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- President Teddy Roosevelt, 1910

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The Real Housing Issue

Despite what you might think given recent media coverage, the U.S. city with the worst affordable housing problem is not San Francisco. Far from it. When you rank cities by median gross rent as a percentage of household income, San Francisco actually does very well, coming in at No. 582 on a list of 600 cities, according to Census data. Aside from a few college towns, most of the cities experiencing an affordable housing crisis are those that are struggling in today’s economy: Flint, Mich., for example, is No. 9. Its households pay a median of 42.2 percent of their income for rental housing.

There are two primary culprits in the housing affordability crisis: the cost of housing and the amount people earn. The latter is the bigger driver, as data cited by Jenny Schuetz of the Brookings Institution illustrates. Applying the standard that housing should consume no more than 30 percent of household income “implies that renters in the lowest income quintile can only afford to spend $310 per month on rent,” Schuetz writes, adding that “the decline in cash income for the bottom quintile over the past 15 years exacerbates this challenge.”

Policies that aim to give workers more of a share of increases in business productivity and gross domestic product would have to be largely national in scope—despite many laudable local attempts, such as minimum-wage increases and living-wage ordinances. But there’s no evidence such policies are coming anytime soon. Therefore, state and local leaders concerned about housing affordability need to use other tools at their disposal, such as land use policies.

What’s more, Schuetz and Cecile Murray argue in another recent Brookings report that we must acknowledge that “we can’t indefinitely rely on new construction of low-density, single-family housing.” As Governing’s Liz Farmer reports in this issue, California state Sen. Scott Wiener is trying to turn that attitude around. Not surprisingly, his legislation to override local zoning limits to allow high-rise housing near transit stations has stalled in the face of powerful opposition.

We may be several decades into the 21st century by the time we have housing policies that fit today’s circumstances, but it will happen. The rising generation of voters will see to that. A recent Politico article on the Seattle housing market laid out the plans of young activists to change the rules by changing the rulemakers in this fall’s municipal elections. Those activists may not win this year, but smart leaders see the future coming and find ways to accommodate it.
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The Best Kind of Response

In the March cover story “States of Emergency,” Daniel C. Vock wrote about the Emergency Management Assistance Compact (EMAC), which is a mutual aid pact among U.S. states and territories that allows them to reach out to each other—instead of the federal government—to get the resources they need during major disasters. Two readers wrote in to praise Vock’s attention to detail, specifically regarding the issue of “self-deployment.” “Emergency managers warn that ‘self-deployment’ outside of the EMAC process causes more harm than good,” Vock wrote. “It’s a lesson that was reinforced in the aftermath of Hurricane Katrina, when volunteers swarmed the disaster area without clear instructions.”

I was the Federal Emergency Management Agency planning section chief for Hurricane Harvey prior to leaving the agency in January for my current position with Washington state. I’m often disappointed with what I read or hear about emergency management and major incident responses, but you provided a rare and much appreciated balance of exceptional clarity, accuracy, thoroughness. For example, your article would have been excellent without addressing self-deployment and the need for jurisdictions to send resources only when requested, but your inclusion of that issue is valuable and serves as “frosting on the cake.”

—Steve Tarzwell, Eastern Washington Emergency manager, Washington Department of Transportation

Your article is a fantastic emergency response primer that should be mandatory reading for public officials everywhere. As former chief of staff to Virginia Goves, Mark Warner and Tim Kaine, I served in a capacity responding to more than my fair share of crises. Warner dispatched me to Louisiana to assist Gov. Kathleen Blanco post-Katrina. A major part of my responsibility there was getting the EMAC system in order. Too many other governors were dispatching help and causing problems with self-deployment. I saw self-deployed fire crews calling national press to film them idly playing football and complaining they weren’t being used. An underwater demolition team flew in from Israel and then complained no one met them at the airport. All the self-deployed teams compounded our logistics of helping those we had been asked to assist. In desperation, we had the National Governors Association and Council of State Governments send out letters to their members imploring them to utilize EMAC and direct all offers of assistance to their respective emergency operations centers to be matched with tasking orders from Louisiana.

You have captured the evolution and criticality of EMAC so well. Your article is a major and very necessary contribution to the emergency management field and to public leadership generally.

—Bill Leighty, partner, DecideSmart LLC, Richmond, Va.

It’s Actually 11

In the April Green Government article “Coming Soon: Carbon Taxes,” Elizabeth Daigleau looked at the 10 states considering bills this year that would tax greenhouse gas emissions. She left out one.

Thanks for your article about state-level carbon taxes, but you forgot to include Utah! This year it featured the first-in-the-nation bipartisan carbon tax bill, cosponsored by a Democrat and two Republicans. For somewhat complicated internal reasons, the bill didn’t get much publicity until after the session ended, but it did get introduced and will hopefully be reintroduced next year. (I was fortunate to help a bit with the economics of the bill.)

Climate action in a right-leaning state like Utah isn’t easy, but it isn’t easy in a left-leaning state like Washington, either. I learned that lesson firsthand as the founder and co-chair of the Initiative 732 campaign in Washington state in 2016. The initiative, which was rejected, would have imposed a steadily increasing tax on emissions of carbon dioxide and used that revenue to offset other taxes.

—Yoram Bauman, Ph.D., Salt Lake City

Overdoing Licensing

In his April Better Government column “What Sunsetting Is Good For,” Mark Funkhouser suggested that occupational licensing requirements need some serious scrutiny. “A few years ago, it was reported that Texas required 2,250 hours of training to be licensed to teach hair braiding,” he wrote. “A Tennessee barber—ineligible for a license because he didn’t have a high school diploma—was hit with $2,100 in fines and fees when he was caught using a fake license.” Readers overwhelmingly agreed the requirements were excessive.

Even if improperly done hair braiding is dangerous, there have to be better ways of protecting the public than license requirements.

—Dan Wylie-Sears on Facebook

Something like an eight- or 12-hour class on hygiene is entirely appropriate for cutting hair and similar [jobs]. But 1,600 hours is bull.

—Ryan Borman on Facebook

A more complete article would not be talking just to economists, but also to state departments of health.

—Ronald C. Shelby on Facebook
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CHILD MARRIAGES ARE more common than you think. Roughly 200,000 minors have gotten married since the start of the century. Nearly 90 percent of those child marriages involve a young bride, under the age of 18, and an older man—sometimes decades older. Under such circumstances, says Arizona state Rep. Michelle Ugenti-Rita, “it’s not difficult to think of all the potential abuses.”

Legislators have heard testimony from women who were forced to marry their rapists when they were as young as 11. There have also been scattered reports of marriage being used as a tool in child trafficking. Ugenti-Rita sponsored a new law, enacted in April, which banned marriages for children under the age of 16, while requiring 16- and 17-year-olds to receive permission from their parents. When a minor is getting married, the age gap between the bride and groom, under the new law, can be no greater than three years.

Advocacy groups such as the Tahirih Justice Center and Unchained At Last are pushing states to raise the minimum age for marriage to 18, without exceptions. Last month, Delaware became the first state to fully ban child marriage, even with parental approval. Kids who are 17 would need a parent’s approval, while 15- and 16-year-olds would have to get permission both from their parents and a judge. “The bill keeps the court in the loop,” says state Rep. Bill White, “to make sure the marriage is not coerced and is in the best interest of the kid, or kids.”

The fact that two kids may be marrying each other is one objection some legislators and religious groups have raised. They say the recent spate of child marriage bills are overly broad and harm responsible couples. If a young Romeo wants to marry his Juliet, why is that a problem for the state?

The other concern that’s commonly raised about strict limits is that they may prevent a pregnant 16-year-old from marrying the father of her baby. “By denying them the ability to get married, we’re denying the children fathers or mothers,” says Arizona state Rep. David Stringer, who opposed Ugenti-Rita’s bill. “I don’t think the government should be stepping in and telling people the right age to get married.”

Given the concerns about abuses, however, the movement to curtail child marriage clearly has momentum. Child marriage laws are so lax as to be practically nonexistent in about half the states, but that’s changing fast. “We have age limits on voting, purchasing lottery tickets, alcohol and cigarettes,” Ugenti-Rita says. “Marriage should be no exception to that.”

By Alan Greenblatt
REMEMBER WHITE FLIGHT? A few generations ago, millions of white Americans left major cities for the suburbs. Their departures were aided, in part, by the growth of the highway system. But they were also motivated by race, as schools and neighborhoods started to desegregate. Now that more minorities are moving into the suburbs themselves—a majority of minority residents of major metropolitan areas now live in suburbs, according to the Brookings Institution—white flight is happening all over again.

That’s the conclusion of a new study by Samuel Kye, an Indiana University sociologist. As more minorities have entered the middle class and established themselves in healthy suburban neighborhoods, Kye has noticed an exodus of white residents. Examining 28,000 suburban Census tracts in the nation’s 150 largest metro areas, he found that more than 3,000 of them experienced white flight, losing at least 20 percent of their white populations between 2000 and 2010. In fact, the average loss of white residents was actually twice that high.

Kye discovered that white flight was particularly pronounced in areas with fewer high school dropouts, strong home values, median income levels and large numbers of professionals. He suggests this is because low-income whites don’t have the means to leave neighborhoods seeing influxes of minority residents; affluent whites, on the other hand, have the resources to vote with their feet.

Kye’s study, published in Social Science Research, is in keeping with other recent academic findings. Maria Krysan, who studies racial residential segregation at the University of Illinois at Chicago, finds that most people she interviews say they want to live in integrated neighborhoods. But while members of minority groups often act on that desire, whites end up limiting their real estate searches and purchases to neighborhoods that are predominantly white.

In earlier generations, the pattern of segregation was white suburbs surrounding black center cities. Today, more whites are living downtown, while others are moving to suburbs beyond the ones being populated by minorities. A team of researchers at Cornell and Mississippi State universities found that segregation is not just persisting within cities, but among them. That is, neighboring cities are likely to have very different racial profiles, largely because many whites are moving out to the exurbs.

There’s even a tipping point for when whites typically pack up and move: “White flight eventually becomes more likely in middle-class neighborhoods,” Kye writes, “when the presence of Hispanics and Asians exceeds 25 percent and 21 percent, respectively.”
DURING THE SECOND HALF of the 20th century, no city symbolized the rise of automobile-driven development more than Los Angeles. Despite its reputation for sprawl, however, L.A. is actually the densest major city in the country. It will grow even more crowded over the coming decade, with voters having approved billions in new spending on housing, parks, transit and other infrastructure ahead of the return of the Summer Olympics in 2028.

What will the city look like then? Answering that question is now largely the responsibility of Christopher Hawthorne. The longtime architecture critic at the Los Angeles Times stepped down earlier this year to take on the newly created post of chief design officer under Mayor Eric Garcetti, who, like other mayors around the country, has grown fond of appointing “chiefs” to tackle issues such as sustainability, streets and data. In this case, Hawthorne will be expected to break down the silos between agencies when it comes to urban planning. That’s easier said than done.

Different agencies have different prerogatives and priorities. The new generation of chiefs may be able to say they’re the mayor’s point person on a particular issue, but without control over budgets or other real power, they can’t force action from those entrenched in city government who view them as a fad. To create a more coherent vision for L.A., Hawthorne will not only have to win over leaders in the city’s transportation, engineering and planning departments, but also other actors scattered at the county, state and federal levels. “The fragmentation that has long characterized the political structure of Southern California has also been plain to see in the way we produce our public infrastructure,” Hawthorne wrote in his farewell column in the Times. Hawthorne describes his role as less of a car seeking to get his way by fiat than of an advocate attempting to “nudge” agencies in a more favorable direction. Toward that end, he intends to broaden the conversation, making sure agencies do a better job of listening both to residents and designers through public forums and competitions. Ultimately, he hopes to make the case that better design is not only more inclusive but can be more efficient and save dollars. Such concepts have become inscribed in the DNA of planning departments in some cities. This hasn’t been the case in Los Angeles, and it’s largely why Garcetti is seeking to break the mold. As a critic, Hawthorne was sometimes a lonely voice in terms of thinking about the public realm writ large. His perch within city hall gives him a different platform from which to make his case that design is threaded through everything a city does and makes. “A real hallmark of his work at the Times has been to really push the big picture and try to prod Los Angeles to think about itself in larger terms—21st-century terms and urban terms,” says John King, the architecture critic for the San Francisco Chronicle. “If there was an architecture critic in the United States where this transition would make sense, Chris is the one.”
SINCE FEBRUARY, the school board in Newark, N.J., has been meeting to set policy. That may sound like the most mundane occurrence imaginable, but it’s a big novelty in Newark. The schools there are now being run locally for the first time since a state takeover in 1995.

New Jersey was the first state back in 1989 to pass a law allowing takeovers of local school districts. Since then, states across the nation have appropriated more than 100 districts, including those in major cities such as Baltimore, Detroit, Memphis, New Orleans and Philadelphia. And with the federal Every Student Succeeds Act requiring states to identify and improve poor-performing schools, that trend is not about to die out.

But states don’t possess a secret formula for making schools succeed. Far from it. Test scores and graduation rates don’t suddenly skyrocket. A recent Harvard University study of schools in Lawrence, Mass., did find “sizable achievements in math and modest gains in reading.” But other studies have been more negative, arguing that state takeovers do very little if anything to improve student performance, while dramatically driving up rates of turnover among teachers and staff.

Although poor academic performance and mismanagement are often cited as the main rationales for takeovers, other factors are at play, suggests Domingo Morel, a political scientist at Rutgers University-Newark, in his new book Takeover: Race, Education and American Democracy. Morel sees takeovers as an especially emblematic example of states centralizing power at the expense of local governance. As states have become increasingly responsible for footing the education bill in recent decades, they have sought greater authority. “Perhaps more so than any other policy domain, control over public education became a central point of contention between state and urban localities,” Morel writes.

As his subtitle suggests, Morel sees race as a major force. Nearly 85 percent of the districts that have been taken over by their states have had majority black or Latino student populations. States are much more likely, when they do take over majority white districts, to leave their local school boards intact, abolishing them only 4 percent of the time compared with 33 percent in majority black districts.

Morel views this racial dynamic through a political lens. Participation in school politics has been a “catapult” for black political power, he notes, with school board members going on to serve on city councils or as mayors. More Latinos, meanwhile, serve on school boards than in any other political office.

His argument, however, that minority political power is weakened by state takeovers is undercut by one of his own case studies. Hispanics held no political offices in majority Latino Central Falls, R.I., when the state took over its schools in 1990. But three Latinos were quickly appointed to the revamped school board, and James Diossa currently serves as the city’s first Latino mayor.

Another concern with state takeovers is the loss of control to outside groups. Foundations, for instance, tend to put their money into districts that have been taken over to encourage experimentation, such as the expansion of charter schools. Most famously, Facebook CEO Mark Zuckerberg pledged $100 million to the struggling schools in Newark back in 2010. But like the state takeover of schools in Newark, that largesse failed to produce miracles. Too much money was spent on consultants and too little effort was devoted to building support among parents and teachers for new approaches. “School districts are more likely to improve educational outcomes when there is collaboration,” Morel writes. “Why would states pursue policies that lead to political disruption and hostility between local communities and state government?”
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ack when I was a history student, I came across a dispute between two prominent scholars who disagreed about the condition of the streets in colonial Boston. Carl Bridenbaugh wrote that the streets must have been a mess, because letters and news sheets were filled with complaints that no one was sweeping up the growing dirt on public thoroughfares. David Hackett Fischer countered that the streets probably weren’t that bad. More likely, he wrote, the Bostonians were overly fussy Puritans—a bit anal-retentive, to use a term that wasn’t very familiar in the 1700s.

It isn’t one of the epic debates in American history, but I’ve remembered it ever since. It has colored my attitude, oddly enough, toward the question of corruption in American public life. Practically every day, the media assaults us with news about scandals and misdeeds among elected officials at all levels of government. Is corruption really worse than ever? Or have we become more attuned to finding it, like the New Englanders who couldn’t stop noticing unwashed cobblestones?

Take New Jersey, for example. The past few decades have witnessed an unending series of criminal indictments in the state against mayors, county executives, state legislators and members of Congress. Now, there’s no disputing the existence of quite a few bad apples in the Garden State barrel. But it’s worth pointing out that New Jersey is home to some of the most sophisticated political reform groups anywhere in America, from New Jersey Citizen Action and the Good Government Coalition to institutes at its universities. To that, one must add a string of prosecutors who have endeavored to build political careers out of putting the state’s politicians in prison. Chris Christie was the last one to do that, but he was far from the first.

Perhaps New Jersey is a vile cesspool of public corruption. But perhaps it might be described more accurately as a state with a broad array of public institutions carefully programmed to pounce on anything that looks suspicious. That’s not an easy issue to resolve. Still, it’s one that seems relevant to the current condition of state politics across the country, as an alarming number of officeholders—and especially governors—have found themselves undone by humiliating scandals.

When you make a list of the governors who have gotten themselves in trouble over the past decade (and it’s a pretty long list), you begin to notice something surprising. Most of them weren’t caught raiding the cookie jar. They were caught up in misdeeds involving sex, or at least inappropriate romantic relationships.

Eliot Spitzer of New York paid clandestine visits to a prostitute in a downtown Washington hotel. Mark Sanford of South Carolina made secret trips to South America to cavort with his mistress. Robert Bentley of Alabama used state funds to conceal an extramarital affair with a female staffer. John Kitzhaber of Oregon handed out state favors to his fiancée’s consulting business. Those aren’t the only ones, but I’ll stop there. (If I wanted to keep going, I could point out that while the vast majority of these perpetrators are governors and male, not all of them are: Former Nashville Mayor Megan Barry resigned in March and pled guilty to theft.

By Alan Ehrenhalt

Just How Rampant Is Corruption?

It’s hard to tell whether there are more scandals or we’re trying harder to find them.
of public funds after it was revealed that she’d been engaged in an affair with the head of her security detail.)

To be clear, the fact that more of these abuses are coming to light is a good thing. Officials who misuse public funds or otherwise break the law should be held accountable. And many of the most recent scandals involving the #MeToo movement aren’t about potentially embarrassing sexual dalliances, but rather about serious harrassment, abuse and—in the case of allegations against former New York Attorney General Eric Schneiderman and Missouri Gov. Eric Greitens, for example—sexual violence. Rooting these out is undoubtedly for the good.

Still, we’re now faced with two nagging questions: Is this sort of corruption worse than it used to be? And is something wrong with the psyche of all these leaders that led them to risk career and reputation on what seem like inexplicable acts of stupidity?

Social psychologists and political scientists have spent much of the past century debating and theorizing over the mental health of people who are drawn to public life. In the 1920s and 1930s, heavily influenced by Sigmund Freud and psychoanalysis, scholars posited that politicians suffered from an ego deficiency. They were unusually needy people who courted the approval of the public to make up for private feelings of inadequacy. In the more optimistic 1950s, a consensus developed that precisely the opposite was true: Politicians were people with exceptionally healthy egos. Without a strong sense of self-importance, they wouldn’t be able to deal with the stresses and insults that a political career necessarily entails.

I spent nearly 20 years watching politicians up close as a reporter covering Congress, and I became convinced that both of these theories were off the mark. Hanging out in the press gallery and in the speaker’s lobby adjoining the House chamber, I saw plenty of self-centered egotists who seemed to need the approval of everyone they encountered. I saw others so mild-mannered and diffident that you had to wonder how they ever got into public life in the first place. I ended up convinced that there was no such thing as a political personality. The 535 members of Congress reflected pretty much the whole range of personality types that existed in the outside world. I still think that’s true.

But what if the crucial issue isn’t what sorts of personalities seek public office? What if it’s what the political power affects the people who attain it? After all, as Henry Kissinger rather famously said, “power is the ultimate aphrodisiac.”

Todd Shackelford, who teaches psychology at Oakland University near Detroit, has been studying issues like this for more than a decade. He believes that power is, in fact, a male aphrodisiac and that men who attain high-ranking office are frequently tempted to play sexual games they never would have played before. He sees this as a fact of evolutionary life whose relevance can be traced all the way from prehistoric caves to the governor’s private bedroom. “We shouldn’t be surprised,” Shackelford told me recently. “It’s part of the male evolutionary psyche. When men achieve power, they attempt to turn that into sexual access. They get access to power, and they begin to feel entitled.”

Shackelford thinks it’s unlikely that sexual misconduct among politicians is much worse than it was a generation ago. It’s just been brought into the open in a way that it rarely was before, and it has become more socially unacceptable when it is revealed. “We pin them for it far more than we used to,” he says, “because people are less willing to let it slide.”

This brings us back to what I will call the Boston streets question: Is it the dirt, or is it our growing awareness of it?

The closer one looks at recent scandals, the more it appears that enhanced public scrutiny explains them better than escalating mischief. Not just public scrutiny—media scrutiny. It was Willamette Week, the alt-weekly in Portland, Ore., that broke the news about Kitzhaber steering government work to his fiancée. Fifty years ago, Willamette Week didn’t exist. Would the mainstream Portland papers of the 1960s have chased that story down and published it? I’m pretty sure they would not have.

One weekend in December 1970, a state car carrying Maryland Gov. Marvin Mandel was in an accident in the dead of night on a rural road nowhere near the capital. Mandel was seriously injured. One person was killed. The governor explained he’d been on “official business” attending a meeting, but the entire state press corps and much of the state’s senior workforce knew what the business was: a secret visit to his mistress. Still, not a word about the circumstances of the incident appeared in print or on the air. Only years later, when Mandel’s wife charged him with adultery and evicted him from the governor’s mansion, did Mandel’s illicit relationship become a public issue. Today the juicy details behind the car wreck would have been in the next day’s Washington Post. A matter of conjecture, to be sure. But I think there’s enough evidence to conclude that we are seeing a combination of new media appetites and new attitudes about sexual misconduct, not an unprecedented epidemic of misbehavior among elected officials. We have opened Pandora’s Box. The contents were there all along.

Email aubrenhalt@governing.com
n early April, the fifth graders at West Side Elementary School in Worland, Wy., celebrated their graduation from the school’s D.A.R.E. program—short for Drug Abuse Resistance Education—with certificates and T-shirts. County Sheriff Deputy Colleen McClain was proud of the program. “It’s giving them ways to help them not do drugs,” she said.

Efforts like McClain’s have a big fan in Attorney General Jeff Sessions, who told a D.A.R.E. conference last year that he firmly believes the program saves lives. “Your efforts work,” he said. D.A.R.E. programs date back to the 1980s, and at one point, three-fourths of the nation’s school districts had them. A generation of school kids can repeat back D.A.R.E.’s central message: Just say no.

But there’s one problem. Study after study has shown that D.A.R.E. doesn’t work. Most analyses have found that it has little to no impact on reducing drug use—and one study even showed that use increased. “I don’t get it,” one D.A.R.E. executive director said of the findings. “It’s like kicking Santa Claus to me.”

Another favorite program, Scared Straight, which pulls at-risk kids off the streets and puts them in prison for a day, has also been found to be ineffective. The idea behind the program is to show kids what life behind bars would be like—to, in effect, scare them straight. It seemed like such a good idea. A 1979 documentary on the program won both an Emmy and an Oscar. It spawned programs across the country, as well as a long-running television show on A&E. But despite the program’s popularity, the evidence is clear: The program did prove effective—in producing more criminals. Efforts to scare kids straight not only failed to keep them out of jail, but it also, in some cases, increased the odds they’d end up behind bars.

Still, many state governments doggedly stuck with the program until the Justice Department warned they could lose federal funding if they remained committed to something that the evidence proved was ineffective. Today, South Carolina alone still has a version of a Scared Straight program.

The federal Commission on Evidence-Based Policymaking has been campaigning to bring more—and better—analysis to policy decisions. It has pointed in particular to the value of randomized controlled trials, or RCTs, where individuals are assigned to control groups to test whether a program actually works. RCTs produced the findings on D.A.R.E. and Scared Straight, and they’re widely considered the “gold standard” for policy analysis.

But most state and local governments can’t afford them: RCTs are very expensive, in large part because they require skilled analysts. As a result, many local government officials get sucked into programs backed by strong constituencies but that offer no evidence of effectiveness. These governments essentially end up pouring
POLITICS WATCH

By Alan Greenblatt

California GOP’s ‘Death Spiral’

The party can’t agree on how best to stop it.

California Republicans haven’t had a good year since 1994. They’ve been shut out of power in the legislature and lost nearly all statewide races. Former Gov. Arnold Schwarzenegger, one of the last Republicans to win statewide election, once described the state party as “dying at the box office.”

This year could be even worse. Thanks to the state’s primary system, which sends the top two finishers into the general election regardless of party, Republicans will almost certainly fail to land a slot in the U.S. Senate race, and could fall short in the gubernatorial contest come June 5. Lacking any sort of party representation at the top of the ticket will likely result in fewer Republicans turning out in the fall and therefore hurt other candidates. “That will mean more losses down-ballot,” says Jack Pitney, a professor at Claremont McKenna College.

The GOP, whose share of voter registration in California has slipped to about a quarter, faces several challenges in the state. An anti-immigrant ballot measure in 1994 worked in the short term, helping Republican Gov. Pete Wilson win reelection, but has soured the state’s growing Hispanic population on the party ever since. Conservative inland areas are consistently outvoted by the increasingly liberal coastal population centers. And by November, the number of voters registered as independents is likely to surpass the self-identified Republicans.

A lot of that loss is due to moderate Republicans becoming disenfranchised with the party. Unlike in some other blue states, the remaining party faithful in California aren’t moderates. GOP officials such as Schwarzenegger and state Rep. Chad Mayes—who was ousted as the party’s Assembly leader last year after working with Democrats on a climate bill—are trying to make the case that the party needs to revamp its image to be more competitive. That argument doesn’t convince many party loyalists, who note that statewide candidates who have presented themselves as moderates still lost. “The remaining Republicans are the diehards,” says Renee Van Vechten, a political scientist at the University of Redlands.

When Democrats started struggling in the South a quarter-century ago, their candidates tried hard to differentiate themselves from the party’s leaders in Washington. For a while, it worked there. But in today’s more partisan climate, this approach isn’t taking root in California. “The national Republican brand is an albatross around the party’s neck,” says Eman Ratick, of the University of California, Berkeley’s Institute of Governmental Studies.

The party has done a good job of recruiting candidates who can be competitive in local races in parts of the state and enough legislative districts to deprive the Democrats, some years, of supermajorities in Sacramento. But they can’t seem to do much more than that. Party loyalists won’t support anyone who is not a staunch conservative, and that kind of candidate simply doesn’t fare well in California. “That’s what a death spiral looks like,” Pitney says.

Former Republican Gov. Arnold Schwarzenegger is pushing for the California GOP to be more moderate.

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enormous amounts of money into programs that don’t work.

The GovEx center at Johns Hopkins University believes its “Roadmap for Policy Change” can help communities do better. The roadmap advances a viewpoint that’s considered heretical in some parts of the world of analysis. It says: “When you can’t get rigorously tested, experimentally verified information, it is appropriate to work with what we do have.”

The roadmap suggests communities look to others for stories about how they’ve cracked tough problems and how they’ve navigated rough local political battles. GovEx certainly doesn’t argue against sophisticated analysis. But it contends that cities have to start somewhere, that they don’t always have the time or talent for mega-studies and that they often need to act before the big guns of policy analysis have produced big findings.

For example, Kansas City, Kan., was looking for fresh ideas to address urban blight. Its local government staff fanned out across the internet and, armed with the results of Google searches, dug up efforts in other cities such as Baltimore, Mobile, Ala., Memphis and New Orleans. But after they put the results through a filter—Did any of these ideas seem to make sense for Kansas City?—they discovered that efforts in Chicago suggested they revisit local vacant building ordinances.

Randomized controlled trials can certainly help cities stage a major breakthrough, like Denver’s innovative social impact bond to attack the problem of homelessness. (See “For Money or For Impact Bond to attack the problem of homelessness.”) But they put the results through a filter—Did any of these ideas seem to make sense for Kansas City?—they discovered that efforts in Chicago suggested they revisit local vacant building ordinances.

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Like millions of people across the country, Strom Peterson has a personal connection to the opioid epidemic. The Washington state representative lost a cousin to a heroin overdose. That tragedy, he says, led him “to really dig in and see what could be done.”

Eventually he decided to champion a statewide drug take-back program. He sponsored a bill to create secure spots around the state for people to drop off their unwanted and expired prescription medicines. It was signed into law by Gov. Jay Inslee in March. But there’s a twist: Under the law, drug manufacturers themselves must fund and implement the program.

While Washington is the first state to create a statewide take-back program, the concept isn’t new. The Drug Enforcement Administration (DEA) got the go-ahead to establish safe disposal sites in 2010. Dozens of cities and counties nationwide have already created their own programs (there were three county programs in Washington state when Peterson’s bill passed), and last year CVS introduced disposal kiosks in 750 of its pharmacies. Once Washington state’s program gets up and running, pharmacies and law enforcement agencies are expected to be the primary sites for dropping off unused drugs.

The main idea behind the take-back programs is to encourage people to safely dispose of their unused medication and, thereby, help prevent overdoses, suicides and poisonings. The growth of the programs in recent years flows from a change in federal regulations: Until 2014, DEA rules allowed only law enforcement agencies to collect unused opioids. That authority has now been expanded to states, local governments and agencies other than law enforcement. Peterson says the expansion was key in getting his legislation passed.

While the bill received bipartisan support, there was a big obstacle in the way: the pharmaceutical industry. Lobbyists, objecting to costs and regulatory burdens, initially fought hard against it, but eventually worked with the legislature to produce compromises, such as allowing the drugmakers, rather than a government agency, to run the program themselves. “They told us that if they were going to fund it, they wanted to be able to run it, and I felt that was a fair compromise,” Peterson says. “Getting them to neutral was a big thing.” In the end, the cost of the program for the drug companies is expected to be negligible—about one-tenth of 1 percent of their $5.7 billion in annual sales in the state.

Of course, getting unused and unwanted pills out of people’s homes won’t by itself rein in the nation’s roughly 65,000 annual overdose deaths. Washington’s health secretary, John Wiseman, calls the new take-back program just one piece in a huge jigsaw puzzle that will require action “from all of us, from mental health professionals to medical providers to law enforcement, and yes, the drug manufacturers.”

Initiatives like Washington’s aren’t the only way that governments are pushing back against the pharmaceutical industry. More than a hundred city, county and state governments have filed lawsuits against drug manufacturers and distributors, seeking reimbursement for their costs in dealing with opioid abuse. Experts say that this marks a new chapter in the opioid fight, one in which governments are increasingly putting pressure on drugmakers for their role in the epidemic. “There was some willful ignorance,” Peterson says, “and now there needs to be financial consequences to that.”

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Building Up Resilience
As storms worsen, many coastal states aren't prepared.

June is the start of the Atlantic hurricane season. And according to researchers at Colorado State University, it’s going to be a busy one. They have predicted there will be 14 tropical storms, seven of which are expected to become hurricanes. But not every community is prepared for another active season—at least not when it comes to the resilience of their buildings.

Eight out of the 18 hurricane-prone coastal states along the Gulf of Mexico and the Atlantic Coast are highly vulnerable, according to a new report from the Insurance Institute for Business & Home Safety (IBHS). The report, Rating the States: 2018, is the institute’s third in six years. It evaluates the states on 47 factors that include whether residential building codes are mandated statewide, whether states and localities enforce those codes, and whether licensing and education are required of building officials, contractors and subcontractors.

Overall, the institute found “a concerning lack of progress” in the adoption and enforcement of updated residential building code systems across most of the states examined. “There’s not been much movement from [the first report] in 2012 to today,” says Julie Rochman, who stepped down as CEO and president of IBHS in April. “There’s some inertia.”

No state achieved a perfect rating based on the 100-point scale. But Florida, Virginia, South Carolina and New Jersey all received 90 or more points. Meanwhile New York, Maine, New Hampshire, Texas, Mississippi, Alabama and Delaware received less than 70 points. None of those eight states mandate statewide building codes.

The institute, which is a nonprofit organization supported by property insurers and reinsurers, conducts scientific research to identify and promote best building practices. “The importance of strong, well-enforced codes was clearly demonstrated in 2017,” the report says, when, over a two-month period, three devastating hurricanes each caused billions in damages.

This was particularly apparent in Florida, which has a statewide mandated building code that’s regularly updated. “Florida really proved itself with Hurricane Irma,” says Rochman. “You had a devastating storm that came up the entire peninsula, subjecting homes to high winds and flooding. The state performed really well.”

An IBHS study after Hurricane Charley in 2004 shows just how well Florida’s homes have stood up over time. The study found a 60 percent reduction in residential property damage claims filed and a 42 percent reduction in the severity of damages claimed.

The states rated best and worst don’t fall along partisan political lines—or along the lines of climate change activists vs. skeptics. Florida, for instance, is rated the highest with 95 points. But the state’s Republican governor has repeatedly demurred when asked about climate change, saying, “I am not a scientist.” Meanwhile, Delaware, which has the lowest rating with 17 points, is one of several blue states to join a coalition of governments promising to tackle climate change despite President Trump’s decision to withdraw from the Paris Climate Agreement.

Extreme weather events are only expected to become more common. “We have extensive scientific evidence that extreme events are increasing around the world, and will continue to increase as climate change gets worse,” Noah Diffenbaugh, a professor of earth system science at Stanford University, recently told The New Republic.

This, along with Florida’s tested building codes and last year’s storms, is why the report stresses the importance of mandatory statewide codes. While some local jurisdictions within the eight states rated below 70 may have strong code adoption and/or enforcement programs, it’s not enough, says Rochman.

Take Houston, which in April passed new building rules for flood resilience. Hurricane Harvey was one of the costliest hurricanes on record, inflicting nearly $200 billion in damage to not only Houston but also surrounding areas. Houston’s efforts are good. But, says Rochman, “Mother Nature doesn’t stop at a city boundary.”

In a new ranking, only four states received 90 or more points—out of a possible 100—for hurricane preparedness.
Unplug appliances to prevent electrical shock when power comes back on.

Do NOT drive or walk across flooded roads. Cars and people can be swept away.

Tie down or bring outdoor items inside.

Throw away items that cannot be disinfected, like wall coverings, cloth, rugs, and drywall.

Clean walls, hard floors, and other surfaces with soap and water. Use a mixture of 1 cup bleach and 1 gallon water to disinfect.

For more information visit http://emergency.cdc.gov/disasters/floods/

Recognize Flood Risk

• Identify flood-prone or landslide-prone areas near you.

• Know your community’s warning signals, evacuation routes, and emergency shelter locations.

• Know flood evacuation routes near you.

When power lines are down, water is in your home, or before you evacuate, TURN OFF gas, power, and water.

Practice Safe Hygiene

Wash hands with soap and water to help prevent germs.

Listen for information from your local officials on how to safely use water to drink, cook, or clean.

Use fans, air conditioning units, and dehumidifiers for drying.

For cleanup, wear rubber boots and plastic gloves.

Caution! Flood water may contain trash.
How can this be? I think it’s about trust, relationships and expert advice. I get most of my books electronically from the library, which my taxes pay for but is effectively free. But I also patronize these new physical bookstores. Through their selections and knowledgeable clerks, they “curate” my shopping experience, something that curiously seems more needed when almost everything is available at anytime online. What’s true with books will be true with other things in which the personal touch is valued. You can still get handmade shoes and a tailored suit, for instance, but it will cost you.

Experiences are also key. People traveling for fun have the time and the money to shop. I often buy a new shirt, or even a piece of artwork, while on vacation, because I have the time and headspace to do so—more than when I’m scurrying around in day-to-day life.

Money and travel will help explain the success—if it is a success—of the new Nordstrom department store that is scheduled to open next year in New York City. The Seattle-based chain is spending a reported half-billion dollars filling seven floors of a 1,500-foot skyscraper under construction on West 57th Street, as well

The Mutation of Main Street

Brick-and-mortar stores are surviving, but what they’re selling is changing.

Retailers are middlemen, for the most part. They don’t usually make stuff themselves. Mostly they just buy it from elsewhere and then make it available to the passerby. Increasingly, of course, that shopper is virtual, surfing along an online street. Rather than heading downtown or to a suburban mall, customers fire up their computers or phone apps, make a purchase and then wait for the cardboard box to be delivered.

It’s hardly news that this trend endangers some brick-and-mortar stores, whether they sell pants, cat food, eyeglasses, mattresses, shoes, printers, televisions, novels, hammers or toothbrushes. It’s a fact city leaders must wrestle with as they watch their malls go dark and their Main Streets mutate into new roles—or try to.

Martha M. Jenkins opened her Kitchenworks store in 1984 in Chapel Hill, N.C., and made money for more than three decades selling muffin pans, fish poachers, coffee makers and dish brushes. As online sales began to take off, she started her own retail website, while in the store she emphasized personal service—even as she watched customers question a clerk for 30 minutes and then order an item online right in front of them. Her store closed this January. “The web is going to ruin regular retail,” Jenkins told me recently. “It is a tragedy, but probably unavoidable. It is now second nature to order online, and people can’t help it. You can combat it in a small local store, but it is taking more and more effort to keep people coming into your store.”

And the University Place mall where her store was located? Opened in 1973, it consists more and more of businesses selling services rather than things. You walk in and find people who will prepare your taxes, cut your hair, hem your pants or make a meal for you. It no longer has department stores. What’s true with a mall like University Place is also true for every Main Street. Where once stood hardware stores and clothing now stand bars, coffee shops, beauty parlors and restaurants. Having a meal with friends is one of the few experiences that still can’t be made in China and ordered online.

So is all physical retail destined to die? Not necessarily. There are countertrends. Against predictions, for example, independent bookstores have been sprouting up all over the country, even though the books they sell are available for much less online. How can this be? I think it’s about trust, relationships and expert advice. I get most of my books electronically from the library, which my taxes pay for but is effectively free. But I also patronize these new physical bookstores. Through their selections and knowledgeable clerks, they “curate” my shopping experience, something that curiously seems more needed when almost everything is available at anytime online.

What’s true with books will be true with other things in which the personal touch is valued. You can still get handmade shoes and a tailored suit, for instance, but it will cost you.

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People traveling for fun have the time and the money to shop. That’s what Nordstrom is hoping with its new store scheduled to open in New York City next year.
Power Struggle

Preempting local laws is no longer just a red state thing.

In 2012, Greg Abbott, then the attorney general of Texas, wanted to cut down a pecan tree in his yard that was in poor condition and had lost most of its canopy. But the city of Austin, as he has recalled, charged him a fee to replace the tree.

Five years later, Gov. Abbott signed a bill allowing property owners to offset tree loss by planting new trees rather than paying a mitigation fee. That law is just one of many examples during Abbott’s tenure of the state government clipping the wings of Texas cities. After the college town of Denton banned fracking, the legislature passed a bill prohibiting such bans. When Houston required Uber and Lyft drivers to be fingerprinted, the state overrode the requirement. A state prohibition on plastic bag bans failed, but it might succeed in court.

Such efforts to override local ordinances—including, for example, Florida’s ban on local gun regulations—are often seen simply as a red state vs. blue city issue. “Texas is being California-ized, and you might not even be noticing it,” Abbott said, shortly after he was elected, in defending attempts to curb local regulations. Indeed, red states are often criticized by liberals for being hypocritical—demanding that power be downsized from Washington while refusing to push power further down to cities where most mayors are Democrats.

But recent events in California have revealed that preemption efforts go both ways. A bill to limit cities’ ability to block large apartment construction near public transit recently failed in the California Legislature. Meanwhile, California’s sanctuary state law has run into resistance from conservative local governments. The small city of Los Alamitos has passed an ordinance claiming to exempt itself from the state’s law. Other localities—including a number of local governments in Orange and San Diego counties—are joining the Trump administration’s lawsuit challenging the state law.

In a way, none of this is new. Power struggles between the feds and states have been going on for decades, dating back at least to the 1980s when the Reagan administration tangled with mostly Democratic state governments. What is new, however, is the aggressiveness with which state governments are trying to curtail the power of local governments—and how ideological those battles have become.

During this extremely partisan era, local governments have often been viewed as a welcome oasis from ideological battles. Mayors and other local officials don’t have the luxury of engaging in pure partisan politics all the time. As the argument goes, they have a city to run and are so close to their constituents that they have no choice but to focus on getting things done.

But as local jurisdictions are affected by “The Big Sort”—people geographically separating themselves based on their political views—we see more and more enclaves of red in blue states and blue in red states. And as the local constituents have become more ideologically divided, so have the local politicians. So increasingly, the politicians who rule islands of red or blue are called upon by their own constituents to #Resist, forcing the state-level political majority to strike back. It’s not an encouraging trend, but it’s not going away anytime soon.
When a neighborhood isn’t rich—but isn’t poor—gover
THE MIDDLE

Government tends to forget about it. By Alan Greenblatt

PHOTOGRAPHS BY DAVID KIDD
Caught in the Middle

Gregory James bought his house way back in 1972. As he looks around at the stone-fronted row houses that line either side of his street in the Mt. Airy section of Philadelphia, he considers himself a relative newcomer. Out of 72 houses on the block, he counts 15 that are still occupied by the families who were already residing there when James arrived. Back in the 1970s, this part of Philadelphia was a choice neighborhood for middle-class blacks who were able to move themselves out of rougher parts of town.

Now the homes in Mt. Airy are aging, and so is the infrastructure around them. The houses may be structurally sound, but not enough attention is being paid to the condition of things like driveways, curbs and retaining walls. James complains that the city itself sometimes ignores his community. There are certainly neighborhoods that are worse off, but you don’t have to travel far to find others where services such as trash pickup are noticeably better. “When you go farther north, it’s better, and when you go south, it’s worse,” says James. “If you stay here, you’re caught in the middle.”

There’s a sense in Philadelphia, as in many major cities these days, that it’s divided between the affluent folks who are driving up condo prices in and around downtown, which is known as Center City, and those being left behind in parts of town plagued by blight and drugs. Philadelphia has received considerable attention in recent years as one of the nation’s top magnets for educated millennials. At the same time, it has the highest poverty rate of any major city, at 25.7 percent. But left out of the equation are places like Mt. Airy, where most people have decent-paying jobs as schoolteachers, as utility company workers or, like James, as nurses. Or they’re part of a generation that was able to retire with decent pensions. Neighborhoods are a little like seesaws. Some are rising to the top, while others seem to be stuck at the bottom. No one seems to pay attention to what’s in the middle.

Middle neighborhoods have been off the nation’s policy radar for decades. While many of them are relatively stable, others have become shaky in recent years, due to a lack of interest from governments and the private sector. That has left large shares of urban America at risk, particularly in older cities. In Philadelphia, 41 percent of residents live in what are defined as middle-neighborhoods, where most people earn between 80 and 120 percent of the area median income, which in the Philadelphia region is $66,000. Nationwide, 48 percent of urban residents live in such neighborhoods, which tend to be more diverse than either wealthy or low-income areas. “There are huge chunks of our cities that are not seeing rapid growth, nor are they completely desolate, economically isolated places,” says Jeffrey Verespej, who runs a community development corporation in Cleveland. “They’re not as sexy as high-investment, high-growth neighborhoods and lack the moral imperative to help those who are truly needy.”

But they’re increasingly under threat. The reality is that no place stays exactly the same year after year. All neighborhoods evolve. The question is what direction they’re moving in, and what forces are pushing them that way. Middle neighborhoods have a lot working against them. Most are not especially close to downtown and lack the anchor institutions such as universities or hospitals that spur new investment. Residents of middle neighborhoods generally don’t receive assistance from poverty programs. At the same time, they don’t have access to capital, either. Half of the residents of Philadelphia—and many in Mt. Airy—have credit scores below 650, perilously close to the point where banks won’t even bother looking at a loan application. The city’s denial rate for home improvement loans is 62 percent, well above the national average of 37 percent.

Most of the factories that middle neighborhood residents used to walk to, or ride streetcars to, have long since closed, taking their jobs with them. Aging residents on fixed incomes are unable to keep up their properties as well as they might like. These once-aspirational neighborhoods have been bypassed for the suburbs by younger generations. But what’s pushed middle neighborhoods closer to the edge, counterintuitively, is their high rate of home ownership. Many residents have been victims of predatory lending, and have been victims of predatory lending, and...
or even foreclosure. There are indicators that will tell you if a neighborhood is beginning to gentrify, such as increased occupancy and investment. If you flip those numbers on their head and look at areas that are trending down in those categories, you’re looking at an enormous share of many cities. “There are a lot of negative forces working in these neighborhoods,” says Alan Mallach, a senior fellow at the Center for Community Progress, “and very few positive ones to counterbalance them.”

The danger is that they’ll slip further. Once a couple of properties are left vacant on a block, neighborhoods can get caught in a downward spiral that’s difficult to reverse. Adjacent to the elementary school near James’ house, a volunteer-run food pantry hands out donated meat and canned goods to 850 residents, many of them seniors taking care of grandkids. The pantry puts 50 to 60 more people on a waiting list each week. “We will do ourselves a disservice if we don’t pay attention to the middle now,” says Philadelphia Councilwoman Cherelle Parker, who represents Mt. Airy and neighborhoods like it. “If we don’t want the middle to become part of that deep poverty, we better invest now.”

Parke, whose conversational flow is like an unstoppable freight train, has spent her entire life in northwest Philadelphia, residing on the same block since college. As a city council aide, she promoted economic development projects for the area and helped craft an anti-predatory lending law considered to be among the nation’s toughest. She was the youngest African-American woman ever elected to the state House, and served there for a decade prior to winning her council seat in 2015. She now seeks to convince colleagues that, while their districts may be dominated by the desperate or the affluent, all of them also represent middle neighborhoods.

Parker, who is 45 years old, says in trying to address the issues facing middle neighborhoods she’s long felt “like a lone wolf howling in the wind.” Every city has to triage its funds. Devoting resources to areas where residents are doing just well enough not to qualify for assistance, or a little bit better, has not been seen as an imperative. Even the term “middle neighborhoods” evokes an image of relative prosperity. “One of the criticisms I’m hearing about even raising this issue of middle neighborhoods is whether it...
will take money from distressed neighborhoods,” says Paul Brophy, an economic development consultant who edited a volume about such neighborhoods called On the Edge.

Still, a growing number of mayors and other city officials are realizing that it might be better to offer middle neighborhoods an ounce of prevention, rather than waiting until they need a pound of cure. The type of help middle neighborhoods can use is typically a lot cheaper and may be more cost-effective than seeking to ameliorate poverty in more desperate parts of town. Under the auspices of the American Assembly at Columbia University and the Federal Reserve, Brophy is helping to coordinate a nascent movement among policymakers to think about ways to shore up middle neighborhoods so they can remain a healthy part of urban life. “These are neighborhoods that are still strong, but there are things around the edges that need to be addressed,” Philadelphia Mayor Jim Kenney says. “We need to put resources into these communities to make sure that they continue to be productive.”

Some cities and nonprofits are starting to take what might be called a “broken windows” approach to neighborhood stabilization, addressing early warning signs before they fester into more serious problems. In Cleveland, Verespej’s group buys and rehabilitates homes while organizing neighborhood engagement efforts such as block clubs and crime watch. A pooled private fund in Baltimore is providing grants and loans for home rehabilitation in 42 neighborhoods. In Philadelphia, Parker and Council President Darrell Clarke convinced colleagues to create a $40 million home improvement loan program to assist people in middle neighborhoods who have been denied credit in the private market.

When thousands of Philadelphians are living in homes that have leaky roofs or lack heat, it’s a tough sell to ask for public resources to help people repoint bricks or install a new bathroom. No politician wants to get caught between the have-nots and what Parker calls the have-a-littles. “You want to tell me we should direct everything toward those who are living in deep poverty,” she says, “versus trying to preserve those who are right over the line. That is a challenge.”

Although designed to benefit individual homeowners, a smart program of investment can pay larger dividends. If enough people have homes that are more attractive and desirable, that’s a boon for
the neighborhood and, by extension, the city as a whole. It’s similar to the logic that applies when city hall underwrites megaprojects to help the downtown. In this case, it’s an attempt to preserve neighbor-

hoods that have gotten along without much government assis-
tance for years, but may not remain viable forever if they’re left to fend for themselves. “You have to help these neighborhoods,” says Dwight Evans, who represents Philadelphia in Congress. “Because if you don’t, there won’t be a tax base to run the city.”

There was a time when Washington thought about middle-

income neighborhoods. Under President Jimmy Carter in the 1970s, the Department of Housing and Urban Development (HUD) actually had an Office of Neighborhood Development. After cities began creating neighborhood services programs, which sought to link communities with city hall, Congress followed with a charter for a Neighborhood Reinvestment Program, which is now known as NeighborWorks America. Its programs combine self-help at the hyper-local level with lending and code enforcement from the city. But most NeighborWorks affiliates, as well as com-

munity development corporations, concentrate their efforts in the poorest parts of town, not those in the middle.

Most HUD guidelines, which states and localities tend to follow, limit program eligi-
bility to people earning less than 80 percent of the area median income, cutting out those a few rungs above them. The enterprise zones and empowerment zones of the Reagan and Clinton years were similarly focused on dis-
tressed communities. As federal spending on cities in general started to diminish in those years, and homelessness became a serious problem, the policy lens focused more nar-

rrowly on housing. Middle neighborhoods, and neighborhood-oriented policies, have been largely neglected since then. “An awful lot of the ‘solutions’ that come out of govern-
ment, including the federal programs that are available for neigh-
borhoods, are not neighborhood solutions but affordable housing solutions,” says Mallach of the Center for Community Progress. “Those are tools that are important, but not tools that actually stabilize neighborhoods.”

In Philadelphia, there was a time in the not-too-distant past when the numbers of vacant homes and abandoned cars both reached into the tens of thousands. The city was also shedding people—400,000 between the 1960s and early 1990s. When Edward Rendell became mayor in 1992, he concentrated on pulling the city back from the brink of ruin, in large part by re-
viving Center City. It worked. Directly across the street from city hall, the Residences at the Ritz-Carlton has hoisted a huge banner boasting of $275 million in sales.

Rendell’s successor, John Fadullon, looked outward from downtown, pursuing an initiative to deal with vacant properties. The effort was funded largely by bonds, and the bond money has run out. During the Great Recession, Philadelphia slashed funds for clearing abandoned vehicles and vacant lots, along with other pro-

grams that offered assistance to neighborhoods, including those in the middle, such as graffiti removal and street cleaning. At the same time, Philadelphia’s high rate of homeownership made it a prime target for predatory lending. “You started to see a decline not only in infrastructure, but also the ability to maintain homes in a lot of these communities,” says Clarke, the council president. “There was not a lot of attention paid to these areas.”

The reputation of middle neighborhoods as the city’s ne-

glected stepchildren can be overstated, insists Anne Fadullon, Philadelphia’s planning and development director. Lots of city programs are available that benefit people in such neighbor-

hoods, she says, such as spending on schools, parks and recre-

ation centers. The reality, however, is that while Philadelphia is now growing again, its budget has not recovered fully from the recession. “Unfortunately, regardless of what area we’re seen as focusing on,” Fadullon says, “there are just not enough resources to deal with issues across the board.”

ost of the homes in Philadelphia’s middle neigh-

borhoods are old. Many of them are either large with lots of unused space, such as front rooms, or else too small for current tastes. Rowhouses are inherently sturdy and efficient, buttressing one another and requir-

ing less money to cool and heat than stand-alone homes. But they weren’t designed for today’s buyers, which is a problem with much of the housing in middle neighborhoods across the country. “It’s the ‘All in the Family’ neighborhood, with two bedrooms upstairs,
In a city seemingly divided between pricey hipster villages and decaying slums, middle neighborhoods offer a forgotten trove of affordable housing. But it takes more than spruced-up homes to make a neighborhood successful.

When it comes to dealing with the city, Joe Sannuti refuses to take no for an answer. He runs a funeral home a few blocks from the Delaware River, in Philadelphia’s Tacony neighborhood. It’s the kind of place where parents often live across the street from their adult children. But a lot of people have been moving out in recent years and home values have slipped. Sannuti is a near-daily visitor to his council member’s district office on Torresdale Avenue, having learned over the years that asking for help from a city agency once is never enough. He’s become a conduit for complaints from his neighbors, who know he’s learned where to knock.

Sannuti is compulsive about picking up bits of trash as he walks down the street. He writes down the license plate numbers of cars that have been parked for too many days. When newcomers to Tacony fail to keep up their yards, Sannuti offers to lend them a lawnmower. If they don’t take the hint, he calls 311. “I tell the neighbors, this is what’s expected of you,” Sannuti says.

Until last month, he was the longtime president of the Tacony Civic Association, a local business group that sponsors summer concerts and festivals. The association, along with the Tacony Community Development Corporation, makes sure that area...
business owners know about and take advantage of the storefront improvement program, along with any other services the city makes available. The development corporation helped convince the city to devote $6.7 million to a renovation of the local library branch, which now hosts a program devoted to boosting small businesses by offering them access to databases filled with market analyses and demographic information. Alex Balloon, who directs the Community Development Corporation out of the library building, is always looking for ways to make a visible impact with a modest amount of money, hoping for that snowball effect whereby tree planting leads to storefront improvements, which lead to new tenants and customers. “We’ve worked to tip the scale in terms of greater investment,” Balloon says. “When they are investing, get them to invest a little bit more.”

In its efforts to think about what middle neighborhoods need, government in Philadelphia is ahead of its counterparts in almost every other major city. Still, they’ve just been baby steps. The home improvement loan program is just getting underway and won’t come anywhere close to meeting the demand from the estimated 20,000 residents who have been turned down by banks. Philadelphia’s office of business services has only recently assigned managers to concentrate on specific middle neighborhoods. The dollars the city devotes to these neighborhoods have come piecemeal through a variety of programs that Philadelphia still needs to figure out how to braid together to create quality places. “I don’t think in government we have been strategic in our thinking about these neighborhoods,” says Congressman Evans.

Fadullon is surely right when she says government can’t solve the problem all by itself. Repairing and uplifting middle neighborhoods will require a variety of approaches. Homes and civic infrastructure need renovation. Individual neighborhoods need to learn how to market themselves to potential homebuyers and shoppers, developing a mix of stores and services that will strengthen commercial corridors. All of this requires money and, by their nature, middle neighborhoods are bound to lose out to more vibrant areas when it comes to attracting private capital, and to lose out to more depressed areas when it comes to government intervention.

Still, middle neighborhoods are at least starting to see flickers of official attention. Some mayors and city councils realize neighborhoods that continue to be neglected and plunge into poverty can put entire cities at risk. “If, 20 years from now, we look back at these communities and they are not stabilized,” Parker says, “if we see intense levels of poverty here, it will be the fault of elected officials like me.”

Joe Sannutti was president of the Tacony Civic Association for 35 years before he stepped down in May. His group makes sure business owners in his community know about and take advantage of the storefront improvement program.
Q: How has the cybersecurity landscape shifted over the past few years?

Kimbriel: Cyber threats continually evolve and we now know that cybersecurity is a lifetime commitment. The sophistication of attacks requires thoughtful planning and response. This has led to a growing maturity and awareness across Texas. Our state leadership has made it clear that cybersecurity is a priority. We just had a 22-page cybersecurity bill pass that outlines 16 new requirements and is driving new activity for DIR around expanding reporting and managing risk. Cybersecurity is part of the underlying fabric of everything we do, and as a state we have decided we would prefer to respond rather than react.

Q: What security services are available through DIR’s MSS contract?

Spencer: The MSS offering consists of three major components — security monitoring and device management, incident response, and risk and compliance — each of which includes multiple services that agencies can choose to meet their IT security needs.

Security monitoring and device management includes network and web application firewalls, intrusion detection and prevention, and end-user device management. Incident response includes services that help agencies plan and prepare upfront to manage security incidents. It also offers an automated service that lets agencies request incident response help through DIR’s MSS portal. Risk and compliance includes penetration testing to analyze where security vulnerabilities might exist, enabling agencies to address weaknesses before cybercriminals exploit them. This category also includes services to help agencies understand and comply with complex security regulations.

These capabilities are provided through a pre-vetted, pre-competitive contract for security services. Agencies can go to the DIR portal, identify the services they need and place an order for them. This model also simplifies the management of security services because DIR monitors vendor performance and sees to it that contractors comply with contract terms.

Q: Why is the MSS contract so important versus going it alone?

Kimbriel: Consistency of service and strategy is an important component for us. Some of our agencies have the resources and capabilities to manage cybersecurity in house and some don’t, so how do you protect the state in that environment? One of the things we provide through this service is assurance that the contracts we issue with organizations like AT&T have been thoroughly vetted so the customers using these don’t have to do that themselves. Another advantage is having a bird’s eye view of the whole environment. For instance, if our managed security services vendor delivers a certain cyber service to one agency and detects a threat, it immediately can apply a solution to all agencies who use its services. Or there may be an advanced persistent threat against several agencies but it only impacts each one minimally and wouldn’t catch the attention of an individual CISO. The managed security services provider has the bigger picture to intervene and improve the overall security posture.
Q: Explain how AT&T can provide this 'bigger picture' threat intelligence.

Spencer: As a global network provider, we’re uniquely positioned to understand the cyber threat environment. The AT&T global network carries more than 200 petabytes of data traffic on an average business day. A single petabyte is like streaming an HD movie for 45 years — it’s a phenomenal amount of data. This traffic is monitored in our Global Network Operations Center, where we can see early warning signs and react quickly to threats. From that vantage point, we can spot changes in worldwide network traffic and identify potentially harmful activities, and then share that intelligence and take steps to help mitigate potential attacks.

Q: Who can participate in the MSS contract?

Kimbriel: In addition to state agencies, the MSS contract is available to any taxpayer-funded organization in Texas. This was a key part of the strategy because smaller, funding-challenged organizations, for example, may not know what to do when they experience an attack. To have a qualified incident response team step in and guide their reaction is monumental. We don’t expect everyone to be interested in the services, but it’s advantageous to those organizations that don’t have a CISO or trained cyber professional on staff.

Q: Why is it important for small and medium-sized agencies to strengthen security protection?

Spencer: There was a time when agencies could do cybersecurity by obscurity because they were too small to be a target. But with the automation of threats, everyone is at risk. The bots and malicious programs aggressively come after all vulnerabilities.

To learn more about the Texas MSS contract, please visit the following resources:

> MSS catalog: att.com/texasmss

The MSS contract gives government entities throughout Texas easy access to powerful threat intelligence and security capabilities through a simplified procurement model. It also delivers long-term benefits because agencies only pay for the portion of a service they use, and they don’t need to make a big capital investment in capabilities they may not need.

Q: Can this be applied to any type of infrastructure?

Kimbriel: There is no particular type of infrastructure targeted for this. We have a consolidated data center program that many state agencies participate in that’s based on an on-premises infrastructure, and this contract can deliver services to those customers. We also have our hybrid cloud where we connected the on-premises consolidated data center program to five cloud environments and these services are also available to any customers that participate in that. For the most part, the infrastructure environment is not relevant to the services available.

Q: What does the cyber landscape look like in the future for Texas state and local governments?

Kimbriel: Cybersecurity will continue to be a key area for us; and mitigating risk associated with cyber will continue to be high on the priority list. We are looking forward to interacting with state leadership and giving them the information they need for informed policy decisions. The bill from last session required us to set up a Texas ISAO (Information Sharing and Analysis Organization), so we are looking for our cybersecurity coordinator to spearhead that effort.

This ISAO will deliver threat dissemination services, forensic analysis and other services — many of the same capabilities offered through the MSS contract — but this is through a nonprofit organization that is primarily focused on the private sector. We haven’t seen anyone else put together something as broad or comprehensive as what we are envisioning, so it’s exciting to see that come to reality and bridge the gap between public and private sector.
How long can a state go without repairing its roads and bridges? Mississippi is about to find out.

By Daniel C. Vock
Photographs by James Patterson
Mississippi's increasingly unreliable infrastructure—its crumbling roads and hundreds of deteriorating bridges that have been closed or weight-limited—is straining the state's businesses and local governments. It's no wonder, then, that they, along with transportation advocates and their allies, have pressed the legislature to do something about it. Yet year after year, lawmakers in Jackson have come up empty-handed.

This year was no different, even though lawmakers came tantalizingly close to a road improvement package. A week or so after they failed to pass a fix-up plan, Gov. Phil Bryant announced that the state Transportation Department would immediately shut down 83 locally owned bridges. Federal inspectors had found that the bridges—most of which were built with timber parts and located in rural areas—were deficient and unsafe for vehicular traffic. Since then, more bridges have been added to the list. All told, some 500 across the state are out of service.

"It is probably the No. 1 problem the citizens are talking about today," says state Sen. Willie Simmons, a Democrat who chairs the chamber's Highways and Transportation Committee. Two of the counties in Simmons' Mississippi Delta district shut down more than 30 bridges each. Those closures can reroute residents on 40- to 50-mile detours, and they can prevent firefighters and paramedics from getting to residents quickly. "Everybody agrees that we have a crisis, and it needs to be addressed," Simmons says. "The problem is, we need to find the ways and means to pay for it."

Many states face tough questions about how to improve their roads, particularly in rural areas. These dilemmas are the driving force behind President Trump's call for rural infrastructure improvements. But even the president's plan demands increased state and local funding, and Mississippi, more than most places, has struggled to come up with the money to keep its roads and bridges in usable shape. Since 2012, for instance, 30 states have boosted their transportation spending, most by raising their gas tax. Under the eagle-topped dome in Jackson, however, that idea has been a nonstarter. The last time the state raised its gas tax rates was in 1987; only Alaska and Oklahoma have gone longer without touching their fuel tax rates.

Mississippi's 1987 gas tax hike is the stuff of local legend. It started when Gov. William Allain tried to pressure lawmakers into eliminating the state's elected transportation commissioners. Allain had reshaped Mississippi government to consolidate power within the executive branch and didn't want another group of officials calling the shots at the highway department. But one of the commissioners rallied the business community to oppose Allain's maneuver and, in the process, came up with a plan to build four-lane highways around the state. At the time, only interstates and a handful of highways had four lanes, which made it difficult to haul freight to far corners of the state. The group's goal quickly became to make sure every Mississippi resident lived within 30 miles or a 30-minute drive of a four-lane highway. They promised it could be done with just a nickel hike in the gasoline tax.
Several powerful lawmakers joined the cause and were able to scrape together enough votes in the House to send the legislation to the governor’s desk. Allain vetoed it. The bill backers had to scramble to find enough votes to override him. In the end, both the House and Senate narrowly rejected the veto and the measure became law. The bill’s backers had to scramble to find enough votes to override him. In the end, both the House and Senate narrowly rejected the veto and the measure became law. The state gas tax went up to 18.4 cents a gallon, identical to the federal rate set in 1993. Through 2002, the fuel tax hike brought in $2.6 billion, which was used to build 1,088 miles of four-lane highways. Those highways, Mississippi officials say, helped lure manufacturers like Nissan and Toyota to the state, because they made it easier to ship goods and equipment through the region.

But the law had some features that, over time, transportation advocates have regretted. First is that the per-gallon tax was fixed, and did not automatically adjust for inflation. Meanwhile, vehicles have become far more fuel-efficient, which means motorists don’t need to buy as much gas. So by 2015, Mississippi only collected 1.6 percent more in gas tax revenue than it did after the 1987 law passed. But inflation had grown by 108 percent, and construction costs by 217 percent.

The second, and perhaps most glaring, shortcoming was that, while the 1987 law guaranteed a source to pay for new construction, it did not set aside any money for maintenance once the new roads were built. “There has been no significant change in state revenue for roads and bridges since 1987,” says Melinda McGrath, the executive director of the Mississippi Department of Transportation. “This has caused many Mississippi highways to crumble past the point of repair, and they now require complete rehabilitation.”

The department has told lawmakers that it needs a permanent increase of at least $400 million more a year to bring the state’s road network into good shape. In order to focus on maintenance and repairs, the agency has had to put off most road expansion projects that would handle population growth or support economic development.

Transportation advocates within the government have looked back at the 1987 victory and tried to use some of the same organizing tactics. The legislature’s transportation committees have worked to rally the public by traveling around the state, either to hold public hearings or see the operations of the state transportation department firsthand.

Outside allies have also tried to help. Two years ago, the Mississippi Economic Council, the state’s biggest business group, lobbied hard to persuade legislators to increase gas taxes to pay for better roads. Mike Pepper, the executive director of the Mississippi Road Builders Association, says raising the gas tax is the logical way to fix the problem. When he talks to his colleagues in other states, they tell him they have “all gone through the same thing of trying to find a way to do this without raising the gas tax. They beat their heads against the wall and gnash their teeth, but they always come back to the gas tax. It’s the fairest, most equitable way to pay for transportation.”

That’s been the story in conservative states as well as liberal ones, notes Pepper. “There’s nothing conservative in ignoring the state’s investment in infrastructure,” he says. “If shingles were blowing off the roof of your house, you would put new shingles on. You wouldn’t wait until the deck is rotten before you replaced them. Well, the shingles are off.”
Lt. Gov. Tate Reeves, who presides over the Senate, for thwarting efforts to raise the state's gas tax or to use tax proceeds from online purchases to fund transportation. Eleven of the state's 52 senators attended an Americans for Prosperity event last year where several promised not to raise the gas tax.

Simmons, the Senate transportation chair, says he couldn't find 15 senators to support a gas tax, a lottery or higher hotel taxes to increase road funding. In the House, fewer than 40 of the chamber's 122 members backed similar proposals.

Russ Latino, the state director of Americans for Prosperity in Mississippi, says lawmakers' opposition to tax hikes reflects the conservative nature of the state. He points out that the leadership in the House, the Senate and the governor's office all campaigned on being for lower taxes, smaller government and less regulation. “People are living up to what they promised voters,” he says. “Voters are overwhelmingly opposed to increasing the gas tax.”

While state lawmakers wrangle over potential funding sources, local governments—particularly counties—are bearing the brunt of the shortfalls. As in many states, the responsibilities for keeping up roads in Mississippi is split between the state and localities. The state Transportation Department controls interstates and highways. A separate state agency helps localities maintain “state aid” roads and bridges. The state also gives some gas tax money directly to counties. While the bulk of traffic is on state-owned roads, most of the road miles are owned by counties. They are responsible for 52,000 miles of roads with nearly 10,000 bridges.

Christian Gardner, who works as a county engineer for three counties, says he's watched the slow deterioration of roads. When Gardner got out of college in the early 1990s, the new road bill had been passed, and counties could replace bridges, do maintenance and still have money left over for new construction. By the early 2000s, however, new construction “disappeared,” but counties could at least maintain what they had. “Fast forward to 2010,” he says, “and it’s clear that most counties are not going to do any improvements.” They’ve fallen behind on bridge maintenance and there’s been no new construction. In fact, nearly half of county roads are in poor or very poor condition. Today, Gardner says, “I walk into my board meetings and say, ‘We’re going backwards.’”

How did that happen? Well, for example, in 1987 the cost of resurfacing 47 miles of road was $981,000. Nowadays, because of inflation, the cost has more than tripled. But transportation money for the counties has remained relatively flat, and counties don’t have many options to make up the difference. They’re basically limited to property taxes since counties can’t impose sales taxes or gas taxes. And property values through most of the state have not gone up, which makes it difficult to hike the tax. Even if they could justify an increase, officials at both the state and local level in Mississippi tend to be tax averse.

For most roads in poor condition, it will take about $50,000 to $70,000 per mile to bring them back into good shape, says Gardner. But the cost is higher if counties fail to do regular maintenance.
As Gardner explains, if cracks in the pavement are not sealed and water gets into them, roads start to break up. “It gets to a point where you can’t chip seal it anymore,” he says. “You have to do a road bed reclamation. The actual pavement needs reconstructing. Now that’s about $500,000 a mile.”

With so little money available, county supervisors have to weigh whether it’s better to properly maintain a well-used county road or to replace a failing bridge that few people use, which could cost at least $400,000. “Do I let the few be inconvenienced for the majority, or do I let the road go down and replace the bridges?” Gardner says. “It’s not quite as simple as spending every penny you have on bridges. If we did that, we won’t have a paved road left in the county.”

Bryant’s decision this spring to shut down bridges jolted the Mississippi political establishment, but it was in the works for more than a year. In fact, Simmons, the head of the Senate transportation committee, warned his colleagues about the heightened federal scrutiny and the likelihood of closures as the chamber was wrapping up its spring session a year ago.

The conflict with the Federal Highway Administration started with routine spot checks of about a dozen rural Mississippi bridges in early 2017. FHA officials were concerned with the state of the bridges and recommended that several be shut down. The federal government doesn’t have the authority to close bridges on its own, but it can withhold federal transportation money if states don’t keep their road systems in good repair. Bryant’s emergency declaration applied to a handful of counties that refused to shut down bridges that didn’t meet federal standards; he ordered the state to close the bridges that counties wouldn’t on their own. (Two counties sued Bryant in May, arguing that he overstepped his authority by shutting down county bridges.)

Simpson County, southeast of Jackson, was one of the first places the federal inspectors went. No one knew they were coming, says Rhuel Dickinson, the county administrator. The sheriff’s office called Dickinson asking what they should do about people who had parked an unmarked van on the road and were climbing around a bridge. “I kept them from getting arrested,” Dickinson says.

The county closed 18 bridges after those inspections. Most of them were old and had timber components. They had been checked every other year by the county’s inspectors, who noted the same defects that the federal inspectors highlighted. But the feds seemed to use more sophisticated methods, such as drilling through wood pilings rather than just sounding them with their hammers. Where county engineers might recommend a lower weight limit for a bridge and order repairs, the federal engineers would push to close it completely. “I’m not saying that’s wrong, but that’s not how our local engineers have been doing it for years,” Dickinson says.

The new inspections, though, come with their own costs, in both money and opportunity. Simpson County had to spend $20,000 to buy barricades, signs and reflective barrels to shut down bridges.
Mississippi’s crumbling roads and bridges are “probably the No. 1 problem the citizens are talking about today,” says state Sen. Willie Simmons. “The problem is, we need to find the ways and means to pay for it.”

its bridges—it only owned enough equipment to close three at a time. By the time all of the closed bridges are reopened, the county will likely spend $150,000 to $200,000 for repairs. Dickinson says it will be borrowing from next year’s road budget to make the payments. Meanwhile, a bridge project that was ready to go is now on hold, because the county had to pay for the repairs and inspections instead.

Connie Rockco, a Harrison County supervisor, says the lack of road money is also preventing Gulf Coast communities like Biloxi and Gulfport, which she represents, from building new infrastructure to accommodate population growth and to provide more hurricane evacuation routes. That’s obviously a major concern for an area that was devastated by Hurricane Katrina in 2005. But bigger cities like hers never benefited much from the 1987 highway bill since they were already served by major highways.

Rockco toured the state in a “road show” last year as the head of the Mississippi Association of Supervisors, trying to drum up support for a statewide road funding package. Engineers talked with legislators and county officials about road conditions. The supervisors pointed out that neighboring Tennessee had just raised its gas tax rates in order to fund projects that would promote economic development. “We tried to make it more palatable to the legislature, but they just didn’t want to raise taxes,” Rockco says. “We’re going to ultimately have to raise taxes, because they won’t.”

Ironically, the biggest issue that lawmakers could not resolve this session was whether local governments should have to put up more of their own money in order to get more help from the state. Early this year, the Mississippi House unanimously passed a bill to dedicate $108 million to roads, which would come from the state’s use tax (basically a sales tax that online retailers voluntarily collect and give to the state). The Senate came back with a much more sweeping $1 billion plan that would have used some of the state’s rainy day fund to pay for road improvements. The package would have included issuing bonds and setting new fees on electric and hybrid vehicles. But it also would have required cities and localities to chip in for projects in their jurisdictions.

Eventually, House and Senate negotiators met to try to work out their differences. They got 85 percent of the way there, says Sen. Joey Fillingane, a Republican who leads the finance committee, but they couldn’t agree on whether localities should pay more to get a bump in state funding. The House insisted that cities didn’t have the money to spend more on roads. Senate negotiators disagreed. “We’re supposed to be good stewards of state resources, and we’re not doing that by allowing the state to pay 100 percent of those projects,” says Fillingane. “Either you make infrastructure a priority or you don’t.”

In some ways, the Senate’s proposal mirrors the infrastructure push by the Trump administration in Washington. Just like President Trump, state senators want other levels of government—in this case, cities and counties—to provide a match. The troubled bridges are on county roads, says Fillingane. “They’re not the state’s responsibility, but we do try to give them state funds when we can afford it. It really comes down to the counties.”

Simmons, the Democrat who serves with Fillingane in the Senate, agrees that localities ought to pony up more to improve roads. But he says any of the ideas bandied about in the legislature this year “would simply be a start!” Even the Senate proposal would only raise a quarter of what is needed to bring Mississippi’s roads back into good shape. Still, after 30 years of waiting, a new start would be something.
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fter every mass shooting, more calls come in: from private companies, from large stadiums, and increasingly—from government agencies and public schools. They all want to talk about the same thing. “We probably have seen a tenfold increase in inquiries since Parkland,” says Paul Marshall, an insurance broker for McGowan Program Administrators, an underwriter based in Ohio. “People just feel vulnerable when [a shooting] happens. And that’s when we get phone calls, because it feels inevitable and very difficult to manage.”

Since the February attack on Marjory Stoneman Douglas High School in Parkland, Fla., which killed 17 and launched a nationwide push for additional gun control measures, at least seven South Florida school districts have purchased about $3 million worth of “active shooter” coverage from McGowan. This kind of coverage, which the insurance broker first began offering in 2016, is a small but rapidly growing slice of the company’s portfolio. There’s no database that tracks which school districts carry this type of coverage, but Marshall says his company is consistently seeing 20 percent increases in the number of inquiries month over month. Other insurance companies are also seeing an increase in inquiries and purchases of this type of insurance. Over the course of one week shortly after Parkland, Hugh Nelson, senior vice president at Southern Insurance Underwriters Inc., says he received half a dozen inquiries. According to Reuters, while some insurance companies have offered these policies since 2011, many more have sprung up since 2016.

BY NATALIE DELGADILLO
Students were evacuated from Marjory Stoneman Douglas High School in February.
It’s one trend following another, deeply troubling one: The incidence of active shooter events is going up. According to FBI data, the average number of shootings per year jumped from 64 between 2000 and 2006 to 16.4 in the period from 2007 to 2013. (Overall, active shooter incidents, which the FBI defines as events in which an individual is actively engaged in attempting to kill people in a populated area, claimed 1,043 lives between 2000 and 2013.) In 2014 and 2015, that number rose again, to 20 shootings per year. About 10 percent of those occurred on government property, and an additional 24 percent occurred in schools. In fact, according to data recently compiled by The Washington Post, since the 1999 massacre at Columbine High School in Littleton, Colo., some 208,000 children at 212 schools have experienced gun violence on campus.

Some of the deadliest of these incidents have happened in just the past six years. In addition to the Parkland shooting in February, there’s been a mass-casualty shooting at a concert in Las Vegas, which killed 58; in the Pulse night club in Orlando, which killed 49; in a San Bernardino, Calif., city center, which killed 14; and at Sandy Hook Elementary in Connecticut, which killed 26.

Aside from the loss of life and the pain these events inflict on a community, deadly shootings also have financial costs that can be difficult for governments, especially small or struggling municipalities, to bear. San Bernardino had already filed for bankruptcy when it had to pay $4 million for the response to the terrorist attack at the Inland Regional Center. Connecticut gave the city of Newtown $50 million just for the costs of rebuilding Sandy Hook Elementary School. The total costs from the 1999 shooting at Columbine High School also came to roughly $50 million. In Parkland, the Florida Attorney General’s Office paid for funeral costs, and the school district plans to tear down and rebuild the part of the school where the shootings occurred.

The tangible costs alone can overwhelm a government: litigation, compensating victims, paying for funerals, providing trauma counseling, reconstructing or refurbishing buildings, and investing in new security measures to prevent another attack, to name a few. The impact of intangible costs to a community—reputational damage, loss of tourism revenue and high turnover among workers—is impossible to measure, according to experts. “These events are very expensive in so many ways. People are so traumatized by responding to the event that they leave the field. I’ve talked to people who’ve left education because of this,” says Mike Dorn, a school security expert at Safe Havens International who is currently working on his 13th active shooter case. Dorn was also a school district police chief at Bibb County Public Schools in Georgia for 13 years.

In the face of these potentially huge costs, there is debate about whether and to what extent general liability policies will cover active shooter events. Marshall, the McGowan insurer, says that general liability policies typically have what’s called a “duty to defend” clause, meaning that they require a lawsuit to be filed in order to activate coverage. That’s a process that can take months or even years. And general liability policies will not provide victims with the kind of compensation that’s likelier to stave off litigation.

In contrast, active shooter policies tend to go into effect as soon as a person walks onto the organization’s property and commits a targeted attack, and they generally cover attacks with any weapon, such as guns, knives, bombs or vehicles. Coverage pays for a host of expenses associated with these events as well, including victim expenses, particularly medical bills; agency costs, like extra security and business income losses; and traditional liability costs for lawsuits.

Some insurance companies that offer this kind of coverage also offer risk assessment and mitigation strategies to organizations trying to prevent an active shooter attack, says Nelson of Southern Insurance Underwriters. “Many governments are already doing this type of [risk mitigation and preparation] thing, but they want to see what more can be done,” Nelson says.

McGowan’s risk mitigation policies also make up a substantial part of its coverage, though Marshall says some governments and agencies already feel like they’re doing enough to secure their properties. Marshall says one prominent city parade hired risk mitigation services from McGowan this year, which included social media monitoring and coordination with local police. According to him, it was the first year the parade didn’t have to deal with a violent attack threat.

That aspect of the coverage was one of the main reasons that Palm Beach County School District, the fifth largest district in Florida and the 10th largest in the country, decided to purchase active shooter insurance last summer. Dianne Howard, the district’s director of risk and benefits management, says Palm Beach was one of the first jurisdictions to adopt this kind of insurance in her state. “We wanted the risk assessment and training service” that came with the coverage, Howard says. “Sometimes, departmen ts tell you that they’re doing everything they need to do, but
when you look at other places where [attacks] have happened, you see there was actually a problem. So I wanted an outside perspective to see what else we could do.”

Howard purchased the district’s insurance from McGowan, and she said the company found some “areas where we could improve” in terms of mitigating risk. She purchased $1 million in coverage, which she said she hopes to increase. (According to Marshall, many others have done so since the Parkland shooting.)

Some risk mitigation techniques, however, can actually interfere with their insurance policies. Arming teachers—an idea that has received support mainly among Republicans in Congress and in statehouses—is one such security strategy. When some Kansas school districts considered letting teachers and campus administrators carry concealed weapons after the Sandy Hook massacre, their insurance companies pushed back. “Concealed handguns on school premises pose a heightened liability risk. We have chosen not to insure schools that allow employees to carry concealed handguns,” EMC Insurance Companies wrote to Kansas districts. Several districts abandoned their plans to arm teachers as a result.

“We don’t recommend arming teachers in the United States,” Dorn, the school security expert, says. “Trying to teach people to use a gun against an active shooter is even harder than just teaching them how to use a firearm.” Dorn says that even police officers sometimes don’t respond appropriately in emergency situations. In Parkland, a campus police officer notoriously stayed outside of the building even as he heard gunshots inside.

Dorn also cautions against similar solutions, like the Pennsylvania superintendent who suggested students were protected from active shooter situations thanks to a bucket of river rocks in the classroom, or the other Pennsylvania school district that issued mini baseball bats to teachers. “Great idea. Now some kid gets mad and gets hold of the bat and beats up another kid and we have a $4 million lawsuit on our hands,” Dorn says.

He says behavioral interventions—like identifying potentially violent students and intervening before anything takes place—are by far the most effective strategy for stopping violence on school property. They’re also less expensive than physical solutions such as bulletproof glass and metal detectors. “If you’re a school without strong behavioral approaches [to preventing violence], you’re extremely vulnerable to litigation, because this is so well established. It’s like a standard of care,” Dorn says. “You can spend $5 million [on extensive security measures] and still have a shooting because you didn’t spend a tiny fraction of that on good behavioral approaches.”

As the difficulty of preventing violence becomes clearer to the public, and if violent incidents like Parkland continue to become more common, Marshall and Nelson both say they expect that this portion of their insurance practice will continue to grow. Just recently, Marshall says, a large municipality flew him out for an informational presentation and decided immediately to buy coverage. And insurance companies keep updating the coverage they offer in response to tragic events. A year ago, McGowan did not offer coverage for vehicle attacks. Now it does. The sorts of coverage that insurance companies provide will continue to evolve.

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California’s go-for-broke legislator failed this year in his bid to spark a revolution in housing policy. He’s ready to try again.

BY LIZ FARMER
To California Sen. Scott Wiener, nothing epitomizes his state’s housing failures more than the seemingly endless fight over a five-story condo building at the corner of Valencia and Hill streets in San Francisco’s Mission District. The area is in the Eastern Neighborhoods Plan, which rezoned a third of San Francisco in 2008 to increase density near transit and to make housing more affordable. The lot was formerly home to a fast-food restaurant whose neighbors included several three-story apartment buildings and the historic Marsh theater.

Shortly after the Neighborhoods Plan took effect, a developer proposed a 16-unit building with two affordable housing units on the site of the restaurant. Although it adhered to the new zoning plan, the 1050 Valencia project was to be the tallest building for many blocks, and Mission District residents moved to stop it. In addition to complaining about the project’s height, they insisted the modern building would damage the historic character of the neighborhood. This was despite the fact that the stucco and wood-shingled restaurant there at the time was neither historic nor aesthetically appealing. In addition, the Marsh theater owner was concerned that construction noise and a proposed first-floor bar would disrupt theater business. It took years for the condos to be approved. The developer agreed to mitigate the noise impact and reduce the number of units from 16 to 12.

Not satisfied, the opponents turned to the Board of Permit Appeals, which sympathized with them and lopped off the top story of the building. That reduced the number of units from 12 to nine—and eliminated the two affordable units. “Welcome to housing policy in San Francisco,” wrote Wiener, who was then a member of the city’s board of supervisors. “A policy based not so much on our city’s dire housing needs but on who can turn out the most people at a public hearing.”

After an outcry from Wiener and affordable housing advocates, the board reversed its decision a few months later, in 2014. But that still wasn’t the end of it. In mid-2015, the project was halted when a judge suspended construction following a petition from Neighbors for Preservation and Progress. It finally opened to residents the following year. By then it had been nearly a decade since the project’s initial proposal.

Wiener left local government for the California Senate in late 2016. But he continued to push on the housing issue, as well as many others. This year, he became something of a national celebrity among urbanists by introducing S.B. 827, a bill that would override local zoning laws and allow more height and density in the areas around transit stations. The bill died in a legislative committee in April, but the issue isn’t going away. And neither is Wiener.

Actually, what happened to the Mission District condo project and to Wiener’s crusade reveals quite a bit about the problem of building in California. The same power struggles have repeated themselves many times and in many places. Mountain View, a wealthy South Bay suburb, is another textbook case. Housing activists who say Google worsens congestion by running buses for its employees between San Francisco and its headquarters in Mountain View have called on the company to build affordable places for its employees to live. But in 2012, the Mountain View City Council—citing a need to protect the city’s burrowing owl population—explicitly forbade Google from doing just that. In 2016, Los Angeles voters overwhelmingly approved a tax increase to provide $1.2 billion for 10,000 units of new housing for the homeless. Nearly two years later, developments have stalled because of a requirement that they receive a letter of support from the local city council member.

Similar scenarios are playing out in dozens of cities around the country. For decades, Boston’s triple-decker units housed the city’s
young families. Now, those families are being pushed out by prices that have nearly doubled over the last 10 years. Renting is less and less an option for them as the larger units are scooped up by college students and unmarried millennials living in groups. Local officials are trying to come up with some sort of remedy. The Seattle City Council is in the midst of a heated debate over sweeping changes to the zoning code that would allow apartments and condos in single-family zones with increased heights and decreased setbacks.

In Colorado, a group called Better Boulder has successfully pushed that city’s council to pass a home co-op ordinance to allow up to 15 people to share homes so that they are more affordable.

California is simply a lot further along in its housing debate. It has been many years in the making: Housing unit construction, especially in coastal areas, has lagged behind since the 1980s when compared with metro areas across the country. Over the past eight years, the state’s population has grown by 3 million. Economists say that, to keep up, builders would need to add about one unit for every three new residents. The state has generally fallen far short of that goal, although it has done a little better in the past couple of years. Housing prices, meanwhile, keep going up. A burnt-out home in San Francisco can sell for $700,000; teardowns in the Silicon Valley town of Cupertino can go for $2 million after one day on the market. When housing costs are factored in, about 1 in 5 residents in the state lives in poverty. It’s no surprise, then, that local governments in suburbs and cities are grappling with large numbers of people sleeping in cars and others living out of motorhomes, transforming entire city blocks into makeshift—illegal—RV parks.

California’s lack of high-density building may be having an effect beyond the state’s borders and even on the environment that most local building ordinances seek to protect. “If you say no to housing near transit, you’re still building housing somewhere else,” says Harvard economist Edward Glaeser. “But instead of in California, that new project gets built in Houston or Las Vegas, where carbon emissions are higher.”

California is awash in single-family homes. Seventy percent of San Francisco is zoned single family. Build more condos and apartments, even luxury units, most economists say, and prices will ease up. But local governments stand in the way. S.B. 827 would have overridden most local zoning limits. It would have allowed for much higher building heights and a higher density of new projects within a half-mile radius of any transit stop. It was radical. Even its supporters believed Wiener’s effort was destined to fail. And it did, falling short on a 6-4 vote in the Senate Transportation and Housing Committee. But a simple solution to a complicated problem is always a hard sell—at least the first time.

Wiener, who is 47 years old, is an unusual character for a politician, especially for a seasoned one who has—on more than one occasion—thrust himself into the public spotlight. To begin with, attention doesn’t seem to be something he craves. He’s 6’7” but is more comfortable folding himself into a chair and talking policy to a roundtable of college students than he is standing behind a podium and making speeches. He doesn’t have much patience for the small talk that is an unavoidable part of political life. If he thinks he has a solution to a problem, he pushes it, appearances be damned. “I think I’m drawn to things that matter,” he says. “And sometimes those things are controversial.”

The last time Wiener sparked this much controversy was in 2012, when he was a San Francisco board supervisor and proposed a restriction on public nudity. In most cities this would have been a pretty easy pitch. But San Francisco is different. A significant constituency there sees nudity as a form of self-expression, and the proposal actually spurred more nakedness in the form of protests. But Wiener’s bill, which limited nudity to authorized events such as local music festivals, passed.
as parades and festivals, was a sign of how much San Francisco, and the Castro district in particular, had changed since the free-wheeling 1970s. Wiener, who represented the district, introduced the proposal after hearing complaints for a year about increasing displays of public nudity on the part of neighborhood residents. As much as he insists he “didn’t want to be the guy banning nudity in San Francisco,” it was an obvious solution to a problem. It passed.

Six years later, on the housing issue, Wiener was once again at the center of a battle to change an established practice. But there was very little coalition-building. Wiener’s approach seemed to be to throw his idea out there and see what stuck. The initial proposal included no affordable housing requirements, which made most housing advocates come out in reluctant opposition. The definition of transit was also ambiguous, leading cities and towns that provide only bus service to wonder if they’d be subject to the bill. Wiener eventually amended S.B. 827 to bring more groups on board—the automatic height allowance was toned down to four- and five-story buildings, rather than permitting eight stories, and Wiener clarified that just the area around rail, subway and ferry stops would be subject to the full height allowances. (The bill still permitted somewhat higher density—that is, multifamily housing—around bus stops.) Those changes helped bring around groups such as the Non-Profit Housing Association of Northern California and the Natural Resources Defense Council. But by then, a lot of damage had already been done.

The proposal also stirred up bad blood about California’s long history—particularly in San Francisco—of pushing out minority groups for the sake of progress. It happened during the Gold Rush in the mid-19th century and has happened in every boom time since. The advocacy group Causa Justa has documented recent tech-boom displacement, noting that the Mission District lost 1,400 Latino households between 1990 and 2011, while adding 2,900 white households. Causa Justa, Asian Americans Advancing Justice and other activist groups lined up in opposition to the bill, saying they didn’t want to leave the crisis in the hands of a real estate market designed to put profits ahead of shelter. These groups are pushing a ballot measure that would repeal a 1995 state law limiting the type of housing covered under local rent control laws.

Others agree that California’s housing crisis is too complicated to be left entirely up to the market. If homes and apartments are too expensive now, building more won’t suddenly make them affordable so that teachers, firefighters and sanitation workers can live near their jobs. A solution might require new buildings to be made almost entirely into modest-price housing. Developers can’t make money doing those projects unsubsidized, and they won’t produce them. “California can’t build its way out of an affordable housing crisis,” says George “Mac” McCarthy, president and CEO of the Lincoln Institute of Land Policy. “We spend a lot of time whining about affordable housing challenges, but we never really marshal the political will to do something about them.”

To McCarthy, the key to solving the problem lies in more control over who’s investing in the real estate market to begin with. He points to Toronto, which has discouraged outside capital...
by implementing a 25 percent surcharge on any real estate purchases made by foreign companies. “It’s a public policy question people fail to ask,” McCarthy says. “Do we want to supply shelter or do we want to open it up to global capital?”

Cities and towns, dozens of which opposed S.B. 827, say localities are being made into villains for no reason. A joint letter, submitted by the California State Association of Counties, Urban Counties of California and the Rural County Representatives of California, pointed out that many localities had already come up with their own prescription for increased density via their master plan process. Case in point: Mountain View may not have allowed Google to build housing for workers, but it did increase height limits and density elsewhere along major roads in its 2030 development plan. All told, the localities said, S.B. 827 “undermines the intent of state policies requiring community engagement in land use planning, especially in disadvantaged communities.”

In the end, Wiener’s legislation died because too many groups felt as if they’d been left out of the process. “There were so many different factions with so many concerns and everyone had their own pet issue,” says San Francisco-based transit consultant Jeff Wood. “The bill got killed by a thousand different cuts.”

Thanks to national coverage, Wiener’s bill exposed not just California but the whole country to the divisions that exist on housing. That attention has opened up or expanded a conversation in many cities about their own approach to meeting housing demands. The failure of S.B. 827 is a reminder that fear, vulnerability and history often render one-stroke solutions dead on arrival.

Wiener knows this. In 2016, Gov. Jerry Brown proposed legislation to streamline and speed approval for local housing projects. It was ultimately deemed too aggressive. So Wiener, as a new legislator in 2017, introduced a similar bill but gave it a local twist: Only cities that weren’t meeting their state-mandated housing goals would have to fast-track approval for certain multiunit housing developments. It was only after the bill was passed that a state housing department analysis revealed that some provisions of the bill would apply to nearly every city in California.

Still, that legislation may be having an effect. In March of this year, the promoter of a mall redevelopment in Cupertino used the new law to amend the project and quintuple the number of housing units to 2,402. Half of the units would be reserved for qualifying residents making $84,900 or less for a family of four. The size and the affordable housing component changed the development enough to make it eligible to be fast tracked. Long delayed by local residents worried about traffic, it will likely be approved under the new rules.

Wiener plans to take the conversation started by S.B. 827 and have another go at it next year while “incorporating what we have learned since we introduced it.” Undoubtedly, that will include far more coalition-building. Just bringing around his former colleagues on the board of supervisors and activist politicians in Los Angeles would go a long way. But Wiener is not expected to alter his bill dramatically, and does not accept the criticism that his market-based approach only lines the pockets of developers. To him, that’s “an ignorant, short-sighted and cynical argument. If someone comes up with a viable way to do this without developers, I’m all ears,” Wiener says. “But until then, I’m going to call B.S. because I don’t think anyone can come up with that.”
For most of his career, Sander Schultz has observed a frustrating disconnect between what emergency responders expect to do on the job, and what they actually do. “You get into this business to help people,” says Schultz, who coordinates emergency medical services (EMS) in the small coastal city of Gloucester, Mass. Most of the people his crew picks up are familiar faces who experience repeated crises related to addiction or mental illness, or both. “They’re not bleeding or waving a gun around or on fire.”

The common thread most of this population shares? They’re homeless. Until recently, people in Schultz’ position faced a frustrating reality. They could stabilize the person temporarily, but they couldn’t provide permanent solutions. “Treating frequent flyers and the behavioral health of this population is incredibly fatiguing on police, fire and EMS,” he says.

But around 2014, a local nonprofit joined a statewide experiment to use public rental vouchers and Medicaid dollars to house and treat long-term homeless individuals in the city. The initiative was a “housing first” approach, meaning that people didn’t need to be sober or meet other common preconditions before moving in. Tenants would be assigned a caseworker to help them address whatever led them to homelessness in the first place. The services, which would be tailored to the individual’s needs, could mean everything from literacy classes to job training to addiction counseling.

The experiment is ongoing, but it’s already had a positive impact on emergency responders, Schultz says. It’s not that EMS personnel have stopped encountering people with behavioral health challenges. “It’s that you don’t have the same one for seven years running,” he says. “Once somebody comes onto the radar and becomes an issue, we deal with them. We target them for services that take them out of that frequent-flyer category.”

What’s happening in Gloucester is happening in cities all over Massachusetts, as part of a concerted statewide effort to house up to 800 individuals who had been chronically homeless and keep most of them housed for six years. As in Gloucester, the goal is to provide low-barrier access to housing and a network of health, social and employment services.

It’s an ambitious initiative that puts Massachusetts among the leading states in terms of addressing chronic homelessness. But there’s something else that makes this program unique: If everything goes according to plan, some investors stand to make a profit from it.

That’s because the program uses a funding mechanism known as “pay for success,” a type of performance-based contracting in which private investors pay the upfront costs of a social program, reducing the risk of experimentation for government. Under the arrangement, the investors stand to recoup their costs, and possibly profit, from positive social outcomes. If the program doesn’t work, the government avoids a major financial loss for trying something new.
Pay for success programs have been around for nearly a decade now, and they’ve been lauded as a new silver bullet for intractable policy issues. The field started in earnest in 2010 with a criminal justice project in the United Kingdom. The early initiatives went by another name—social impact bonds—even though they didn’t actually involve bonds and could fall short of making an impact. In fact, the first U.S.-based social impact bond, which tried to reduce recidivism among incarcerated youth at Rikers Island jail in New York, came to a premature end after evaluators found that it wasn’t working. Another project, which sought to reduce the need for special education among at-risk kindergartners in Salt Lake County, Utah, claimed to produce positive results, but independent early education experts questioned the project’s improbable numbers and flawed study design. For all the buzz around pay for success projects, they had a rocky early rollout in the U.S.

But the Massachusetts project might be different. It was the first state or local government effort in the United States ever to apply the pay for success funding mechanism to a housing program. And that could represent a turning point. The actual on-the-ground tenets of the initiative aren’t new. “Housing first” and “supportive housing” have been mantras of many homeless advocates for more than a decade. Instead of trying to demonstrate efficacy, the project is exploring questions of scale and cost. Can the approach that currently exists in pockets of Massachusetts be implemented across the commonwealth, and will it save money? Private investors—a bank, a local United Way and a national housing nonprofit—provided $3.5 million in upfront investment to test the model. Depending on how many people retain their housing for at least 12 months, those investors could get back anywhere from 0 to 100 percent of the money they put in, plus interest. The project’s backers bet that stable housing would reduce the strain on other public services, such as visits to jails and emergency rooms, and ultimately save taxpayers some money.

Since Massachusetts introduced its program, a growing number of places have started their own version of housing the homeless, each slightly different but premised on the same basic concept that if governments can put homeless individuals into permanent housing, social benefits and cost reductions will follow.

It’s too early to know if all the projects will succeed, but the results in Massachusetts are encouraging. Out of 678 individuals who’ve been housed, 92 percent remain in their unit or had a “positive exit,” such as moving into another apartment. Preliminary data from the project’s first year showed a dramatic drop in tenants’ use of services from the six months before getting housed and the six months afterward. The group as a whole spent fewer days in jail, in hospitals, in detox and in emergency shelters. Ambulances picked them up on fewer occasions, too. In a cost-benefit analysis, the Massachusetts Housing and Shelter Alliance—the housing provider for the project—found that the reduced use of those public services resulted in a net benefit of $2.2 million.

Massachusetts isn’t the only place reporting promising results after combining a housing-first model with psychosocial support.
services for tenants. In Santa Clara County, Calif., which is also running a pay for success project, about two-thirds of program participants—who, by definition, had been chronically homeless and high users of hospitals and other public systems—have stayed housed for at least two years and are now contributing about 30 percent of their income to rent. In Denver, another pay for success site, nearly every person who could have retained housing for the first six months of the project did so. Perhaps it’s no surprise that at least six pay for success projects focused on housing the homeless have come online since 2014.

Yet the early positive results and the excitement they’ve generated have also sparked some pushback that housing programs aren’t money savers in the long run, and shouldn’t be. And if that’s true, it raises related questions about what the goal of a pay for success project ought to be—to reduce public spending or to raise social impact? Regardless of whether the housing programs lead to lower health care and criminal justice costs, the early data suggests that they keep people housed, an achievement in itself. In that respect, social policy experts are already studying projects like Massachusetts’ to understand what makes it more effective than initiatives that use the same financing mechanisms for other populations, such as preschoolers and incarcerated youth.

The fact that housing the homeless has become a focus for so many early pay for success projects is no coincidence, says Fraser Nelson, a managing director at the Sorenson Impact Center, a think tank in Utah. Before joining the center, Nelson worked for the Salt Lake County Mayor’s Office, where she led pay for success projects on housing, criminal justice and early childhood education. “If you’re a mayor of a county or a city and you’re looking at where the big pressure points are in your budget, you’re likely to stumble upon behavioral health, homelessness and the criminal justice system,” Nelson says. “Pay for success is a financing tool that allows jurisdictions to look at areas in the budget where they’re spending a lot of money but not necessarily getting the outcomes they want.”

Compared to other policy ideas being tested by pay for success projects, the combination of housing first and supportive housing already has a relatively large body of evidence that suggests
they work, particularly for people who’ve been on the streets or in shelters for a long time. “You’re talking about a program that has been tested in multiple places, has demonstrated results in a lot of places and is something that has proven to be pretty replicable,” says Justin Milner, a senior fellow at the Urban Institute who studies pay for success projects. “You can’t say that for a lot of other social programs.”

In many ways, housing is an ideal fit for pay for success financing, Milner says. The arrangements require coordination between banks, nonprofits and government, a connection that’s already common in the housing industry. They also demand timely data to track services and outcomes, which can be challenging if investment in one policy area—early childhood education, for example—is supposed to produce results in another policy area, such as public safety or employment. But most state and local governments know who receives housing assistance. “It is both an output in that you’re providing a service, and the service is housing,” Milner says. “But it’s the outcome that you care about, too, because the stable housing can be a platform for making sure that individuals are not ending up in jail or emergency rooms.”

The timeframe of housing programs also dovetails well with the goals of pay for success projects, which tend to require some proof of impact within a few years. And for public officials who back these financial arrangements, it’s helpful to have some encouraging results to report by the next election. By comparison, services that seek to change the long-term trajectory of a young person’s life might have equal merit, but would face challenges in producing meaningful results within a matter of years.

For all the upside of using pay for success financing for housing, some homelessness experts worry the projects are being marketed too much as money savers. Even in cases where housing fails to produce net savings, “it doesn’t mean housing isn’t a critical need or isn’t something that you should do,” says Barbara DiPietro, senior director of policy for the National Health Care for the Homeless Council. “From our perspective, the pay for success model is still based on financial return on investment. We’d like to see more of a moral justification.”

Two years ago, a group of physicians wrote an article in the New England Journal of Medicine arguing that proponents of housing-first projects were actually overpromising the financial benefits. They noted that most of the demonstrations linking cost savings with a housing-first intervention used weak study designs. In general, evaluators took snapshots of what happened to homeless people before and after they received housing and other help. It was hard to say whether reduced demand for emergency services was due to housing, or some other factor that coincided with the time people received help. For those who became homeless due to a temporary crisis, stable housing and a reduced need of public services were part and parcel of people getting back to their normal lives, something statisticians call “regression to the mean.” More sophisticated experiments that provided the housing and support services at random, and compared results against a similar control group that did not receive the same assistance, did not find that housing first resulted in net savings. The authors still advocated for using a housing-first approach, but cautioned proponents to take a more nuanced view of its benefits.

“I’ve been getting the same criticism for a decade,” says Joe Finn, president and executive director of the Massachusetts Housing and Shelter Alliance. His organization pioneered a small-scale precursor to the commonwealth’s pay for success project in 2006, which inspired the statewide experiment happening today. He’s familiar with the concern that a strict before-and-after snapshot doesn’t prove causality or effectiveness. “This idea of ‘controls’ and ‘regression to the mean’—they’ll dole out all of this stuff to say, ‘You haven’t demonstrated anything.’ Well, I disagree.”

Last year, he coauthored a journal article showing a 64 percent reduction in spending on emergency services six months after participants received housing. Even after accounting for the housing program’s costs, net spending was down 36 percent.

“Wouldn’t it be great if legislators and people who allocate budget resources were able to grasp the moral and ethical value of housing the mentally ill who walk our streets? But the truth of the matter is that they don’t.” Finn says. In the context of all of the other competing priorities in a state budget, “there has to be some sense on their part that what they’re investing in has some sort of return on investment,” he says.
FOR MONEY OR FOR GOOD?

Despite the uneven rollout of pay for success projects in the U.S., they’re here to stay. In February, Congress passed a law that sets up a $100 million standing fund at the U.S. Department of Treasury to reimburse projects that show financial savings for federal, state or local government. While the funding could go to more housing-first initiatives, the law allows a broad range of possible focus areas, from reducing teen pregnancies to increasing the employment of veterans.

Housing-first programs are here to stay, too—even ones that don’t incorporate pay for success financing. Pulling together a pay for success project can be complicated, involving a lot of administrative overhead and significant time resources. If governments can move forward on housing-first projects without that funding element, they should, says Milner of the Urban Institute. In some cities, including Chicago, Orlando, Fla., and Portland, Ore., hospitals and health-care networks are donating millions of dollars to housing-first initiatives. “If you don’t have to go through the complexity and the rigors of a pay for success project to expand the service array and the housing units who can benefit from them, power to you,” he says.

In cases where governments don’t use formal pay for success arrangements, they may still borrow some of the outcome-based contracting structure, says Santa Clara County Supervisor Dave Cortese. After getting a monthly progress report on Santa Clara’s housing-the-homeless project, county officials now want to hold contractors accountable on an ongoing basis for other services, such as legal aid for undocumented immigrants. In the past, contractors would typically share results at the end of a multiyear grant cycle. “That’s not enough for us anymore,” Cortese says.

While the county will be keeping closer tabs on results, it isn’t as focused on lowering overall costs as it is on shifting those existing dollars to more effective solutions. In its pay for success project, the county hospital has seen a 55 percent reduction in emergency room visits and a 68 percent reduction in the use of emergency psychiatric services by formerly homeless tenants. Cortese says he’s okay with investing more in housing if it means less need for emergency health care. “We either pay now or pay later,” he says.

Santa Clara County’s emphasis on the health and social impacts of its housing pay for success project is part of a broader reevaluation of what governments and their outside investors want to achieve. “You’ve seen a shift in the conversation,” Milner says, “from a deep focus on cost savings to this broader sense of how can projects lead to better outcomes for vulnerable populations. Hopefully, cost savings are part of that, but we’re going to have to see.”

Ultimately, some of the pay for success projects may indeed show cost savings, says Mary Cunningham, a housing expert at the Urban Institute. It will likely depend on who is being targeted, how severe their needs are, how intensive their current services are, and whether they were previously a strain on expensive emergency services. For all that researchers currently know about the housing-first model, they’re still waiting to see whether programs like the ones in Santa Clara County, Denver and Massachusetts reduce health-care costs years down the road.

What the projects are more likely to yield is cost offsets, Cunningham says. In other words, savings gleaned from reduced use of emergency services might make a housing program less expensive, even if the financial benefits don’t exceed the net costs. From the standpoint of improving people’s health and well-being, governments may decide that a housing program with cost offsets, not cost savings, is still worth doing. “People who’ve been living on the streets for long periods, they have some cumulative health issues that come from just a lifetime of disadvantage,” Cunningham says. “As you’re decreasing your emergency care, you’re also ostensibly upping your preventative and primary care. They may not be winding up in the emergency room for hypothermia or alcohol poisoning, but they may be addressing long-term issues like diabetes. When you stabilize them in housing, part of the goal is to help them address some of those issues, and that does cost money. That’s a good thing, though.”

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Problem Solver

EVICTION EPIDEMIC

New data show how pervasive evictions are across the U.S.

For many renters living in southeast Greensboro, N.C., changing addresses is an all-too-familiar endeavor. The mostly low-income residents in these communities of concentrated poverty often can’t afford to pay the monthly rent and are ultimately evicted.

“We have economic and racial segregation, a concentration of social issues with bad outcomes, and families that are stretched to the limit who routinely are finding themselves in eviction court,” says Stephen Sills, who directs the Center for Housing and Community Studies at the University of North Carolina at Greensboro.

More than 1 in 12 of Greensboro’s renter households were subject to eviction judgments in 2016, one of the highest rates of any large U.S. city. The city’s affordability challenges, though, are by no means unique. As seen in other places, stagnant incomes for poorer households haven’t kept up with steadily escalating rents.

Where Americans Are Facing the Most Evictions
They’re common throughout many parts of the country, particularly those with large African-American populations.

Note: Not all filings resulted in evictions. Courts report data inconsistently. In California, New York and some other jurisdictions, many evictions are sealed.
contributing to high evictions in areas all across the country. To make matters worse, a tornado ripped through the city in April, displacing many residents.

A recently launched Princeton University database compiled from 83 million court records dating back to 2000 provides the first-ever national look at evictions. The Eviction Lab project is led by Matthew Desmond, whose recent Pulitzer Prize-winning book *Evicted* sparked a national dialogue on the issue.

Data reveal that high rates of evictions aren’t just confined to expensive housing markets or high-poverty cities. In Hampton, Va., for example, 1 in 10 renters faced a court-ordered eviction. And in Tulsa, Okla., and Killeen, Texas, the rate was 1 in 11. “Before these data, we really didn’t know just how widespread evictions were,” says Megan Hatch, who researches the issue at Cleveland State University.

The highest eviction rates were generally found in jurisdictions throughout the Southeast—and not just in urban areas. Some rural and exurban places across the U.S. also experience elevated rates of eviction. Areas with high concentrations of African-Americans reported particularly high totals.

Brett Byerly, who heads the Greensboro Housing Coalition, a group providing housing counseling and support services, says an estimated 80 percent of the organization’s clients are black and most are women, mirroring disparities elsewhere. Governing’s calculations of Eviction Lab’s 2016 data for larger counties suggest eviction rates are strongly correlated with African-American populations, more so than poverty levels and rent burdens.

Nationally, Eviction Lab estimates suggest 2.3 percent of renters experienced a court-ordered eviction in 2016. But that’s a significant undercount. More than twice as many evictions were filed that never led to a judgment. Other instances when tenants left after receiving notices or were paid to do so also aren’t captured in court records. Desmond’s research has found each informal eviction accounted for nearly half the total in Milwaukee.

Most of the time, tenants threatened with eviction don’t show up to court hearings. In Guilford County, where Greensboro is located, only about a quarter appeared in court, according to Sills’ research. A big reason for this is that on top of potentially being evicted, Greensboro tenants appearing in court face the possibility of a cash judgment against them.

Ashley Gronis, an Eviction Lab researcher, says she was surprised to see many cases popping up in court systems with the same landlords and tenants at the same addresses. This suggests court fillings are being used as a debt collection tool, with tenants likely repeatedly paying for a landlord’s court fee on top of any late fees.

Landlords further hold the upper hand in terms of legal representation. A 2004 study of Phoenix-area courts reported attorneys represented landlords in 87 percent of eviction cases, while not a single tenant had legal counsel. Some nonprofit groups provide free legal assistance, but there aren’t enough of them. There’s just one such legal aid firm serving Greensboro’s low-income renters and the rest of the state.

Brett Byerly of the Greensboro Housing Coalition says it’s particularly difficult to find housing for those with an eviction on their record. That’s because landlords are screening prospective tenants with third-party companies that collect court data. California expanded a state law a few years ago that seals many of these eviction cases from the general public to help protect renters.

As in a lot of cities, Greensboro’s top evictor is the local public housing authority. Part of that is due to the population such authorities serve and their large housing inventory. Sills says public housing residents are also subject to more inspections and stricter rules than people in private developments. Many worry the problem could worsen with a new federal mandate prohibiting smoking inside public housing and outdoor areas within 25 feet of buildings.

States’ landlord-tenant laws vary widely. Cleveland State’s Hatch reviewed all policies around rules such as how many days’ notice landlords must give before increasing rent or how long they have to wait before starting eviction proceedings for delinquent renters. Northwestern states, along with California and a few others, maintain the most pro-renter laws. North Carolina and other parts of the South and Midwest tended to favor landlords, according to Hatch’s research. At the local level, New York last year became the first city to guarantee all low-income residents threatened with eviction the right to legal counsel. Other cities are establishing legal aid funds. A Harvard Law Review study found that renters assigned legal representation were significantly more likely to retain their residences following litigation than those without an attorney.

Another approach that’s gaining momentum is “just cause” provisions. To evict a tenant, landlords must provide a reason specifically permitted by a local ordinance. The requirement could also help avoid, say, large-scale evictions when a new owner acquires an apartment building. Housing advocates also suggest preventing evictions makes financial sense for cities given the high cost of providing services to those without a place to live. Some are pursuing eviction diversion programs, such as a mediation service Denver recently piloted.

The Eviction Lab’s Desmond contends that an eviction is often a cause, not just a condition, of poverty. About 77 percent of those evicted in the Guilford County housing study, for example, reported experiencing some form of homelessness immediately following eviction. “We can’t muddle this problem away,” Desmond said at a recent event in Washington, D.C. “The solution to the affordable housing crisis is affordable housing.”
By Katherine Barrett and Richard Greene

Closing the Books
A growing number of governments seem bent on limiting access to public records.

The Holy Grail for government transparency is making it easy and simple for citizens to know what their government is doing and how it arrives at its decisions. We’ve always believed this can be achieved, in part, by providing access to public records. Of course, transparency isn’t open-ended. Every state has statutes clarifying what information must be made public and what information should be kept sealed. However, in recent years there’s been a steady chipping away at the public’s right to know. “This is a trend,” says Barbara Petersen, president of the First Amendment Foundation, a Florida nonprofit that advocates for the public’s right to oversee its government. “It’s not just coming through legislation, but also through the agencies.”

In Kentucky, for instance, the attorney general’s office decided two years ago that government information transmitted through personally owned devices is immune from public scrutiny. In other words, if two council members sent emails back and forth using their own cellphones, the public would have no right to see those emails, no matter how much impact the conversation in them might have on a council decision. “If discussion about a dispute was conducted on these private devices,” says Amye Bensenhaver, director of the Bluegrass Institute’s Center for Open Government, “then when it came to the public meeting, everything could have already been worked out.”

Even Florida, long known for its open public records law, has begun pulling back. The last time a systematic count was taken, the state had allowed for over 1,100 exemptions in which information could be concealed from the press and public. What’s more, although the state’s law is expansive, there is no straightforward way to make sure it is implemented. “We’re really stuck,” says Petersen. “We’ve got this great law, but no means to enforce it other than through the courts.”

Another burgeoning threat to the utility of public records laws is the exemption of legislative documents, a step such states as Iowa, Massachusetts and Oklahoma have taken. The state of Washington came close to enacting just such a bill, but the governor vetoed it and no attempt was made to override the veto thanks to a loud and effective outcry from the press.

There’s another hitch to openness. Many records that would ordinarily be made public escape examination when the organization that maintains them is not a direct part of government. That is, the records have been transferred to a nonprofit or for-profit organization that maintains them is not a direct part of government. That is, the records have been transferred to a nonprofit or for-profit organization, both of which may not have to comply with freedom of information laws. “This is an issue that every city and state should be aware of in their procurement,” says Alex Howard, deputy director of the Sunlight Foundation.
Better Government

By Mark Funkhouser

How Racial Equity Makes Cities Better

Addressing it bodes well in terms of long-term outcomes.

Race is central to the governance of most American cities. Not just because so many policies and practices continue to have a disproportionately negative impact on communities of color, but because those practices also reduce cities’ ability to effectively manage the major challenges they face, such as affordable housing, crime and public health. And while the assertion I’m making is grounded in verifiable fact, it is largely invisible to most white people, including most white civic leaders.

But the centrality of race is not invisible to Mitch Landrieu, the former mayor of New Orleans. In his new book, In the Shadow of Statues: A White Southerner Confronts History, Landrieu describes growing up in a very progressive political family: His father, Moon Landrieu, was mayor in the 1970s and was a huge force in integrating New Orleans.

Still, Mitch did not understand the impact of the city’s Confederate statues on its black population. That is until he met with Wynton Marsalis, the African-American musician and composer who is a New Orleans native. Landrieu wanted his help in planning the city’s tricentennial. Marsalis agreed, but asked for something in return: removal of the city’s Robert E. Lee statue.

Why, Landrieu asked, was that so important? “Let me help you see it through my eyes,” Marsalis replied. “Who is he? What does he represent? And in that most prominent space of the city of New Orleans, does that space reflect who we were, who we want to be, or who we are?” Landrieu writes that he felt “blindsided” and wanted to find a way to tell Marsalis why he couldn’t do what he was asking. To the end, of course, Landrieu did take down the statues of Lee and other prominent Confederates.

There is a way to ensure that the impact of race on cities is made visible and addressed. It is embedded in the Equipt to Innovate framework developed jointly by the research team at Governing and the non-profit Living Cities. The framework, which is used to assess cities on their capacity to grow and innovate, is anchored in seven key characteristics of high-performance government.

Identifying and addressing issues of race bodes well in terms of long-term outcomes. A recent Brookings Institution report analyzing data from the country’s 100 largest metropolitan areas found that the relationship between prosperity and inclusion “grows larger and stronger with time.” To me, this only makes sense. In a globally competitive world, the morally right thing to do—working to create a more inclusive city—is also the economically smart thing to do.

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Workers remove New Orleans’ Robert E. Lee statue.
A New View of P3s

The real money is not in roads and bridges. It’s in people and services.

These are dark days for public-private partnerships. President Trump’s P3-focused infrastructure finance plan was dismissed by Congress as a dead-on-arrival proposal. Earlier this year, more than 80 organizations and trade unions signed a letter imploring the World Bank to stop supporting infrastructure P3s. One of the biggest in recent history, the Indiana Toll Road, fell into bankruptcy last year after a long and difficult ride.

Does this mean P3s are a passing fad? Far from it. Most trends suggest the U.S. transportation P3 sector is just getting off the ground. As long as the private sector has ideas to help deliver infrastructure faster, safer and cheaper, state and local politicians will be happy to listen.

But all this focus on P3s for infrastructure misses a fundamental truth: The real money is not in roads and bridges. It’s in people and services. Today the “Big 3”—education, Medicaid and corrections—account for more than two-thirds of total state spending, according to the National Association of State Budget Officers. By contrast, state spending on capital projects is barely 10 percent. The story is similar in cities and counties, where public safety and social services are crowding out all other spending.

This begs a natural question: Can P3s improve outcomes and drive cost savings in core state and local services? Fortunately, there are a few early examples where the answer is yes. (See “For Money or For Good?” page 52.)

Consider Propel, a tech startup based in Brooklyn. It has developed a mobile app that serves the $250 billion home care industry. Millions of elderly Americans need some expensive, residential assisted-living units. But all this focus on P3s for infrastructure misses a fundamental truth: The real money is not in roads and bridges. It’s in people and services.

Honor to make their services available on demand. Home care providers pay a wide range of these types of services on demand. Home care providers pay Honor to make their services available on the app. Better access to home care can help keep millions of seniors out of expensive, residential assisted-living units. That’s an enticing value proposition for state Medicaid directors.

To be clear, these Silicon Valley-style P3s raise several concerns. Smartphones are a great way to reach low-income Americans, but they can’t reach everyone. Like any app, these innovations raise questions about data privacy and security, especially around banking records and other sensitive information. And some worry these tools oversimplify the complex social safety net, and that could encourage damaging cuts in social workers and other wraparound services. If these P3s are to be successful, these are just a few of the challenges they’ll need to work through.

This latest wave of P3s leverages private-sector innovation to change how underserved populations interact with the social safety net. Perhaps more important, small changes at the margins, such as making these programs work more efficiently and effectively, could mean billions in state and local savings. The possibilities are endless. Where is the app to improve on-demand access to paratransit services? Or to help recent parolees find a job? Or to help better manage government fleet vehicle maintenance? Those may not be the most exciting apps, but they’re the P3s we need now more than ever.

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By Justin Marlowe

Early results show Fresh EBT helps food stamp recipients stretch their benefits further and eat healthier.
Maximize your energy upgrades. Utilize our experts.

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That’s business on the grid.
They’ve been playing baseball at the intersection of Michigan and Trumbull avenues in Detroit since 1896. The Corner, as it’s known, is synonymous with the game in the Motor City. Tiger Stadium opened on the spot in 1912, was abandoned after an 87-year run and unceremoniously razed in 2009. While the Detroit Tigers got a brand-new ballpark downtown, the old field and base paths were overtaken by weeds and litter. Occasionally, it was cleaned up for kids’ games and neighborhood events. The old field was even a dog park for a bit. But since March, baseball is back at The Corner. The Detroit Police Athletic League recently opened a $21 million headquarters there and refurbished the field. It’s aptly named “The Corner Ballpark.” The grass was ditched in favor of turf and the stands now seat 2,500 instead of the old park’s 45,000.

—David Kidd
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