a family of baboons, a giraffe and a leopard. Fischer was forced to resign by Gov. Butch Otter shortly after his return from the trip.

4x
The rise, since 2001, of the percentage of children in the U.S. under the age of 2 who haven’t received any vaccinations. While a tiny fraction of the whole, it’s still grown from 0.3 percent to 1.3 percent today.

19
Age of Wisconsin Rep.-elect Kalan Haywood, who is the youngest state lawmaker in the nation.

Over-the-Rhine has been one of the biggest urban success stories of recent years. The neighborhood, which is just north of downtown Cincinnati, was in deep disrepair two decades ago, with thousands of residential units sitting vacant, turning into what amounted to an open-air drug market. Since then, however, city officials, corporations and developers have all taken an interest, sprucing up a historic district slightly larger than the French Quarter in New Orleans and filling it with condos, offices and restaurants.

One of the side effects has been parking trouble. The city has responded in an unexpected way, eliminating the requirement that developers provide a minimum number of parking spots for each office or apartment.

For years, urbanists have argued that parking minimums create more problems than they solve. The promotion of parking, they argue, encourages unnecessary vehicle ownership and makes infill development more expensive and sometimes impractical.

Land that could be put to productive use often sits idle as parking lots, with many of the spaces empty except for a few seasonal periods of peak use, such as the Christmas shopping season. These parking requirements raise costs for developers, who pass them on to occupants. One University of California, Los Angeles study found that, around the country, 700,000 renters who don’t have cars are nevertheless paying for parking to the tune of $440 million a year.

In response, numerous cities have abolished parking minimums, whether citywide, along transit lines or, as in Cincinnati, in the urban core. Buffalo, N.Y., Indianapolis, Kansas City, Mo., and Seattle have all relaxed what were once strict parking requirements. “It’s a regulatory demand, not a market demand,” says C.J. Gabbe, a planning professor at Santa Clara University. “Given the opportunity, developers tend to build less parking.”

In Over-the-Rhine, parking mandates had caused perverse development decisions, with usable buildings sitting vacant because of the cost of adding parking—or being torn down for lots to satisfy parking requirements for projects located blocks away.

Developers of dozens of projects had requested waivers, suggesting the system wasn’t working. “[The new rules] make development, especially small business development, a little bit easier,” says Philip Denning, a Cincinnati development official. “There’s one less box you have to check.”

The changes were approved by the city council only in September, but already neighborhood associations in other parts of Cincinnati are asking whether parking minimums can be abolished or reduced in their sections of town. Knowing that commercial developments would benefit the most—and that residents would be mad if they were ever going to circle around to find a space—the city implemented a residential permit parking system for Over-the-Rhine. “I always encourage cities to think about both the off-street and on-street parking requirements,” Gabbe says. “If you’re reducing the off-street parking requirements, you have to actively manage street parking.”

—Alan Greenblatt
Better navigate your path to digital transformation by downloading this handbook at:
www.governing.com/govtransformation
Back in the 1970s, I covered politics for Congressional Quarterly, or CQ as it was and still is known. Once I was assigned to write a little something about the reelection prospects of Nevada’s governor, “Big Mike” O’Callaghan. I had read enough about Nevada that I knew how to get started: I called Don Lynch, perhaps the best-connected political writer in the state.

I asked Lynch how it looked for O’Callaghan. Well, as a matter of fact, he said, he had just had dinner with the governor and he was convinced the election would be a cakewalk. I thanked him, and proceeded to write a story saying that O’Callaghan was headed for an easy victory.

A while later, I picked up a clipping from Lynch’s paper, the Nevada State Journal, with the prominent headline: “BIG MIKE SAFE, CQ SAYS.” Lynch was attributing News Just a Few Can Use to me information that he himself had provided.

That experience reinforced a lesson that I had been learning in my few years on the politics beat: There was a big difference between what political writers knew and what they were willing to put in the paper under their own name.

In those days, newspapers all over the country had a Don Lynch, or someone very much like him. They ate, drank and gossiped with the most important political figures in their states, acquired inside information on what was about to happen—and then kept most of it out of the paper. Ed Ziegner of The Indianapolis News was a good example. Every year, he hosted a dinner that was de rigueur for anybody who counted in Indiana politics. He could tell you who the strong candidates for governor were, months before the filing deadline. In the weeks prior to a general election, he could predict the vote in all the big counties with stunning accuracy. But to find out what he knew, you had to call him up and interview him on background. You didn’t learn much by reading his newspaper stories.

There are a few things we can say with confidence about the statehouse political reporters from a generation ago. One is that many of them valued their relationships with elected officials more than they valued the free flow of sensitive information. Another is that they viewed maintaining discretion as a cardinal rule and disdained colleagues who made a habit of violating it. A third is that most of them were not under any serious competitive pressure. Many were operating in monopoly newspaper markets.

I bring up all this ancient history because it is now commonly believed that media coverage of state government and politics has declined over the past few decades. That belief is true in some ways, but it is questionable in others.

If you look strictly at numbers, it’s hard to escape the notion that state-level journalism is in dire straits these days. To make the most obvious point, there aren’t as many news outlets as there were when the century began. Penelope Muse Abernathy, Assessments BY ALAN EHRENHALT

There’s plenty of political reporting in state capitols, but it’s not much help for the average voter.
the chamber. The media outlets that cover state legislatures nearly all do it by sending in someone just for the duration of the legislative session; most of the time, it's a young and fairly green reporter with limited knowledge of how legislatures work. “Many cycle through their states very quickly,” says Charlie Mahtesian, a former Governing colleague who now follows politics for Politico. “As a result, there isn’t always a deep command of state political culture.” To put it another way, there are very few Don Lynches or Ed Ziegners lurking in state capitol hallways anymore—even in the most populous states.

So that’s the “declining media” side of the story. It’s quite real, and it’s a problem. But it’s not the only side of the story. The amount of space devoted to regular legislative events is a fraction of what it was half a century ago. But the major media outlets haven’t lost their appetite for political news; they just want it laced with juicy scandal.

Let’s take Missouri as an example. This past January, Gov. Eric Greitens disclosed that he had been involved in an extramarital affair with his hair stylist. He did that because he knew that within hours the St. Louis TV station KMOV would not only run a Greitens article in a prominent position every day for weeks. In February, Greitens was indicted by a St. Louis grand jury. In June, facing impeachment, he resigned.

It’s comforting, in a weird way, to know that mainstream media outlets are still interested in philandering governors and sleazy cover-ups. But what if you just want to know the latest on the state budget negotiations or the omnibus transportation bill? In most states, you can’t depend on newspapers and TV stations for day-to-day coverage of that stuff. Still, you aren’t out of luck. In fact, more information is available to you today than there was in the “good old days.”

Let’s take Missouri again. If you’re so inclined, you can follow every minute of legislative floor action on streaming audio provided by the legislature itself. You can watch “This Week in Missouri Politics” on public TV. You can get informative and reasonably balanced coverage of state political news on online news sites like Missouri Times, PoliticMO, Show-Me Daily and Occasional Planet.

As a result, there isn’t always a deep command of state political culture.
5 THINGS TO KNOW ABOUT DRONE DEPLOYMENT IN STATE AND LOCAL GOVERNMENT

Drones have flown into new territory as the technology becomes more affordable and the Federal Aviation Administration (FAA) looks to relax previously prohibitive regulations. The reason is simple. Drones have near limitless uses and can be a critical tool to help government agencies operate more efficiently, obtain actionable information — and, most importantly, save lives.

In June 2018, the Center for Digital Government (CDG) surveyed more than 200 U.S. state and local government leaders about how and where they plan to use drones, and the challenges they face in doing so.

1. DRONES ARE A GAME CHANGER.
92% of survey respondents said drones will have a “significant impact” on state and local government operations.

2. DRONE DEPLOYMENTS ARE UNDERWAY.
Nearly 50% of respondents have deployed drones or have definite plans to procure drone technology.

ADDITIONAL FACTS:
- Drones are a game changer.
- Nearly 50% of respondents have deployed drones or have definite plans to procure drone technology.
- 92% of survey respondents said drones will have a “significant impact” on state and local government operations.

ABOUT DJI

DJI is a global leader in developing and manufacturing civilian drones and aerial imaging technology for personal and professional use. DJI was founded and is run by people with a passion for remote-controlled helicopters and experts in flight-control technology and camera stabilization. The company is dedicated to making aerial photography and filmmaking equipment and platforms more accessible, reliable and easier to use for creators and innovators around the world. DJI’s global operations currently span across the Americas, Europe and Asia, and its revolutionary products and solutions have been chosen by customers in over 100 countries for applications in filmmaking, construction, emergency response, agriculture, conservation and many other industries.
Drones are an important public safety tool. Law enforcement officers, fire fighters, and search and rescue teams can all use drones to increase safety on the job and help save lives.

59% of respondents want to use drones to increase public safety.

Leaders need to prepare their workforces to implement drones.

50% of respondents said their No. 1 challenge was lack of trained staff.

Drones’ usefulness extends beyond public safety.

Respondents said drones could help them with:

63% Aerial Photography

42% Inspections

30% Infrastructure/building projects

27% Traffic monitoring

59% of respondents said their No. 1 challenge was lack of trained staff.

To learn more, visit: www.dji.com

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never was very good at Jenga. For the uninitiated, it’s a game where little blocks stack up to make a tall tower, and where the goal is to pull the blocks out, one by one, from the bottom. It’s a game of skill and cunning: How much can you destabilize the tower without taking a big swing and knocking it down in a single blow? It’s a game that the Trump administration has learned to play with remarkable skill.

In its first months, the administration lobbed one legislative assault after another on Obama-era policy, but mostly failed to make much difference. Those challenges had precious little to show for themselves, except for the passage of the tax cut a year ago. But after a rocky start, Team Trump has finally figured out that it can get much of what it wants through a kind of Jenga federalism.

Instead of engaging in a direct federal-level attack on big policies with major legislation, Trump’s team is pushing more decisions to the states. Gumming up the works at the state level, through administrative actions on many fronts, turns out to be a lot easier than pushing for big legislative changes in Washington, where Congress is often gridlocked. Even with its 2018 losses, the administration has enough allies in governors’ mansions and state legislatures that it can get a lot of what it wants through a kind of Jenga federalism.

Observer
Washington Watch

Trump and the Art of Jenga Federalism

The White House has learned there’s more than one way to attack a liberal-leaning federal government.

health insurance. That pulled one large block from the Affordable Care Act tower. Individual states began looking into plans that pared back basic coverage, and some of them made a run at providing cheap plans that skirted many of the fundamental Obamacare rules on coverage, including protection for preexisting conditions.

A proposal in Idaho, though, proved too much even for the Trump administration. Seema Verma, administrator for the federal Centers for Medicare and Medicaid Services, told the state that it had gone too far when it allowed new plans that wouldn’t cover preexisting conditions or the basics mandated by Obamacare. But, at the same time, the administration signaled to the states that it was open to allowing skimpy plans for shorter periods. That led some state legislatures to offer cheap but limited coverage for healthy younger Americans. Meanwhile, the administration cut grants for “navigators,” the local experts who help individuals find their way through the complications of the program. Navigators grants dropped from $62 million in the Obama administration’s last year to $10 million in 2018. The combination of less money to encourage people to sign up, along with newer state-based plans providing less coverage for shorter periods, has had a big effect on insurance markets almost everywhere.

The Trump strategy has also led to huge differences in annual premium costs among states. In 2018, premiums for the mid-range “silver plan” dropped by 22.5 percent in Alaska, 15 percent in Minnesota and 10 percent in North Dakota. In contrast, premiums shot up 117 percent in Iowa, 74 percent in Wyoming and 71 percent in Utah. There have been wild swings in adjacent states: Premiums flew up 31 percent in Pennsylvania but just 10 percent in New York, and up 73 percent in New Mexico but down 2 percent in Arizona. These big differences have further unraveled the Affordable Care Act and made private insurers even more nervous about investing for the future. By pulling all these blocks...
from the program, the Trump administration hasn’t achieved its original goal of repeal and replace, but it has made the whole system enormously unstable.

The same strategy has spilled over into other programs. The Environmental Protection Agency allowed the states to create their own standards for emissions from coal-fired power plants, in a stark reversal of the Obama-era efforts to ratchet down greenhouse gases. Coal-producing states were elated by this, even though states downwind of big coal-fired plants were furious. Meanwhile, the administration went after California’s authority to regulate tailpipe emissions from cars, which had allowed the state to set de facto national standards for car manufacturers.

In education, Secretary Betsy DeVos sent out guidance that only the federal government, not the states, could regulate student loan collection companies. Many consumers had complained that the companies were abusing borrowers, and some states were moving to stop them—until the federal block was overturned.

In his presidential campaign, Trump pledged a long list of legislative actions to reverse Obama-era policies, but he couldn’t get Congress to act. Jenga federalism, however, has allowed the administration to make significant headway on many of its goals.

Since 1932, when Supreme Court Justice Louis Brandeis championed the idea of states as “laboratories of democracy,” progressives have looked at the states as places where important new ideas could bubble up to Washington. Now the Trump administration has used this strategy in reverse, with states knocking down big ideas rooted at the federal level.

It’s a pragmatic strategy that emerged slowly as Team Trump learned its way around Washington. Devolution to the states can replace centralized federal decisions. Now with the shift in the congressional balance of power, Jenga federalism may continue to give the administration the leverage it wants—in ways the Democrats could find hard to stop, even with their victories in November.

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**Fed Briefs**

**Welfare Crackdown Targets Immigrants**

After more than a year of discussion, the Trump administration issued a final rule in October making it harder for legal immigrants to obtain green cards or permanent residency status if they have used certain government benefits, including Medicaid, food stamps and housing subsidies.

Medical and human services experts say there is already anecdotal evidence that the proposed rule, which will likely go into effect this month, has had a “chilling effect,” leading some immigrants to drop or forgo health coverage. Observers fear this could have negative ripple effects on the health-care market as a whole. The market has already struggled to attract younger, healthier populations, which has contributed to rising premiums.

Governors who have come out against the rule, which include Democrats and Massachusetts Republican Gov. Charlie Baker, say they are working to reduce any confusion and fear. “We want kids to get vaccinations. We want people to have access to health care,” says Emily Piper, Minnesota’s human services commissioner. “When people don’t have that access, it impacts us all. It creates potential public health risks.”

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**Congress Passes Opioid Crisis Package**

The U.S. Senate passed a rare bipartisan package this fall aimed at fighting the opioid crisis. The bill, which passed 98-1, includes $50 million to help state education agencies, school districts and tribal governments increase evidence-based trauma support services and mental health care. It also allocates $20 million in annual funding for state and local governments and nonprofits to develop and run residential treatment programs.

The bill, which President Trump signed in late October, further includes regulatory fixes, such as expanding access to treatment for those in Medicaid and blocking shipments of opioids. While the bipartisan effort has generally been applauded, some worry it doesn’t go nearly as far as Congress has gone in the past to fight epidemics. Notably, the Ryan White CARE Act allowed for billions of dollars in treatment and other support for people with HIV and AIDS. First authorized in 1990, the program was still funded at a little more than $2 billion in 2016.

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**Who Has It Better? Public or Private?**

Public-sector workers know that they can typically count on more generous pensions and health coverage than if they worked for the private sector. But a time of low unemployment, both sectors are beefing up benefits to recruit and retain workers. So how do they compare today?

Using reports from the Society for Human Resource Management, Governing compared 300 benefits offered by companies and all levels of government.

In terms of professional development, general wellness and financial help, governments are the place to be. For instance, public employers are twice as likely to offer onsite gyms, credit counseling and medical care. They’re also a third more likely to offer professional development or tuition assistance.

But if you’re looking for perks like bonuses, free food or the ability to telecommute, you’re more likely to find it in the private sector. There, employers are three to four times more likely to give bonuses, twice as likely to allow full-time telework and four times more likely to offer free snacks in the office.

—Katherine Barrett & Richard Grieve

December 2018 | GOVERNING 17
For as long as cities have existed, their overall attractiveness and effectiveness have largely been determined by one measure: population growth. But as our nation has moved past the rapid growth phase of its development, that’s increasingly become ineffective. A better way to evaluate cities is by measuring their ability to attract wealth. That’s what really improves their capacity to address fiscal issues.

By applying such a measure, it appears that cities are finally closing the affluence gap between themselves and their suburbs. I recently gathered Census data for 2010 and 2015 on aggregate income for the 51 largest U.S. metros (those with more than 1 million residents) and found some revealing patterns: Between 2010 and 2015, population in the core cities of the 51 largest U.S. metros grew 5.8 percent, yet aggregate income, all in real dollars, grew by 23.9 percent. Over the same period, population in the suburbs of the 51 largest metro areas grew 5.9 percent, yet aggregate income grew by 19.8 percent. City aggregate income is growing at least 50 percent faster than the rate of surrounding suburbs in Atlanta, Chicago, Miami, New York, Philadelphia, Seattle and Washington, D.C., among others. Per capita income rose in cities from $25,370 in 2010 to $29,490 in 2015, a gain of 17.2 percent, and from $28,939 to $32,715 in the suburbs, a gain of 13.1 percent.

Meanwhile, Charlotte, Indianapolis and Virginia Beach, Va., are the metro areas with the biggest suburban income gains, where aggregate and per capita income grew by nearly five times the rate in their respective core cities. In all, the core cities in 29 of the 51 largest metros are outpacing their suburbs in aggregate and per capita income, with 17 of the 51 having their strongest aggregate and per capita income growth in the suburbs.

This transfer of wealth from suburbs to cities is just as profound as the city-to-suburb shift that preceded it in the middle of the 20th century, and presents a new challenge to both. It’s certainly fueled concerns around inequality and potential displacement in our big cities. That’s gotten a lot of our attention. But it’s also challenging long-held assumptions about suburbs and their sustainability. What happens when suburbs that were built for the middle class are no longer attractive to that cohort? What happens when suburban municipalities are forced to consider sizable fiscal challenges with a shrinking pool of resources?

For better or worse, cities largely had the fiscal support, social infrastructure and media attention to weather the storm prior to their rebirth over the last 25 years or so. New York City was famously denied federal assistance by President Gerald Ford in 1975, but narrowly avoided bankruptcy when the state Teachers’ Retirement System lent it money and Ford eventually relented. It’s largely been forgotten that Washington, D.C., was headed for fiscal ruin when Congress stepped in and appointed a financial control board between 1995 and 2001.

Of course, it’s not certain whether this trend is temporary or part of a longer lasting event, and it’s certainly not an indication that suburbs are doomed. Many will retain their affluence, just as many cities will continue to have areas that struggle. But it’s still pertinent to ask who will speak up for the fragmented and increasingly politically disenfranchised suburbs if wealth transfer continues.

Indeed, our metro areas may be finding themselves at the start of a new conversation about cities and suburbs. It may be time for cities to develop a magnanimous approach to their suburban brethren. Instead of ignoring the suburban challenges that will inevitably arise as wealth declines, perhaps cities should offer their expertise, developed over decades of ongoing serious urban crises. Where the money goes is more important than where the people go.

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Chronic absenteeism is a big issue in the nation’s schools.
D
ds in classrooms all across the country are routinely empty. It’s not due to a lack of funding or declining enrollment, but to the fact that students simply aren’t showing up.

The most recent federal data suggest more than 1 in 7 students are chronically absent from our public schools. It’s a widespread problem: At least a dozen schools in nearly every state report more than 20 percent of students are chronically absent.

Chronic absenteeism is a relatively new measure the federal government and states have started to track. Unlike truancy, it denotes missing school for any reason, excused or unexcused. But there is no universally agreed-upon threshold. The national think tank Attendance Works, which defines chronic absenteeism as missing at least 10 percent of school days in a given year, views it as an early indicator of more serious trouble. “Chronic absence is an alert,” says Hedy Chang, the group’s executive director, “that a kid is at risk, or a school is struggling and needs more resources.”

There are big disparities among different regions of the country. Federal data for the 2015-2016 school year indicate that more than one-fifth of students were chronically absent in seven states: Alaska, Maryland, Nevada, New York, Oregon, Rhode Island and Washington. Meanwhile, only about a tenth of students in Vermont and North Dakota were chronically absent.

The wide variation is largely a reflection of demographics. Black, Hispanic and Native American students are significantly more likely to miss school. In addition, the U.S. Department of Education has reported that students with disabilities are 1.5 times more likely to be chronically absent than others. Counterintuitively, students not proficient in English are actually less likely to be chronically absent than more proficient English speakers. A report published in September by Attendance Works, the Johns Hopkins University School of Education found that an alarming 30 percent or more of students were chronically absent from nearly 11,800 schools. It identified high poverty as a driving factor.

Demographics don’t always predict attendance, though. According to the report, chronic absenteeism exceeding 20 percent is more common in city schools than in suburban and rural areas. But in Oregon, an analysis showed especially high rates in rural areas. In Alabama and Mississippi, white students are more likely to miss school than black students.

Missing school sets students back academically. Average reading and math scores in the National Assessment of Educational Progress show a drop-off for students missing significant amounts of school in virtually all demographic groups.

Research suggests negative consequences are more severe for poorer students. A 2010 study in Sociology of Education found that socioeconomically disadvantaged kindergarten and first-grade children with good attendance improve their literacy more than those who miss school more often.

A 2015 federal law requires the disclosure of chronic absence in end-of-year district report cards, and nearly three-quarters of states have adopted it as an accountability metric. Definitions differ across states, though, and some leave it up to their districts to define. A few states, for instance, don’t count a suspension as a missed day of school. There’s an effort to define chronic absence more consistently.

It’s the differences in reporting that likely explain many of the discrepancies in state numbers, as some districts may undercount absent students if state and federal definitions don’t match.

Given the varying reasons why students are absent, there’s no universal approach to solving the problem. Districts have pursued a range of targeted interventions, from hiring caseworkers to, in rare instances, taking parents to court. The Cleveland Metropolitan School District established a phone bank to check in with families of chronically absent students. Oregon, a state which consistently records one of the highest rates of chronic absenteeism, recently hired eight regional coordinators to address the issue.

The wide variation is largely a reflection of demographics. Black, Hispanic and Native American students are significantly more likely to miss school.
Make no little plans,” the Chicago architect Daniel Burnham once remarked. “They have no magic to stir men’s blood.”

If Burnham, the most famous builder of his era, could meet the 10 men and women being honored as 2018 Public Officials of the Year, he would be pleased. Not a single one among them has little plans or modest goals. They’re focused on very big ideas: providing free college to all; ending the practice of solitary confinement in state prisons; addressing agricultural pollution and the food desert problem in our cities; eliminating all traffic fatalities; making voting accessible and secure for every citizen; stopping opioid overdose deaths; and tackling the culture of sexual harassment within state capitols.

Goalsetting, of course, is the most basic responsibility of any executive. But these 10 honorees didn’t just set goals; they set ambitious, audacious, society-changing goals. Through their hard work, they’re not only accomplishing these goals, but carrying out some of the most striking public policy achievements in the nation today.

For 25 years now, Governing has honored outstanding public officials who have made an indelible impact on the lives of the people they serve. We are pleased to honor the achievements of these 10 dedicated individuals.

PHOTOGRAPHS BY DAVID KIDD
Somebody forgot to tell Chris Castro that big ideas take a long time to pull off. Still under 30, he has launched a U.N.-accredited nonprofit to address environmental crises and co-created an urban agriculture program that's been replicated nationally and globally. Now, as Orlando's sustainability director, Castro is working on an even bigger idea: making his city carbon-free by 2050.

Castro's interest in sustainability and the environment started early. Born in Miami, he grew up close to nature on a palm tree farm operated by his parents. When he wasn't playing in the soil, he was playing in the ocean. He enrolled at the University of Central Florida so he could continue surfing. But it was there that he found his calling.

In 2006, UCF committed to becoming a carbon-neutral and sustainable campus by mid-century. This inspired Castro to major in environmental studies, and two years later he launched IDEAS For Us, a nonprofit that engages high school and college students to find solutions to environmental challenges.

It was out of IDEAS For Us that Castro's Fleet Farming program emerged. It's a hyperlocal initiative that turns front yards into miniature farms. Homeowners get 5 to 10 percent of the harvest, and the group sells the rest to local restaurants and farmers markets. Thanks to this program and his nonprofit, Castro is something of a rock star in the environmental community. He's keynoted a U.N. conference in Rio de Janeiro and been called the "Guru of Green" by the Orlando Business Journal.

Fleet Farming was born in a brainstorming session on how to address pollution from agriculture, which contributes to a third of the world's carbon emissions. The city had just passed an ordinance that allowed farming on up to 60 percent of a resident's front yard. "That ordinance was revolutionary," Castro says now. "Orlando was one of the first cities in the U.S. to do that."

It made perfect sense. Lawns are one of the largest sources of pollution in the U.S. America's 40 million acres of water-guzzling grass yards absorb 3 million tons of chemical fertilizers and 30,000 tons of pesticides each year, while requiring 800 million gallons of gasoline for mowing.

In 2016, Castro became Orlando's sustainability director. He expanded Fleet Farming's mission to address the "food desert" problem. Working with the city's real estate department, he turned unused public land over to farming in Parramore, a low-income community that had no grocery store within two miles. The harvest from the public plot and another dozen farmlets throughout the community is shared with the residents and sold at a weekly farmers market. "If we can replicate this project neighborhood by neighborhood," Castro says, "we can make a huge difference. There is acreage in cities to cure hunger."

Still in search of new ideas, Castro is arranging pilots of solar-powered self-driving cars on NASA runways, and using algae pools to test a system that traps carbon emissions. He continues to cast a wide net for partners. "Cities aren't in the position and don't have the capacity to operate their own farming initiatives," Castro says. "That's why it's important to create relationships with nonprofits. What the city can do is enable these types of initiatives. That's the role of government, in my opinion, to enable businesses to do those things."

--Elizabeth Daigneau

Chris Castro
DIRECTOR OF SUSTAINABILITY, ORLANDO, FLORIDA

December 2018 | GOVERNING 25
The Legislators of #MeToo

FAITH WINTER
State Representative, Colorado

TOI HUTCHINSON
State Senator, Illinois

KAREN ENGLEMAN
State Representative, Indiana
As the #MeToo movement has caught fire over the past year, it has done more than force high-profile resignations in entertainment, media and national politics. It has fostered an ongoing national conversation about men, women and power.

It’s also begun a quiet revolution in state governments, beginning with an open letter in California signed by more than 140 lawmakers and other statehouse employees exposing a culture of sexual harassment in Sacramento. Nationwide since 2017, at least 30 state lawmakers have resigned or been kicked out of office over harassment allegations; another 26 have lost committee chairs or other leadership positions. By this summer, about half the state legislative chambers across the country had implemented new harassment policies.

It would be impossible to enumerate everyone in state government who has helped shepherd these reforms over the past year. It’s a long and growing list of lawmakers that includes Assemblywoman Laura Friedman and state Sen. Holly Mitchell in California, state Rep. Teresa Tanzi in Rhode Island, and state Rep. Sarah Copeland-Hanzas in Vermont. And it’s a list that includes more than a few men—lawmakers such as Alabama state Sen. Bill Hightower and Delaware state Sen. David McBride.

But a trio of legislators—Democratic state Rep. Faith Winter in Colorado, Democratic state Sen. Tuti Hutchinson in Illinois and Republican state Rep. Karen Engleman in Indiana—stand out among the vanguard of lawmakers in confronting the culture of harassment in state capitols. Together, they demonstrate the breadth of experiences that have shaped states’ responses over the past year, showing what’s possible when elected leaders start speaking out.

In Illinois, Sen. Hutchinson was a vocal voice on the issue even before she and 300 others penned an open letter modeled on California’s. In the past, she has championed legislation on sexual assault and paid family leave, and in 2010 she began working through their backlog of untested rape kits. Starting last fall, she led a group of five women in an effort to have the offending lawmaker expelled. This March, an overwhelming bipartisan vote of 52-9, the House voted to remove him. Winter has also been working with a task force to set up an independent reporting commission for sexual harassment complaints and to create a victims’ advocate position in the Capitol.

The efforts of these women are a crucial step forward, but they’re only a start. Much remains to be done to shift the conversation about harassment in state capitols. “We are working on changing the culture,” says Winter, “and changing the culture is slow work.”

Hutchinson knows there’s a long, tough road ahead. Harassment, she says, “is a deep-seated cultural thing that there’s no way we’re going to be able to legislate away.” But at least now, she says, “we’re all starting to talk to each other in ways we didn’t before.”

Next door in Indiana, Rep. Engleman has also been intensely focused on the issue. Since she arrived in the House after the 2016 election, Engleman says she’s “never witnessed anyone being unprofessional.” But her 12 years of prior experience as a county auditor had taught her the need for a comprehensive harassment policy. She’d already been drafting a bill requiring better training for incoming legislators; working with a colleague across the aisle, Engleman proactively decided to add sexual harassment training as well—half a year before #MeToo. Her training bill was signed into law this March. “The reason you need a policy is because what one person finds offensive, another person might find to be quite all right,” she says. “It’s important to spell out the rules.”

For Rep. Winter in Colorado, the policy was personal. Even before she began serving in state office in 2007, she knew about “the list.” As a community organizer and nonprofit lobbyist working in the Capitol, she says, “people had always told me about the list—the lawmakers that you shouldn’t be alone with.” After a fellow legislator made lewd comments to her at an event in May 2016, Winter decided enough was enough. She filed a private complaint with legislative leadership and they reached an informal resolution. Months later, she became aware of at least eight other women who had been harassed by the same lawmaker. “I felt so guilty that other people had been harassed and I hadn’t said anything,” she says. Winter filed a public complaint and ultimately led a group of five women in an effort to have the offending lawmaker expelled. This March, on an overwhelming bipartisan vote of 52-9, the House voted to remove him. Winter has also been working with a task force to set up an independent reporting commission for sexual harassment complaints and to create a victims’ advocate position in the Capitol.

December 2018 | GOVERNING 27

—Zach Patton

27
Eric Garcetti
MAYOR, LOS ANGELES

It's become a cliché for local officials to talk about using data to drive policy and programs. No one, however, has put the idea into practice quite like Los Angeles Mayor Eric Garcetti.

Under Garcetti, Los Angeles has created data hubs and centers that use statistics to measure practically everything the city does and figure out how to do it better. That includes the obvious targets such as traffic mobility, tree trimmings, street cleaning and water usage, but also community engagement efforts. Citizens can use data tools to weigh in on long-term budget decisions or track city service delivery records in real time.

For Garcetti, data is more than a tool for improving the performance of individual programs. It's become the scaffolding around everything that the city does, a platform for reorganizing the way the place works. Nearly every mayor will tell you that most of the inefficiency in government stems from the inability of different departments to work with each other. Garcetti's data hubs bring cross-agency activities together. "The comprehensive way that he has approached the use of data to solve practical problems is changing the culture of city hall," says Stephen Goldsmith, a former Indianapolis mayor who teaches at Harvard and has studied the Los Angeles governmental structure.

A 47-year-old Democrat, Garcetti has made it clear that he has career goals beyond Los Angeles. He's already racking up the miles with visits to Iowa, New Hampshire and South Carolina, early outposts in 2020 presidential voting. But those efforts don't seem to spill over into his day-to-day urban management. As mayor, he's always seen his job as taking care of the basics, and it appears city's residents are satisfied that this is what he is continuing to do, even with undisguised national ambitions. In 2017, he was elected to a second mayoral term with 81 percent of the vote.

Garcetti has persuaded voters to trust him with billions of dollars to address the city's most endemic problems: housing, homelessness and traffic. Measure M, a ballot proposition that voters approved in 2016, will provide the transit system with $120 billion in sales tax revenues over the next 40 years, making it the largest local initiative in the nation's history, times two. "Traffic is the great thief in our life," Garcetti says, "stealing millions of hours and billions of dollars."

He's using the 2028 Summer Olympics—the biggest of all the projects he's helped land as mayor—as an organizing principle to drive the largest improvements in infrastructure seen in any city for decades. His "28 by '28" list of projects includes construction of everything from bike lanes and freeway express lanes to improvements at the airport.

It's all part of a massive effort to make life a little more livable in a city with one of the largest local economies in the world. Garcetti, with his hands-on management style and obsessive use of data, is keeping voters' interests at heart as he seeks to reinvent their city while taking his policies to a national audience. "We're not powerless," he says. "If Washington can't get the job done, we can."

—Alan Greenblatt
It was an unlikely journey that led Rahul Gupta to become the public health commissioner for West Virginia, but it was one that followed his passion for treating the most vulnerable patients in the world, from plague victims in New Delhi to opioid addicts in rural America.

The son of Indian diplomats, Gupta was raised in the Washington, D.C., area, but returned to his native New Delhi for medical school. There, he worked on a vaccination campaign to eradicate polio. It was the first time such a campaign had been tried in the country, and it worked. “It gave me a sense of what’s possible,” Gupta says. “I’ve seen children die because of polio, tetanus and the plague. We don’t really see those public health problems in America, and that gives me a larger perspective for what I do.”

Gupta’s sense of medical possibility was reinforced for him when he returned to America to work as a doctor in Birmingham, Ala. He dealt with Medicaid patients who had trouble meeting $1 copays on their prescription drugs. He called pharmacies and found he could get them to waive those fees.

His work led him to West Virginia, where he won notice for his handling of the 2014 Elk River chemical spill, which left more than 300,000 of the state’s residents in nine counties without safe tap water. He was praised for working quickly to get clean water restored, preventing larger-scale public health problems. Soon after that, in 2015, Gov. Earl Ray Tomblin asked Gupta to be West Virginia’s public health commissioner.

Upon taking office, he was met with one of the worst epidemics in the state’s history. West Virginians were overdosing from opioids at an alarming rate. Nearly 900 people died from opioid abuse in 2016, even more died in 2017. “The opioid epidemic has been a punch to West Virginia. It’s crippled us,” says Danny Scalise, executive director of the West Virginia State Medical Association. “But Gupta has been the counterpunch.”

In order to curb overdoses, Gupta sought to understand exactly who the victims were and how they were falling into danger. He led a team that conducted what he calls a “post-autopsy autopsy.” The findings were illuminating. Four out of five of those who died had come into contact with the health-care system, and those who had visited three or more pharmacies getting prescriptions filled were 70 times more likely to die. Only 2 in 10 of those who died had received naloxone, the antidote to an overdose.

Gupta established an opioid response panel that asked affected communities what they wanted from the state. This year, as a result of the research and community input, the state legislature passed the Opioid Reduction Act, a multipronged approach that, among other features, expands the availability of naloxone throughout the state and limits when and how often doctors can prescribe opioids.

It’s too soon to say whether Gupta’s efforts and the new legislation will make a serious dent in the epidemic. Gupta himself will not be there to see the impact: He accepted a position with the March of Dimes in September. Still, Scalise says that the commissioner’s impact on the state will far outlast his tenure. “We are going to see a drawback in overdoses,” he says. “The reason we have any good news is because of Dr. Gupta.”

—Mattie Quinn
FORD HYBRID POLICE VEHICLES

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There’s a magic quality to offering people something valuable for free. Gov. Bill Haslam knew that Tennessee, ranking near the bottom among states in granting postsecondary degrees, would lose out to rival states if it continued to have a poorly educated workforce. To entice more people into higher education, he decided to offer students two free years of college. “We had to change the thinking so that more of the conversations around the dinner table were about where you’re going to college,” Haslam says, “not if you’re going to college.”

Haslam’s Tennessee Promise program offers students more than scholarships. Thousands of mentors around the state keep them focused, while mandatory community service requires students to do something in return. Nearly 60,000 have enrolled since the program got underway in 2015, not only boosting attendance figures but increasing completion rates as well. It appears to have had a trickle-down effect, with high school students trying harder because they need at least a 2.0 GPA to qualify for the benefit. The program has been emulated in states and cities from Oregon to Chicago. In order to make it work, Haslam has relied on lottery money. He understands that figuring out how to pay for a good idea is just as important as landing on that idea in the first place.

Haslam, a 60-year-old Republican and a former Knoxville mayor, has been around Tennessee politics for a long time. His family owns the Pilot chain of gas stations and truck stops. Much of what he’s done to improve the state is derived from a business mindset—making a plan and then figuring out what the milestones and metrics are that allow you to review success along the way. Too often, politicians approve a policy and declare victory. Haslam understands implementation is where the real work begins.

When he came into office in 2011, Haslam did a top-to-bottom review of state agencies. As is common with such exercises, he found a lot of low-hanging fruit, but Haslam was determined to push for deeper changes. He convinced the legislature to change laws regarding training and accountability, and he institutionalized reforms in personnel and management that alter the way agencies carry out strategic goals and interact with other parts of government.

Most important, Haslam struck a blow against the culture of bureaucratic entitlement that had pervaded some state agencies. Naturally, there was pushback as certain services were privatized and civil service protections abolished. But managers throughout state government can now hire the best people they find to fill jobs and reward those whose performance is outstanding. “It really is now much more based on how hard you work, not how long you’ve worked,” says state House Speaker Beth Harwell.

Haslam understands that government ultimately is not a business, that it provides goods and services people can’t buy for themselves. States sometimes act like monopolies, he says, because they are monopolies. His approach has helped state employees overcome that mindset, providing better services virtually across the board.

Tennessee still has a few low rankings, but there’s one it wouldn’t give up. It has the third-lowest tax burden in the country.

—Alan Greenblatt
Two of the biggest problems our election system faces are keeping the voting process secure and boosting dismal voter participation. To Amber McReynolds, both of those problems have the same solution: better customer service. In seven years managing elections in Denver, McReynolds used technology and common sense to improve turnout and lower costs—all while turning Denver into a national model of reform for election security. Her strategy was to make the process as simple and easy as possible for those casting the votes. “The entire elections process was never designed with the voters’ interest first,” McReynolds says. “It was designed for political parties and campaigns.”

During her tenure, which spanned 13 years at the elections division, Denver has been a veritable testing ground for improving the voter experience. Early on, McReynolds was instrumental in making Denver the first municipality to adopt Ballot TRACE, a tracking system for voters who mail in their ballots. The program, which has since been adopted by other municipalities, came about in response to the many calls McReynolds’ office received from voters on Election Day about the status of their mail-in ballots. Ballot TRACE works like a package tracking service. It notifies Denver voters of when their ballot has been printed, mailed, delivered and eventually received by the elections division. The approach is working—after it was implemented, Denver’s call volume on Election Day went down by 90 percent.

That was just the beginning of innovations that have targeted the entire election process. For campaigners, McReynolds introduced a signature-gathering app called eSign so candidates and petitioners can collect electronic signatures on tablets and get instant verifications of the signatures’ validity. In 2015, McReynolds and her team launched a new voting system using scanners, printers and touchscreen tablets. Not only are these commercial products more familiar and intuitive to most voters, but the tablets come at one-tenth of the price of a standard voting machine. And Denver was one of five counties to pioneer a first-in-the-nation “risk-limiting audit,” a cheaper way to validate election results and one that was eventually adopted statewide.

McReynolds’ approach has increased participation in the election process while lowering overall costs. In the 2016 general election, turnout in Denver was at 72 percent—up six points from 2008 and 10 points higher than the national average. Meanwhile, costs had decreased by one-third, to $4.15 per voter.

In 2013, McReynolds was a key player in bringing about change at the state level. Reforms she helped design require a ballot to be mailed to all registered voters, and extend voter registration through Election Day. “Elections are for the most part run by local officials and they’re the ones who can make the biggest difference,” says Jonathan Brater of the Brennan Center for Justice. “Amber’s an example of someone who can bring the importance of that discussion to state and other policy officials.”

This summer, McReynolds made the leap from administrator to policy advocate when she stepped down from her post in Denver to head up the National Vote at Home Institute. “If I can make it easier for one voter, let alone many,” she says, “then I know I’ve done something in this world.”

—Liz Farmer

Amber McReynolds

FORMER ELECTIONS DIRECTOR, CITY AND COUNTY OF DENVER
Over more than four decades in criminal justice, Rick Raemisch has worn many hats, including deputy sheriff, prosecutor, elected sheriff and secretary of the Wisconsin Department of Corrections. But in each post, he has remained committed to one overriding principle: reducing the number of people in prison.

When the political leadership of Wisconsin declined to endorse his plan to shrink the number of state prisons to match the state’s declining inmate population, Raemisch decided to look elsewhere for a new challenge that would put his political and personal beliefs to the test.

What he found turned out to be the most difficult challenge of his career. In 2013, the head of the Colorado Department of Corrections, Tom Clements, was shot dead on his doorstep by a former prison inmate. Like Raemisch, Clements had been committed to reducing the state’s inmate population and phasing out the use of solitary confinement. Succeeding him was not only a difficult job—it was also a potentially dangerous one. Clements’ killer had been released from prison after spending a long period in solitary confinement that appeared to have contributed to a desire for revenge. There were fears that others might be tempted into a similar offense.

Still, when Gov. John Hickenlooper called on Raemisch to come to Colorado and continue the work begun by Clements, Raemisch agreed. But he vowed to take the reform efforts a step further. If the state was going to grapple with the use of solitary confinement, Raemisch felt he needed to know what conditions in solitary actually looked like.

In 2014, he decided to spend a day in solitary, against the wishes of his staff. Clements was killed at his home, aides told him; how could the state keep Raemisch safe inside a prison? But he insisted, and his visit to solitary was documented by news outlets across the country.

Raemisch emerged from the experience pushing for the most aggressive solitary confinement cutback in the nation. He wrote in an opinion piece in The New York Times that the overuse of solitary confinement “has not solved any problems; at best it has maintained them.”

Four years later, Colorado limits the use of solitary confinement in prisons to 15 days, borrowing protocols set by the United Nations. The state bans solitary confinement in the two Colorado prison facilities dedicated to treating mentally ill inmates. Rather than spending time in solitary cells, these inmates have access to de-escalation rooms where they are not confined and can sort out their issues with the assistance of staff. The de-escalation rooms have been so successful in those two facilities that Colorado is rolling them out across its entire prison system in the coming months.

All of this harkens back to Raemisch’s early days as a deputy sheriff in Dane County, Wis., when he took on some of the toughest assignments in the department, spending significant time working undercover narcotics. He concluded that simply arresting drug dealers would never be enough, and that arrests and imprisonment alone would never make any progress against the drug problem. Decades ago, the 65-year-old Raemisch says, “I knew we needed to get out of this cycle of mass incarceration. Prison should truly be reserved for violent offenders only.”

—J. Brian Charles

December 2018 | GOVERNING 39
The concept is so simple, yet so radical:
No one should ever die in a traffic crash. Not motorists. Not cyclists. Not pedestrians. No one.
That's been the guiding principle at the New York City Department of Transportation since Polly Trottenberg became commissioner in 2014, and it has changed the landscape of the city. Engineers have added crosswalks, new traffic signals, bike lanes, speed bumps, traffic cameras, pedestrian islands and bollards that slow drivers down when making left turns. New York's leadership has inspired dozens of other cities to commit to the same unflinching standards. And it has saved lives.
Traffic fatalities have dropped every year since New York rolled out its Vision Zero plan. America's largest city is still a long way from achieving its goal of zero, but the 214 traffic deaths recorded in 2017 marked the lowest number since the city started keeping track of these fatalities in 1910. New York's drop has come even as the number of traffic deaths nationally has been increasing. The city's have fallen by 28 percent since 2013.
"What I found to be true in New York is that setting a bold goal really is transformative," Trottenberg says. "It sounds corny. I'm not sure I would have believed it if I had not lived through it. But it motivates people. It coalesces political support. And once cities like New York and San Francisco step out onto that thin ice, you realize that's where you need to be. How can you as a city not set that as a goal?"
New York still stands out as among the most effective of the three dozen U.S. cities that have adopted Vision Zero policies. There are several reasons for its success, Trottenberg says: The city had already started emphasizing traffic safety before it launched Vision Zero; Mayor Bill de Blasio has pushed the program from the start of his administration in 2014; and New York City's advocacy groups, led by Families for Safe Streets, are active, well-organized and credible when it comes to spelling out the toll of traffic crashes on victims and families.
Trottenberg has kept her agency's focus on Vision Zero even as it tackles other enormous challenges. The city is looking to rebuild the triple-decker Brooklyn-Queens Expressway; preparing for the potentially chaotic 18-month closure of a subway line between Manhattan and Brooklyn; capping the number of ride-share vehicles allowed to operate in the city, and adjusting to rapid changes in technology and transportation services.
"We bucked the national trend and have seen fatalities go down every year for almost five years now," she says. "It's not just numbers. It's family and friends, neighbors, co-workers and fellow New Yorkers. It's some of the most challenging and rewarding work I've done."
—Daniel C. Vock

Polly Trottenberg
COMMISSIONER OF TRANSPORTATION, NEW YORK CITY

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Trottenberg had a major effect on transportation nationally before coming to New York City. She was undersecretary for policy at the U.S. Department of Transportation in the Obama administration. While there, she helped develop the agency's TIGER grant programs, an unusual initiative that offered money to both states and cities as a way of promoting multimodal projects.
Still, Trottenberg counts New York's rollout of Vision Zero as one of the top moments in her career. "We bucked the national trend and have seen fatalities go down every year for almost five years now," she says. "It's not just numbers. It's family and friends, neighbors, co-workers and fellow New Yorkers. It's some of the most challenging and rewarding work I've done."
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Polly Trottenberg
COMMISSIONER OF TRANSPORTATION, NEW YORK CITY
When pregnant women are fired or discriminated against in the workplace, the federal government isn’t very good at protecting them. States are stepping in. 

By Mattie Quinn
FORTY YEARS AGO, CONGRESS AMENDED CIVIL RIGHTS law to cover pregnant women, giving them federal protection against being fired, reassigned, docked pay or denied benefits based on their condition. The Pregnancy Discrimination Act of 1978 required employers to allow women who are pregnant the same leaves of absence they’d give an employee on leave for sickness or disability.

It was a landmark piece of legislation. But it hasn’t stood up very well in an era when many more women are in the workplace. For one thing, it doesn’t apply to businesses with fewer than 15 employees. It’s also full of loopholes. Employers don’t have to accommodate a pregnant woman’s need to work sitting down, to use the bathroom more frequently or to have a private area to pump milk after the baby’s born. “Even though pregnancy discrimination has been illegal for a generation, it’s still pretty rampant,” says Sarah Fleisch Fink, director of workplace policy at the National Partnership for Women and Families. “It exists across industries, race and ethnicity, although it disproportionately impacts women of color. Women are still fired for being pregnant.”

The limitations of the 1978 law gained national attention in 2015, when a driver for United Parcel Service sued the company for forcing her to take unpaid leave during her pregnancy because her doctor warned her against lifting boxes heavier than 20 pounds. The case made its way to the U.S. Supreme Court, which ruled that women did have a right to ask for special accommodation for pregnancy if they could prove that the employer had made similar accommodations for other employees.

In 2016, the National Partnership for Women and Families released a report claiming that over the previous four years, more than 30,000 complaints of pregnancy discrimination had been filed either with the U.S. Equal Employment Opportunity Commission or a state-level employment fairness agency. The report found that 28 percent of those complaints were filed by black women, who made up 14 percent of the workforce. Another report by the same organization claimed that around 250,000 women are denied requests annually for some sort of pregnancy accommodation in the workplace.

Every year since 2012, U.S. Rep. Jerrold Nadler has introduced the Pregnant Workers Fairness Act in Congress, which would require that employers provide reasonable accommodations for pregnant women. It has not yet received a hearing. In the meantime, however, states have been stepping in to fill the void—and striking up unusual partnerships along the way to protect pregnant workers. “Just as employers have to accommodate you if you’ve had a back injury or are in a wheelchair, they have to treat you just as well for conditions related to pregnancy,” says Emily Martin of the National Women’s Law Center. “States really have been taking the lead on this and stepping into the vacuum of leadership.”

Twenty-three states now have pregnancy discrimination laws in place, 18 of them enacted in the last five years. The most stringent are in Colorado, Hawaii, Illinois, New Jersey, North Dakota, Vermont and the District of Columbia. They require all employers—no matter the size of the company—to put in place a set of commonly sought pregnancy protections. Other states have passed somewhat less demanding laws, which require “reasonable accommodations” in place for public employees. A reasonable accommodation is usually defined as allowing a pregnant woman access to things that would keep her safe at work, such as seated workstations, more frequent bathroom breaks and the freedom to carry water around the workplace. Many of the new state laws require proof of an “undue hardship” on the employer before a reasonable accommodation request can be denied.

While issues of women’s health and workplace fairness tend to be linked to ideological and partisan disputes on issues such as abortion, the pregnancy anti-discrimination campaign has not had that problem. “It includes purple and red states, and they pass with bipartisan support,” says Fleisch Fink. “And many times, they pass unanimously. It’s a no-brainer; it keeps women attached to the labor force.”

In some instances, the issue has brought together ideological opposites. “We’ve been seeing some really interesting alliances between pro-life groups and feminist and workers’ rights groups,” says Jennifer Reisch, legal director of Equal Rights Advocates, a California-based legal group.

For Beth Bernstein, a Democratic state representative who co-sponsored pregnancy legislation in the South Carolina House, working with the pro-life constituency was instrumental in getting her bill passed. In particular, Bernstein was able to win the support of Republican Rep. Greg Delleney, the chairman of the House Judiciary Committee and a vocal pro-life lawmaker. “Coming from either a pro-life or pro-choice mindset,” Bernstein says, “we all care about the health of the expectant mom. Just having a senior member of the majority party support, it meant a lot.”

South Carolina is the latest state to require employers to provide reasonable accommodations. Its law was enacted this year and went into effect in September. South Carolina is the second Southern state—Texas was first—to pass a pregnancy discrimination law. Its law mandates that all employers with 15 or more workers offer reasonable accommodations for pregnancy-related needs.
Since her bill was passed, Bernstein has been approached by lawmakers from surrounding states about how to get a pregnancy discrimination law passed in the South. “I emphasize bipartisan support,” she says. “Then getting the business community involved, and explaining that it’s not going to cost you more money, and it’s going to improve your morale overall.”

Those who are skeptical of pregnancy discrimination laws argue that they constitute overregulation of private workplaces and serve mainly to drive up the number of discrimination complaints. During the 2015 Supreme Court fight between UPS and the pregnant driver, pro-business organizations such as the U.S. Chamber of Commerce and the National Federation of Independent Business (NFIB) filed briefs supporting UPS. But 23 pro-life organizations, including Americans United for Life and the Susan B. Anthony List, supported the pregnant employee.

The far-right Eagle Forum, founded by Equal Rights Amendment foe Phyllis Schlafly, was the only traditional family values organization to take a stand against pregnancy discrimination laws during the Supreme Court battle. “While the eradication of typical—or even stereotypical—families was the goal of the feminist movement, Congress generally has taken the more moderate path advocated by UPS here,” Eagle Forum’s lawyers wrote in a brief supporting the company.

During Pennsylvania’s 2015 legislative session, a representative from NFIB testified that the organization was neutral on the bill but warned of unintended consequences. “A determination as to what constitutes a reasonable accommodation is very subjective and requires a fact intensive inquiry,” the group argued. It claimed that the bill would allow employees to decide on the accommodation and that the employer would need to accept it unless it could prove an “undue hardship,” a difficult standard for a business to meet and an expensive issue to litigate. According to NFIB, most small employers do not carry insurance against discrimination claims and the cost of one case could force some small firms out of business. The bill did not make it through the Pennsylvania Legislature, but the Philadelphia City Council passed a similar version soon thereafter.

So far, most of the fears of business organizations haven’t been borne out. California, which has one of the oldest pregnancy discrimination laws, has seen a steady downturn in pregnancy-related discrimination claims in the past three years. Pregnancy complaints made up 6.6 percent of all employment claims in 2015; in 2017, the number was down to 3 percent. “In California you hear a lot of grumbling about overregulation of employers,” says Resich, “but you don’t really hear complaining about this.”

In South Carolina, the state Chamber of Commerce initially resisted pregnancy legislation, but lobbying by the bill’s supporters eventually pushed the chamber to “neutral” on the final bill. “What we’re saying,” Bernstein explains, “is if someone needs to have a stool, you can’t say that’s an undue burden. [Same with] giving someone a water bottle or a room to express milk. People would say, ‘Oh, you’re requiring a lactation room,’ but that’s not what we’re saying—just offering an empty office can work.”

Despite the recent round of successes at the state level, pregnancy discrimination activists continue to insist that the ultimate goal is a comprehensive new federal law. “With the 40th anniversary of the Pregnancy Discrimination Act, it’s important to take stock of where we are and where we need to go,” argues Martin of the National Women’s Law Center. “It’s critical now that your ability to sit or lift heavy objects should not determine whether you can keep a job.”

In 2015, the U.S. Supreme Court ruled that women such as former UPS employee Peggy Young have the right to ask for special accommodation for pregnancy.
Earlier this year, even before a gunman killed 12 patrons at a bar in Thousand Oaks, there was a groundswell of calls for California's two largest pension funds to sell off their investments in gun retailers. But Jason Perez, a Southern California cop, balked. As a protest against “politically correct” investing, he decided to run for a seat on the California Public Employee Retirement System's board of directors. And it wasn’t just any seat; it was the one held by CalPERS Board President Priya Mathur.

Mathur had been on the board for 15 years. She is a globally recognized leader in the sustainable investment community and holds a seat on the board of the United Nations-supported Principles for Responsible Investment, a network of international investors working to create and promote standards for sustainable investing. She's worked to apply those standards in CalPERS.

Perez and his union, the Corona Police Officers Association, have routinely criticized the board for spending too much time on environmental and social investment programs. Association members regularly attended CalPERS meetings 430 miles away in Sacramento to urge pension officials to focus instead on making money for the $360 billion pension fund. During his campaign, Perez painted a picture of an investment strategy overrun by politics and emotion, particularly proposals before the board to divest the portfolio of gun manufacturers and retailers and to drop the controversial Dakota Access Pipeline.

By Liz Farmer

Should pensions be investing in gun manufacturers? What about fossil fuel companies? Private prisons? It’s an increasingly divisive question.
As our nation has grown more politically divi
d politicians to use pension funds as a political c

Even though the board ultimately rejected both ideas, Perez’s campaign was successful. In October, Mathur was easily unseated when Perez won 57 percent of the vote. While it’s by no means a total repudiation of the board—fewer than 17,000 votes were cast by the more than 400,000 eligible voting beneficiaries of the fund—it was the second time in a year a divestment critic ousted a CalPERS board member. The first came last December, when Margaret Brown, an Orange County school district administrator, unseated incumbent Michael Hilbrey.

At issue in California and elsewhere is what’s called ESG investing, a strategy based on an asset’s environmental, social and governance factors. Environmental factors might include a firm’s carbon footprint or its contributions to deforestation. Social considerations would look at working conditions or impact on local communities. Governance covers things like corruption or how a corporate board behaves. The idea is that firms with sustainable environmental practices, who are good social stewards and have strong governance practices, are more likely to produce stronger returns over the long run. While the notion of ESG investing has been around for decades under one name or another, its current form has taken off in popularity as more sustainably minded millennials and Generation X investors have entered the stock and bond markets.

Many governments have positioned themselves as good ESG investors in order to attract these investors. They’ve even generated new vehicles for investments, such as green bonds and pay for success bonds. But as a result, they’re finding themselves awash in controversy, accused of playing politics. As our nation has grown more politically divided, it’s become more tempting for politicians to use pension funds as a political club in the name of responsible investing.

Of course, social divestment isn’t new. It began in earnest in the 1980s as a reaction to apartheid. In protest, pension funds sold off their stakes in companies that were doing business in South Africa. Since then, funds have dumped tobacco stocks and holdings in companies doing business in Darfur because of ongoing human rights violations. More recently, there’s been increasing pressure on state and local pension funds to sell off equity in gun retailers, fossil fuel companies and private prisons. The American Federation of Teachers, for instance, lobbied teacher pension funds this year to cut their exposure to investment firms that funneled money into private prisons used to house migrants whose children had been separated from them at the border. The Chicago teachers fund obliged.

What is new is the extent to which public funds have embraced ESG investing. In fact, it’s a booming business. Assets under management in such portfolios have grown to an estimated $23 trillion globally, an increase of more than 600 percent over the past decade, according to mutual fund researcher Morningstar. Technology has helped increase the overall profile of ESG investing by making it easier for any investor—institutional or not—to adopt the approach and filter out unwanted assets.

What’s more, of the seven U.S. pension funds that are signatories to the U.N.-supported Principles for Responsible Investment, three signed on in just the past three years. The overriding point of the principles is that certain factors such as climate change and human rights can affect a company’s performance and should therefore be considered alongside more traditional financial factors. Proponents of the investing strategy say it’s about buying, not selling, bonds. That is, rather than socially divesting, pension funds would dabble in social activism, buying into companies to encourage and maintain sustainable practices.

For many, the crucial question isn’t whether a pension investment does good, but whether it does well. Does it ultimately fulfill a government’s fiduciary duty to earn a healthy rate of return?

The research on whether pension funds are leaving money on the table with ESG investing is mixed. A 2018 paper by the Boston College Center for Retirement Research found that the returns of mutual funds that screen for such investments generally underperformed when compared to unrestricted funds. But that wasn’t always because the investments themselves were underperforming. The center notes that the fees in the ESG funds are roughly 100 basis points higher than their counterparts, which may reflect the additional costs to screen investments.

More recently, Trillium Asset Management, which is one of the major ESG investment firms in the U.S., found that Massachusetts’ pension trust lost an estimated $79 million on its $1.6 billion fossil fuel holdings over a five-year period ending in 2017. If the fund had instead invested $1.6 billion in an anti-fossil fuel index fund, Trillium said it would have paid off $1 billion over the same period.

There’s another way to look at ESG profitability. Ohio State University law professor Paul Rose thinks that evaluating return on investment is a limited view of a pension fund’s fiduciary duty. Rose, who studies sovereign wealth funds, says pensions also have a duty to consider wealth maximization for taxpayers and the broader impact of their investments. While an industry may appear to be a sound investment on paper, it may also be contributing to higher costs for governments in areas like water quality, health care or...
POLITICIZING THE PORTFOLIO

Some investments such as coal might look very attractive in the short term, but certain there are members of the Illinois pension systems who lie on both sides of this issue and do not want their funds being used to make this political statement.

Take Illinois. In 2015, state lawmakers voted to require the state’s pension systems to divest from companies that boycott Israel. In a recent paper, the Institute for Pension Fund Integrity noted that the American public is deeply divided over the many issues surrounding the Israeli-Palestinian conflict, making it “all of a sudden very political.”

In California, Beth Richtman, managing investment director of CalPERS’ Sustainable Investment Program, couldn’t agree more with taking the emotion out of investment decisions. This year, CalPERS revamped its investment division, created a new one to monitor ESG investing across its entire portfolio and named Richtman to run it. Her philosophy is “not in any way focused on the retail companies to affect firearm sales. ‘Yes, this conversation involves politics,’ says Chiang. ‘But politics reflects values, and values are important.’

Important we get this right,” she says. “Otherwise, we might end up mispricing investments.”

This approach gets murkier around social issues. While there’s plenty of data to show the benefits of environmental investments or that certain governance practices such as a diverse corporate board are linked with better performance, social issues are steeped in emotion and politics. Richtman says her division is in the process of mapping social issues to determine where CalPERS is at risk.

The most recent anti-gun movement is a clear illustration of the way the ESG strategy of working with companies can achieve results—better results than a straight-up divestment approach. After the mass shooting last February at Marjory Stoneman Douglas High School in Parkland, Fla., student-led activism put pressure on Wall Street and investors to revitalize their gun-related holdings.

Perez to shake up the CalPERS board by running for a seat. Meanwhile, gun stocks have generally recovered. And most board members believe they took the moral high ground in working with the retail companies to affect firearms sales. “Yes, this conversation involves politics,” says Chiang. “But politics reflects values, and values are important.”

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December 2018 | GOVERNING 49
Public service must be more than doing a job efficiently and honestly. It must be a complete dedication to the people and to the nation.

- Margaret Chase Smith

Congratulations to Governing’s 2018 Public Officials of the Year honorees, all of whom have been nominated for creating actionable solutions to the real challenges facing the nation today.

Comcast is thrilled to acknowledge the achievements of these state and local government leaders’ dedicated work.
Arkansas Reorganizes

Arkansas Gov. Asa Hutchinson wants fewer people at his cabinet meetings. In late October, he announced plans to dramatically cut the number of departments in his state from 42 to 15. “It’s not to diminish any of these individuals, it’s just hard to have conversations,” the governor said at a press conference. “I envision an actual meeting of my cabinet where I can run tough ideas by [them] and we can be an effective team that helps accomplish the mission of state government.”

The federal executive branch, which is clearly much larger than Arkansas’, functions with a cabinet of only 15 people. And the state’s Department of Finance and Administration projects that the changes would save the state $15 million a year starting in 2021.

Part of the savings are expected to come from the new Department of Transformation and Shared Services, which would coordinate the state’s human resources, procurement, facility and technology needs. Overall, the consolidation could reduce office space needs and costs, and could lead to a reduction in staff—though the governor has vowed this would occur through attrition and not layoffs.

It’s not unusual for governors and mayors to shift departments around, merge them, break them apart, create new ones or abolish old ones. In recent years, the governors of Illinois, Kansas, Michigan, Pennsylvania and Vermont have engaged in targeted restructuring efforts. However, Hutchinson’s plans are more ambitious than most.

—Katherine Barrett & Richard Greene
Here's a classic dilemma for agencies: When the cost of a new project is underestimated, agency managers may have to drop aspects of the program, reassess targets, slow down timetables or even ask the legislature for more money. So how do managers avoid this quandary? Fiscal notes. That is, the legislature should factor into every debate about a bill the estimated cost of the program.

Clipping fiscal notes to bills is easier said than done. Management of that process is dicey. Some states are laggards. They do not have their legislative analysts calculate estimates for all bills. North Carolina, for example, only comes up with a cost approximation when a legislator asks for it. Nor do many states manage their fiscal note process to gain the most pertinent information available. Three years ago, the Center on Budget and Policy Priorities found that a good number of states failed to estimate costs beyond the next year or two, did not revise estimates when legislation was amended and only produced the estimates for a narrow set of bills. Elizabeth McNichol, senior fellow with the State Fiscal Project at CBPP, tells us that very little has changed for the better since then.

One state that is known for doing a particularly good job managing its cost estimating process is Maryland. It requires that every bill have a fiscal note. David Romans, fiscal and policy coordinator with the Maryland Department of Legislative Services (DLS), tells us that the goal is to have a note in place before hearings start. Then, the department revises the fiscal note as versions of the bill change. In order to provide an optimal amount of information to legislators and citizens, the fiscal note also includes a detailed description of what the bill is supposed to accomplish.

How does this work out? By way of example, let’s look at a 2018 bill on oysters. It required that any project intending to restore or replenish Maryland’s oyster population had to use only native oyster shells to line the beds that would nourish new, live oysters. This appeared to be an inexpensive way to go, but DLS found otherwise. It reported that the bill may have a “negative economic impact on small businesses engaged in shellfish aquaculture” because of potentially limited availability of the now mandatory native oyster shells. What’s more, DLS explored the often overlooked financial effect of environmental impact statements—a cost of between $250,000 and $2 million per statement for a project of this type. The bill didn’t make it out of committee. Although the decision may not have been cost-related, the fiscal information informed the discussion.

Beyond preparing a fiscal note for all bills, the CBPP ticks off at least four management practices that states should follow in addition to cost estimates:

- Avoid partisan pressure by getting cost estimates from a nonpartisan body.
- Project long-term impacts, as fiscal notes that only cover the next fiscal year can be misleading if they miss increases in cost as time goes on; revise estimates as needed; and post fiscal notes online.

California, which regularly uses fiscal notes, struggles with at least one of these guidelines. The fiscal estimates come from many quarters. “A regular part of the deliberation over policy proposals is a disagreement about the estimates,” says Chris Hoene, executive director of the California Budget and Policy Center. “When we have representatives from the governor’s office and also the legislative analysts’ office, you have two sets of numbers starting every conversation.” Not the best way to assure that fiscal notes are a manager’s best friend.

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Smart Management

BY KATHERINE BARRETT AND RICHARD GREENE

Accounting for Oysters

As Maryland’s legislature has learned, fiscal notes can tell us a lot about a bill.

A fiscal note on a bill on oysters found the proposed project would be cost-prohibitive.
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Emily Schapira
Board Member and Executive Director, Philadelphia Energy Authority

OPERATIONS CATEGORY
Transform NY — mNTCS Transformer Monitoring & Diagnostic System
New York Power Authority

CITIZENS CATEGORY
Public Awareness/Public Information Campaign
Brunswick Sewer District, Maine

To learn more about the winners’ initiatives and the Special Districts Program, visit: www.govtech.com/districts
At a Knight Foundation smart cities forum in Philadelphia in September, the opening session was billed as a conversation about technology between the foundation’s president and Philadelphia Mayor Jim Kenney. What transpired had little to do with technology.

A significant part of what won the crowd over was the honest and authentic way Kenney talked about immigration, about how wrong he thought President Trump was on the issue and why he was willing to engage in a protracted fight with the federal government over Philadelphia’s sanctuary city status. “Diversity,” he said “is our strength.” Kenney reminded the crowd that some of the previous waves of immigrants, among them the Irish, Italians and European Jews, were not initially welcomed, any more than people coming here from Latin America today or African-Americans who began migrating to Northern cities a century ago.

Dealing with urban poverty, linked as it is to those latter-day migrations, is key for every big-city mayor, but the challenges are particularly acute for Philadelphia. The country’s fifth-largest city, it has the highest poverty rate among big cities. More than a quarter of its residents have incomes below the federal poverty level, and more than half of those struggle to get by on less than 50 percent of that.

A lot of experts will tell you that lifting folks out of poverty is a job for the federal government and that there’s little a city can do to move the needle. Kenney is giving that assertion a serious test. The mayor is confronting poverty in a way that doesn’t single out the poor as a separate class or marginalize them as just one more interest group clamoring for special favors. Instead, to broaden the base of support from taxpayers, Kenney maintains a focus on the idea of public, as in public schools, public spaces and public transit. This acknowledges the reality of what poor people need.

The three main pillars of Kenney’s approach are the city’s soda tax, its schools and a program focused on rebuilding public spaces. The soda tax, 1.5 cents per ounce, raises about $90 million a year, which is used to fund pre-K education as well as parks, libraries and other public spaces. Kenney was able to wrest control of the schools away from the state, which had run them for years. And the city recently unveiled a new transit plan. While the plan features upgrades across all modes of public transportation, the biggest push is to improve the affordability and connectivity of the bus system. Almost half of Philadelphians in poverty ride the bus.

None of these things can happen without getting the politics right. Kenney, who grew up enmeshed in South Philly politics and went on to serve for 23 years on the city council, clearly knows how the machinery works. One of the people I talked to about him mentioned that the mayor never gets too far out in front of the 17-member council—that he won’t do much without being “within hailing distance of nine votes.”

On the other hand, Kenney has surrounded himself with very competent young activists and technocrats impatient to make big changes. The result is that while he isn’t America’s flashiest progressive mayor, he might be one of the most effective at dealing with things that matter to progressives. And that’s just what Philadelphia needs at this moment.
SHI would like to acknowledge this year’s POY honorees, which includes leaders who are taking on some of the nation’s toughest challenges. From tackling housing affordability and the opioid crisis to lawmaking in the age of the #MeToo movement, these leaders have shown that innovation and ingenuity can combine to make a difference in the lives of the citizens they serve.

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Partnering Up

Leslie Knope had it right. The local government official at the heart of the TV show “Parks and Recreation” captured the challenge of local citizen engagement when she said, “What I hear when I’m being yelled at is people caring really loudly at me.”

A sure path to “loud caring” in local government is to consolidate services. Citizens want lower taxes and less fragmented government, but they also want the autonomy and identity of “their” local government. So instead of combining governments, many local leaders have developed interlocal agreements, service-sharing arrangements and other forms of collaborative service delivery to share responsibilities across localities. In concept, interlocal sharing affords citizens the economies of scale and efficiencies of a larger government, but without sacrificing local control or identity.

Interlocal sharing is everywhere, and most local policymakers agree there should be more of it since it can allow localities to deliver services they can’t pay for on their own. Most small counties, for instance, can’t afford a full-time public health epidemiologist, but two or three can share one. Most small cities don’t have the money for a sophisticated cloud-based IT system, but a collaboration of cities can come up with the funding.

Meanwhile, state governments have a raft of incentives to encourage local governments to solve problems collaboratively. Many offer such types of assistance as startup grants and loans for shared capital projects. These incentives are an important part of the current state-local landscape, but it’s not clear if they change local behavior. Fortunately, new research from Sungho Park of the University of Alabama and Craig Maher and Carol Ebdon of the University of Nebraska sheds some light on the issue.

The researchers studied interlocal collaboration among Nebraska counties. Nebraska is an ideal setting to examine these issues. It has more counties than most states, and state law caps county government property tax rates and total property tax collections. In other words, Nebraska has many small, fiscally constrained governments that should be easier to collaborate.

Like many states, Nebraska’s state government offers fiscal sweeteners to encourage interlocal collaboration. In fact, Nebraska offers the ultimate fiscal sweetener: It authorizes counties to collect an additional property tax dedicated to supporting interlocal activities. For a typical county—that is, one with $2 billion in property taxes—the bonus for cooperating could mean an additional $1 million in property taxes. That’s a powerful incentive to get along.

Park, Maher and Ebdon’s study revealed three key lessons. First, state incentives matter. They found that prior to the advent of the special property tax in 1999, only 66 of Nebraska’s 93 counties participated in interlocal sharing. Today 87 counties participate. During that same time, average county spending on interlocal activities increased from 2.5 percent of total spending to 5.83 percent.

Second, interlocal collaboration saves money. The research showed that for every 1 percent of additional spending on interlocal activities, spending in all other services decreased by 1.6 percent. That’s a noteworthy offset, given that some counties spend up to 8 percent of their budgets on interlocal activities. Collaboration seems to encourage more efficient service delivery.

Third—and perhaps the most surprising finding—is that collaboration affects spending in different ways. For counties close to the state maximum property tax rate, interlocal activities do not seem to increase or decrease countywide spending. By contrast, for counties below that maximum tax rate, interlocal activities lead to much lower countywide spending. In other words, collaboration can lead to more efficient service delivery, but only for counties with the fiscal flexibility to collaborate.

That makes me wonder how Nebraska and other states might adjust these policies to promote sharing among the jurisdictions that could benefit from them the most.

Clearly, interlocal collaboration has much promise as a way to solve local fiscal problems. With carefully crafted policies, states can play a meaningful role in helping localities to play well with each other. That’s good for everyone who’d like to avoid “loud caring.”

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How Benefits Customization Can Help Public Sector Agencies Recruit and Retain Talent

Q&A:

The national unemployment rate dropped to 3.7 percent in September 2018, a 49-year low. Competition for quality talent is tougher than ever. For the public sector, a retiring workforce means attracting new talent is critical, but budget constraints can make this a challenge.

In this Q&A, Richard Shaffer, senior vice president of Growth Markets and Enrollment at Colonial Life—which has successfully served the public sector since 1955—discusses how providing a customized benefits program can help agencies attract and retain talent while differentiating their organizations.

Q: Why do public sector employers need to change the way they recruit and retain talent?

A: Millennials are now the most dominant generation in the workforce. They tend to be less motivated by remuneration and more by personal freedoms, and place more value on a flexible work environment or schedule. Millennials are also one of the most socially minded generations. The public sector is uniquely positioned to appeal to this heightened interest in working for a purpose-driven organization. To appeal more to this younger demographic, public sector employers should promote their missions and consider an evolution of the employee benefits package to provide an increased sense of stability and financial security outside of traditional wages.

Q: How can benefits customization help the public sector attract or retain employees?

A: A benefits package can no longer be "one size fits all." Younger workers want unique products assembled according to their own tastes and needs. There is also a strong association between benefits knowledge and employee satisfaction in the workplace. Research shows that 80 percent of employees who ranked their benefits satisfaction as "extremely high" or "very high" also ranked job satisfaction as extremely or very high. If employees don't feel appreciated, they move on. Given the high cost of turnover, helping employees understand their benefits is an investment in retention.

Q: What are common barriers to benefits customization in the public sector?

A: Most government agencies operate very lean. Benefits customization requires high-touch engagement with employees, and not all public sector organizations have the bandwidth to accomplish that. Managing customized benefits enrollment without help can also put a significant administrative burden on an agency.

Q: How can Colonial Life help public sector organizations manage benefits customization?

A: We offer end-to-end benefits solutions tailored to the unique needs of the public sector. As the only insurance carrier that's also an enrollment company, we are uniquely positioned to offer a high-touch and high-tech approach to address your challenges. For instance, our benefits counselors meet personally with your employees to discuss their lifestyle needs to develop a customized package of core and voluntary benefits. Our communication and education tools help make the benefits administration process more efficient so you can focus on other recruitment and retention activities. Working together, we can create a solid strategy to help build and sustain the workforce you need.

ENDNOTES

1. The State of Employee Benefits: Findings from the 2017 Health and Workplace Benefits Survey, Employee Benefit Research Institute, April 2018
What GPS Has Taken Away

There’s something to be said for paper maps. They help us to know a place better.

I used to be that when I arrived in a new city, I would immediately buy a street map at the airport or at a gas station. Then I would make my way around, unfolding it on the passenger seat of my rented car, referencing the list of streets in tiny type with coordinates beside them and marking it up. You remember physical, printed maps, right? Those rectangular pamphlets that unfold to anywhere from magazine to table size?

Anyway, back when I used them, I would soon know the geography of the city in broad outlines—where its downtown was, its relationship to a river or ocean, its major boulevards and so forth. It was empowering. The lines on the map became the lines in my mind.

I still intend to do that when I travel, but I don’t. Instead, like most of us, I whip out my GPS-equipped smartphone, open a maps app, type or speak an address and do what the AI voice tells me. It’s a passive relationship. It could lead me down a dark alley—and occasionally does—and I would follow. I may be the one telling Siri where to take me, but she’s the one in charge.

After a few days of this, I have only a vague sense of a city’s geography. After all, I’ve only been looking at a map on a screen the size of a deck of cards.

GPS is certainly a wonder. My phone is communicating with at least three satellites out of a network of 24, set up and managed still by the U.S. Department of Defense. Among other things, it’s an example of how the post-World War II investment in defense research and infrastructure, which produced the satellite system and the internet itself, has changed our lives and economy.

But we’re losing something. On my first trip to Venice a decade ago, before GPS systems were so ubiquitous, I would let myself wander through its tiny streets and enjoy having no idea where I was. On a more recent trip, I couldn’t resist pulling out my phone to locate myself.

The late Marshall McLuhan, the wise and often inextricable commentator on media, culture and technology, said that every extension is also an amputation, meaning, for example, that your fire-making skills decline once you are given a box of matches. So it goes. But like knowing how to read and write cursive penmanship, which is also fast declining as a skill, I believe that knowing a place—its streets, forests, harbors, mountains and drugstores, and where they are in relation to each other—is something worth holding on to, even if it takes putting my phone down for a while.

Soon we may get rid of the middleman—meaning me and you—and simply have a GPS-equipped system direct our autonomous vehicles and, who knows, maybe eventually our bikes, wheelchairs and scooters, to our destinations. Will this accelerate the trend of our places becoming just blurry blobs in our minds, lacking definition? Probably.

Still, maybe there will be counter trends. McLuhan also said that when one technology replaces another “the sloughed-off environment becomes a work of art in the new invisible environment,” meaning, I believe, that the old practical skill or tool, when replaced, becomes something to be savored and cared for.

Maybe this tendency will help preserve those paper maps. Phones will be put away and people will compete on their map-reading prowess. Carrying around a map will be the equivalent of using a fountain pen. It will be “artisanal,” much like making your own pickles. I’m all for it. Who’s with me? G
When schools started back up this fall, many across the country witnessed something that’s become as common on the first day as new backpacks and freshly sharpened pencils: another surge of homeless and housing-insecure schoolchildren.

It’s a problem that’s been growing in the years since the Great Recession, exacerbated by shortages of affordable housing. Across Washington state, for example, more than 40,000 schoolchildren experienced homelessness at some point during the 2016-2017 school year, a 33 percent increase from four years earlier. And for some individual school districts in the state, the problem has been particularly acute: The Seattle Public Schools has seen an 81 percent increase in the number of homeless students in the past five years. For the Peninsula School District on the outskirts of Tacoma, the number rose by an eye-popping 381 percent.

Statistics are similarly grim in New York City, where it’s estimated that 1 in 10 schoolchildren lacks stable housing. This school year is the fourth in a row in which that number has topped 100,000. New York City now has more housing-insecure students than the entire population of Albany.

In the San Francisco Bay Area, “families may be able to find housing further inland, but they’re certainly bouncing from one place to another,” says Christine Stoner-Mertz, president of Lincoln, a nonprofit serving the region. Across California, more than 300,000 schoolchildren experienced homelessness in 2016.

When children don’t have stable housing, it’s well documented that they are much more likely to fall behind in school, score lower on standardized tests, miss classes and drop out altogether. “It’s a problem that isn’t going away. No community is untouched by this, and teachers are being called to address really complex issues,” says Jennifer Pringle, project director at Advocates for Children of New York, which has been critical of the city’s efforts to help homeless schoolchildren. In 2017, there were only 110 family assistance case-workers assigned to children in city homeless shelters, leaving each worker with a caseload of 293 children. For licensed social workers, that number was even more dire: one for every 1,660 homeless students. The city has promised to hire more in the coming year.

School districts and statehouses are going to have to start looking to outside partnerships. “Working with local nonprofits is critical because schools can’t do it all by themselves,” says Stoner-Mertz. “How do we find ways to make sure they get lesson plans when they’re missing school? Are there alternative ways they could get this education? We’ve got to start thinking outside of the box.”

Educators are struggling to cope with a surge of housing-insecure students.

Washington state now requires every school district with more than 10 homeless youths to provide a “homeless liaison” at every secondary school to help connect these students to district and community resources. In 2016, lawmakers created a grant program that offers in-school districts resources for housing-insecure students such as after-school tutoring, clothing and books. The state also has allocated $10 million for efforts around transportation, aiming to ensure that students who are bouncing from address to address don’t have to change schools every time they move.

Nathan Olson, communications and community liaison for Washington’s school superintendent, doesn’t expect the numbers of homeless and housing-insecure students to decrease anytime soon. “I do think at least in the near future, this is something that school districts are just going to have to plan for,” he says.

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FULFILLING THE PROMISE OF EDUCATION

All children are unique. Because no two face the same academic or social-emotional challenges, there’s no one school type that will work for all students. But in innovative cities and towns throughout the nation, leaders are getting the bureaucracy out of the way, allowing educators to create great schools that personalize education for every child. These cities differ, but share common characteristics — committed educators, strong policy and proven public district and charter schools, as well as private schools willing to be held to high standards for student achievement and stewardship of public funds.

Dramatic student learning gains in many of these localities suggest policymakers can and should do more to help great schools grow and thrive. To give every child a fair shot to succeed in college, career and life, policymakers should consider the broader context and conditions that are proven to make this a reality.

“We have to have empathy to build a school that realizes there’s a spot for every kid,” says Aaron Walker, founder and CEO of leadership accelerator Camelback Ventures.

NEW THINKING ABOUT SOLUTIONS

Rather than focusing on specific school models, policymakers should start with the most important goal in mind. All schools must prepare students for life after high school, reflect the diverse needs of the local community and should offer a range of learning models, particularly for students who are not well-served by traditional one-size-fits-all learning.

However, high-quality schools that serve diverse student needs don’t emerge in a vacuum — they require a network of supportive organizations and individuals.

EQUITY ENABLERS

The following Equity Enablers foster better and more equitable access to good schools.

1. Information and common enrollment systems that give parents the tools and data they need to find the best school for their child

Even in cities with many high-quality options, lack of information or complex application and lottery processes can make it difficult for parents to find and enroll their child in the school that best meets their needs.

Clear information about school quality and streamlined application processes help level the playing field and ensure equal access.

Consider Washington, D.C., where parents once had to navigate more than 30 separate lotteries and deadlines, often applying at each school in person. Today, the unified My School DC system uses a variation of an algorithm that earned a Nobel Prize for matching kidney donors with recipients. Applications have since surged by more than 44 percent, with 84 percent of families enrolling in one of their top three choices.

2. Access to facilities that allow high-quality charter schools to shift resources from bureaucratic burdens to the classroom

Public charter schools spend more than $3.6 billion nationally on facilities, and less than half of all states provide any per-pupil funding for facilities.

“[This is the No.1 deterrent from being able to open more schools],” says Jenna Stauffer, CEO and founder of Lighthouse Community Charter School in Oakland, Calif., where high costs have required many
organizations take on short-term leaves that can force schools to move, disrupting families.1
Oakland Unified School District helped Lighthouse find a permanent home for one of its schools, and other cities nationwide are using equity, often underresourced to promote innovative options.4
In Indianapolis, for example, many of the city’s Innovation Network Schools are housed in district buildings. By addressing facility needs, Indianapolis is making it easier for new leaders with limited funding to start innovation programs tailored to students’ needs.2

Equitable, student-centered funding models

New types of funding models can help cut through the bureaucracy so teachers have resources to put students first. In Atlanta Public Schools (APS), system leaders found their traditional funding model resulted in wide variations in per-pupil funding across schools — as much as $7,000 per student.5 Such discrepancies meant students and schools weren’t being fairly funded. As the district begins to transform how it organizes resources — people, time and money — it is committed to “providing resources based on students, not on buildings, adults or programs.”6
Further, APS is an “empowering school decision-making to effectively use resources.”7 Such school-level autonomy that encourages more participation by principals in resource decisions is intended to maximize the value of student-centered funding, says Dr. Marguerite Roza, director of Georgetown University’s Edunomics Lab.

“If you have the money and you say you must use it in a particular way, then you’ve told school leaders their job isn’t problem-solving; it’s compliance,” she says.

According to Roza, autonomy may prove more valuable than the money that’s freed up at the school level. A counterintuitive finding about highly effective autonomous schools is that they don’t always allocate money in dramatically different ways than their peers. Instead, the difference is often in the way school leaders think about the money they spend, she says.

“What’s explaining the variation is their agency and commitment to getting the best outcome possible,” Roza says. “You can’t detect that in financial data, but you find it when you have that kind of agency.”

Support for new educators, including first-time school leaders and educators of color

To realize the vision of an excellent school for every child, a larger percentage of teachers and leaders at both the school and system levels must be representative of the communities they serve. One study found that having just one African-American teacher in third, fourth or fifth grade reduces the odds of low-income African-American boys dropping out by 39 percent.8

“It isn’t about curriculum or kids passing tests, but the kinds of things that build trust with parents and communities,” says Walker of Camelback Ventures, which has trained nine school leaders — who work in schools throughout the country — among its cohorts of entrepreneurs.

Over the past 14 years, YES Prep Public Schools has trained nearly 3,000 teachers, most of whom are educators of color, for both its own network of schools and a range of charter schools and traditional districts in the Houston and DFW area.9 Carlos Villagran, managing director of Teaching Excellence — YES Prep’s teacher training program — says it’s important to identify obstacles that keep teachers of color from entering the profession, including their own experiences in schools and financial barriers. In addition, teacher candidates of color don’t always have access to peers who guide their pathway to the profession.

LOOKING AHEAD

Across the country, educators and leaders are embracing the flexibility, creativity and innovation it takes to build schools that can put students’ needs first. This hard work can start with conversations. Listen to and learn from students and educators, visit a public charter school or talk to neighbors about their experiences trying to find the right school for their children.

These schools show that when policymakers move past bureaucracy and create conditions for schools to thrive, they are better positioned to achieve fairness for every child.

This piece was created by the Governing Institute Content Studio, with information and input from the Walton Family Foundation.

FOOTNOTES:


5. “STRENGTHENING FEDERAL INVESTMENT IN CHARTER SCHOOL FACILITIES,” 2018 (National Alliance for Public Charter Schools)

6. “Rooted in Opportunity: WFF’s Approach to Starting and Growing High-Quality Schools,” 2018 (Walton Family Foundation)

7. Oakland Unified School District helped Lighthouse find a permanent home for one of its schools, and other cities nationwide are using equity, often underresourced to promote innovative options.4


The Business of Government

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ver since cities began offering curbside recycling programs, skeptics have joked about how it all ends up going to the same place as the garbage. In Franklin, N.H., that’s actually true.

Residents there still sort items into separate recycling bins and garbage cans, but the different material all gets hauled to the same incinerator. “We are currently disposing of all of it at the trash plant,” says Judie Milner, Franklin’s city manager, “because recycling costs are twice as high.”

Those costs have spiked all over. Until this past January, China took 40 percent of America’s gently used paper, metals and plastic. Now, it accepts hardly any of it. China won’t take recycled material from this country, or others, unless it’s 99.5 percent free of contaminants. Some of the material is currently being processed domestically or is getting sent to other countries, but the loss of the biggest market has led some domestic recycling plants to shut down and some cities to end curbside pickup of recyclables.

Cities could once count on processors to pay them for material, but now they’re being presented with hefty bills instead. Last year, Richland, Wash., received $16 per ton for its recyclables. Today, it pays $122 for each ton that’s hauled away. When Franklin began its recycling program in 2010, it was getting paid $6 per ton for the material. Now, it has to pay $129 to dispose of it. Burning it, along with the regular garbage, is a lot cheaper at $68 a ton. “We put all our eggs in one basket with China,” Milner says.

Franklin is still asking its residents to separate out the recycling, in hopes that the situation can be rectified. Recycling advocates say that waste disposers ignored China’s admonishments about contaminants for years. “China has been warning us for a decade that we need to clean up the recycling,” says Mitch Hedlund, executive director of Recycle Across America, “but the industry did not heed the warning.”

The problem starts with consumers. For too long, they’ve taken what waste experts describe as a “wishful” approach to recycling. Everything they hope can be recycled—Christmas lights, batteries, plastic bags, hoses, power cords—has been tossed into the blue bins, ruining the mix. Those Christmas lights, power cords and other long, stringy, unrecyclable items get tangled up in the gears at recycling plants, particularly those dealing with mixed, single-stream loads. That fouls up the machines, causing delays and driving up costs. “If they’d had any questions in their minds about whether something is recyclable, they’ve been encouraged to put it in the bins,” says Sara Bixby of the Solid Waste Association of North America. “We have to stop that.”

Educating consumers can make a big difference in terms of how much they recycle, as well as whether they’re doing it right. That pizza box may be recyclable, but not if it’s soaked with grease. “Recycling isn’t worth anything right now,” says Madison Hopkins, an investigative reporter with the Better Government Association in Chicago. “That’s because people don’t know how to recycle and [so when they do] it’s contaminated.”

Hedlund’s group is working with cities and corporations to encourage the use of standardized labels, so consumers know exactly what’s recyclable. Once the public schools in Orlando, Fla., started using labels, the system saved $370,000 per year in trash hauling. “Cities are spending a fortune on recycling programs,” she says, “that aren’t working.”

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China only wants the cleanest trash. Can cities get consumers to recycle better?
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The citizens of Tulsa, Okla., have a brand-new, state-of-the-art city park. And it didn’t cost them a cent. The $465 million project is the brainchild of billionaire and lifelong Tulsa resident George Kaiser. His hope for the park, called the Gathering Place, is to unite residents. Like so many other cities, Tulsa has a history of racial and economic division. “We got more and more divided over time by geography, race and class,” Kaiser recently told The New York Times. “So getting people together is step one.” Visitors to the 66-acre park can immerse themselves in landscaping inspired by local limestone cliffs, explore the 160-plus climbing structures, test their skateboarding skills, play basketball and volleyball, rent a kayak, or grab a drink and a bite to eat at the park’s central meeting place, the Williams Lodge. Work has already begun to expand the park to 100 acres, and Kaiser has created a $100 million endowment to maintain the park now and into the future. —David Kidd
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