30TH ANNIVERSARY ISSUE

GOVERNING

THE STATES AND LOCALITIES

October 2017

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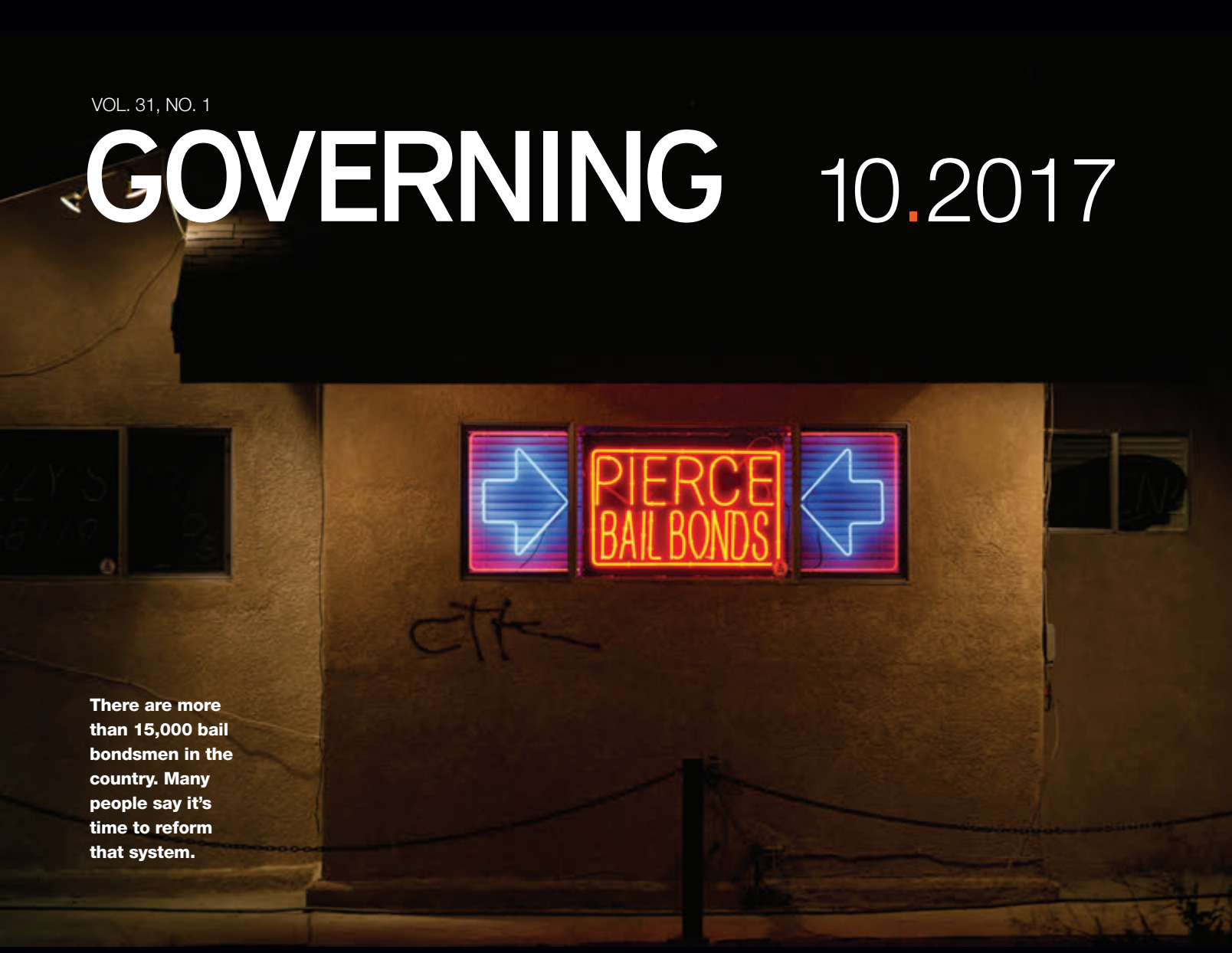

There are more than 15,000 bail bondsmen in the country. Many people say it's time to reform that system.

PHOTO BY FLICKR/DARCY PARKS; COVER PHOTO GETTYIMAGES.COM

SPECIAL ANNIVERSARY COVERAGE

This issue marks 30 years since Governing *debuted in October 1987.*

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GOVERNING

The Most Important Work

As near as I can recall, I've been reading *Governing* since the first issue appeared in October 1987. By that time I'd been working in government for a little over 15 years and had risen to a position of leadership, heading the performance audit group for the Tennessee state auditor. The magazine gave me affirmation and confidence that I was not alone—that there were others who also felt that government could do more and could do it better. It gave me a platform from which I could learn from their successes and their failures.

Senior Editor Alan Ehrenhalt has been with *Governing* almost from its inception, and his essay in this issue traces the shifting relationships among the federal, state and local levels of government during our 30-year history. For most of that time, Ehrenhalt writes, states and localities sought the power to act independently. That's because while the president and Congress soak up huge amounts of attention, the federal government is, in fact, very distant from the lives of ordinary people. "Governing" is a verb, and the bulk of it is done at the state and local level.

Mark Funkhouser, Publisher

The other theme that Ehrenhalt traces is that these shifting governmental roles have occurred against a backdrop of ongoing political and social conflict. We seem to always live in turbulent times, but we have a sort of collective amnesia that allows us to smooth over the rough spots in our past, leaving us thinking that the present moment is somehow especially dangerous or dire. History teaches us otherwise. In *Dynamite: The Story of Class Violence in America*, published in 1931, Louis Adamic described horrific conflict through much of the nation's history to that point.

It was during just such a time—after a small personal political victory that seemed to lead directly to continued conflict—that I was asked by a supporter, "When is it over?" The answer is that it's never over. The public's work is never done. But doing it is the most important and rewarding work there is. *New York Times* columnist David Brooks wrote recently that the ancient Greeks believed that "no other arena requires as much wisdom, tenacity, foresight and empathy."

Meeting that requirement is a pretty good description of *Governing*'s mission. As an enterprise, we've changed a lot in three decades. In addition to the print magazine, we now have a robust website with millions of visitors, a sophisticated research team and some 40 live events each year. But our underlying mission still remains the same—to help state and local government leaders govern better.

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A Controversial Idea

In his August feature "No Strings Attached," Zach Patton explored the concept of a universal basic income, which is "the idea that everyone deserves a certain level of economic security—and a regular paycheck—regardless of their level of employment." The concept has received a lot of attention lately, spurred by fears that automation is resulting in ever fewer jobs. The article posed the question, "What if we just gave everyone cash?"

Since businesses are given our tax dollars as corporate welfare, maybe we could consider it "profit sharing"?

—Bryan Hall on Facebook

No one is given anything, but the fact that you are born entitles you to a fair share of the world's resources, at least enough to survive upon. So, given that our society and economy have been structured in such a way as to define as property the resources necessary for basic survival—and I may not freely take from the world that which I need to survive, as I would in a state of nature—then each person is owed at least the basic resources necessary to survive. And arguably, in the richest country on Earth, [they are owed] enough to prosper. The basic income should be enough to provide food, shelter, basic health care and education. Once we are on an even playing field, we can open the competition for control of resources on a merit-based economy.

—Michael Russell on Facebook

It doesn't/won't work. The idea fundamentally misunderstands human nature.

—Joe Boulden on Facebook

It's called communism, and it failed miserably in the 20th century.

—George Sakas on Facebook

Obstruction of Justice

In his August column "Next Stop: Anybody's Guess," Alan Ehrenhalt wrote about a court ruling that temporarily halted Maryland's Purple Line light rail project. The ruling was brought "by some suburbanites living in the vicinity of the project" who, Ehrenhalt wrote, "had no legitimate environmental concerns; they just didn't want a transit line in their neighborhoods. But they knew how to take advantage of the giant loophole that NEPA had become." NEPA is the National Environmental Protection Act, and the language of the law is so vague, according to Ehrenhalt, that it has made the law useful for a wide variety of crusades far outside its original intentions. Readers agreed.

Great commentary on how NEPA (and other laws which allow citizen lawsuits) has been perverted and is now used as a weapon against projects by any activist with an agenda.

—Cris Horbelt on Facebook

Perhaps only because the way the environmental law is interpreted (and because of limited, competitive funding), transit projects have to get an A+ or it's as good as an F, at least in the minds of some judges. It's a perversion of the intent of laws like NEPA when most road projects move along a steady path to approval and the much more environmentally friendly transit projects have to run an endless gauntlet of unpredictable and potentially fatal obstacles.

Meanwhile, in China, they build subway stations … in the middle of nowhere, without even roads to the area. This isn't so crazy; the line is going out here in anticipation of urban development to come.

Maybe putting it in before even a road is unusual, and the state of environmental protection is much, much different in China, but building transit before the other buildings makes a lot of sense. Most of New York's early elevated railroads went to what were then at most lightly populated areas of Manhattan, or opened up new parts of Queens and Long Island for development, and so on.

—David Alpert and Canaan Merchant, writing about Ehrenhalt's column on the blog Greater Greater Washington

By Alan Greenblatt

On the Defensive

Art Martinez de Vara was the first mayor of Von Ormy, one of a string of "defensive cities" in Texas.

APIMAGES.COM

IN THE PAST DECADE, Texas has acquired a string of "defensive cities." The phrase may conjure an image of military fortresses, but what these cities are actually defending against is taxation. In Texas, a defensive city, sometimes called a "liberty city," refers to a group of people who have banded together and incorporated themselves for the express purpose of keeping their taxes down.

A number of these cities owe their existence in part to Art Martinez de Vara, who is currently an attorney with a practice outside San Antonio. Earlier in his career, as a state legislative aide, he made a minor specialty out of setting up these new entities.

A decade ago, Martinez de Vara helped create a defensive city in his own hometown of Von Ormy, which has 1,300 residents. When the incorporation went through, he became the town's first mayor. But Von Ormy got off to a rocky start.

The problems began with weak sales tax collections. From the start, the new city was heavily reliant on the sales taxes it collected from retail outlets along Interstate 35, heading southwest out of San Antonio. But thanks to setbacks in the oil industry, those sales soon began to dry up. Then came an unending series of policy squabbles among its leaders. One of those feuds was over whether to hire a full-time police chief or continue relying on the Bexar County sheriff. That argument soured relations between Trina Reyes, who succeeded Martinez de Vara as mayor, and members of the city council. "They had flunked every audit," Reyes says of the Von Ormy Police Department. "When we went into the evidence room [housed in an old trailer], there was no documentation. All kinds of pipes, guns were just thrown into boxes with no tags, no documentation whatsoever." Things continued to get worse. The city's force ended its dispatch service and the state pulled its accreditation.

Meanwhile, the city of Von Ormy couldn't find a home for its own operations. Its elected leaders had to hold meetings in a rented church hall and then in a bar that had once belonged to a member of the council. But the new bar owner "never knew we were in there," says Reyes. "We had to break into the bar. He would not hand over the equipment, the computers, the radios."

Amid all this acrimony and upheaval, three members of the council held a separate meeting in a fire station. They were investigated by the Texas Rangers for violating an open meetings law, and eventually were indicted, although the charges were dismissed. "For the last few years, Von Ormy has been in near-constant turmoil over basic issues of governance," *The Texas Observer* noted in August.

Who's to blame for the mess? Fingers get pointed every which way. The city voted in 2015 to amend its form of government, moving to a commission system and stripping the mayor of some authority. Reyes says that has deprived it of any balance of power. Martinez de Vara argues that conditions have actually improved. Von Ormy's balance sheet is healthy, despite the elimination of the local property tax. "One of the benefits of gridlock is they didn't spend a lot of money," he says. "The council built up their reserves because they didn't agree to spend money on anything."

No matter how much bad press Von Ormy has gotten, it hasn't soured Texas officials on the defensive cities concept. "If you look at the agenda in the special legislative session, it's a liberty city agenda," Martinez de Vara says. "They're trying to check the growth of large cities, or give people more oversight."

In August, the legislature gave anti-tax enclaves some extra political ammunition. Gov. Greg Abbott signed legislation making it more difficult for big cities to annex neighboring territory. Now, annexations have to win approval from voters. Citizens who want to keep their tax bills down will now have an even easier time doing it—and perhaps they can learn from Von Ormy's stumbles.

Barber Poles and Red Tape

STATE REGULATIONS adopted for what somebody once considered a good reason can turn out to be needless or even nonsensical when invoked in the present-day economy. Consider the question of red, white and blue paint. Just the words evoke patriotic imagery common to all Americans. In New Hampshire, however, red, white and blue stripes—at least when painted on the side of a commercial property as an advertisement—are the exclusive province of barbers.

That was the determination of the state Board of Barbering, Cosmetology and Esthetics. Earlier this year, it fined Sarah Lounder for having the stripes outside her salon, where she is a cosmetologist, not a barber. Determining that she had misled the public, the board fined her $3. Certainly, that's not a big deal. But when Lounder refused to paint over the stripes—they were a holdover from an earlier barber and, at any rate, she didn't own the building—the board upped the penalty to $500. It also threatened to yank her license before, as the *Keene Sentinel* put it, "the board came to its collective senses and dropped the matter on appeal."

To Gov. Chris Sununu, this incident was prime evidence for his contention that the state has too many rules. He stopped by Lounder's shop this summer to decry what he called "silly regulations," taking a red pen to those that appeared duplicative or obsolete, such as ones pertaining to state agencies that no longer exist. Sununu says he expected to find 200 examples of "low-hanging fruit." Instead, he identified 1,600 rules that could be wiped off the books without doing any harm.

Now Sununu is calling on agencies and a steering committee to find more rules worth getting rid of. "Unfortunately, we've become a very overregulated state," Sununu says. "Maybe the rules were well-intended, but technology moves on."

The simple truth, however, is that, in New Hampshire at least, there's not much a governor can do on his own about regulations. Authority over almost all rulemaking, and dispensing of rules, belongs to the legislature. "It's largely a political stunt," says Democratic state Sen. Dan Feltes of Sununu's crusade.

Feltes has a point. None of Sununu's actions did anything to address the regulation that Lounder was accused of violating, even as the governor held court in her store. "In New Hampshire, in most cases you need to change the law in order to have the rule changed," says Carol McGuire, a Republican representative who chairs the state House Administrative Rules Committee.

But McGuire notes that legislators often work with agencies that identify rules to repeal via statute. The governor may not be able to eliminate rules by fiat, but the fact that his administration is making a formal effort to comb through the statute book to look for questionable examples can only draw more legislative attention to the matter. "He does have a bully pulpit," McGuire says. "He's kind of accelerated the process of eliminating obsolete laws."

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How Cities Can Harness the Public Health Benefits of Urban Trees

Trees are a valuable tool for improving public health in America's cities. They reduce harmful pollutants and mitigate summer air temperatures. And when residents are in close proximity to parks, it has been shown to have both physical and mental health benefits. Yet as the scientific case for the benefits of urban trees has grown stronger in recent decades, public investment in them has decreased. This paper proposes that one novel way to increase funding is to more closely link the goals and funding of the health sector with those of municipal urban forestry agencies.

For more detail on the issues raised here, read The Nature Conservancy's white paper at: nature.org/trees4health

Declining Investment, Dwindling Urban Tree Canopy

Cities are losing approximately four million trees each year, or 1.3 percent of the total urban tree stock.[1] The biggest reason for the decline is disinvestment. Among U.S. cities with populations of 100,000 or more, per capita tree canopy investment fell from $7.70 in 1974 to $5.53 just 12 years later.[2] In the more than 30 years since, per capita spending has risen only slightly to $5.83.[3] That level of investment represents just 0.3 percent of overall municipal budgets.

There are four major causes of disinvestment. First is a lack of public knowledge about the importance of urban forestry. This often translates to a view that urban forestry is a "nice to have" rather than a critical investment. The second is public concern that fallen trees and branches will cause power outages and untended parks will be a magnet for criminal activity. These concerns can often be addressed by following established best practices, but limited financial resources play a role.

Another major reason for declining investment is government silos. While many municipal departments benefit from urban forestry, it's usually just one agency — such as the forestry office within the department of parks and recreation — that is responsible for tree planting and maintenance.

For example, the health department might want to make tree planting part of its heat mitigation plans, or frontline transportation department workers may identify tree-planting opportunities, but these departments often lack the authority to plant. Even if they have authority, they may lack the necessary funds, particularly since tree planting is not likely to be included in their performance metrics.

We assume here that the additional $1.87 needed to return to the 1974 per capita investment level of $7.70 would be sufficient to maintain the existing urban tree stock. However, according to The Nature Conservancy's *Planting Healthy Air* report, additional investment of $5.87 per person would be needed to expand urban forestry to high-priority places for cooling or cleaning the air.[4] This hypothetical total additional per capita investment of $7.74 would more than double current urban forestry spending, but still leave it well below 1 percent of the average budget of U.S. cities with 100,000 or more people.

The Business Case for Urban Forestry

Trees bring benefits that range from increasing property values to helping manage stormwater by partially offsetting the effects of more intense rains associated with climate change. However, in this paper we will focus on the link between a more robust urban tree canopy and better public health outcomes.

Urban trees reduce concentrations of particulate matter, the most damaging type of air pollution. One study of 10 U.S. cities found that urban trees remove enough particulate matter to reduce annual health impacts by amounts ranging from $1.1 million in Syracuse, N.Y., to $60.1 million in New York City.[5]

In Louisville, Ky., a research team planted three rows of mature serviceberries, pine, cypress and cedar trees in the front yard of St. Margaret Mary Elementary School. Air quality was monitored pre- and post-planting, and 60 students and 20 adults agreed to take part in the study. An initial analysis found that study participants had increased immune system functioning and lower inflammation levels and, under certain conditions, particulate matter levels were 60 percent lower behind the buffer than on the open side of the front yard.

Another 8-year longitudinal study in Los Angeles found that access to parks and recreation programs decreased a child's

Cities are losing approximately 4 million trees each year, or 1.3 percent of the total urban tree stock.

Trees provide tremendous mental and physical health benefits to city dwellers. One study that looked at air pollution benefits alone found that urban trees remove enough particulate matter to reduce annual health costs by amounts ranging from $1.1 million in Syracuse, N.Y., to $60.1 million in New York City.

risk of being overweight or obese at age 18.[6] Multiple studies have found that more time spent in nature decreases stress levels and improves mental focus.

In Oklahoma City, municipal leaders found that greening their city was an important factor in improving overall public health. As part of an initiative led by Mayor Mick Cornett, city residents collectively sought to lose a million pounds, and looked to urban nature as a solution.

"I challenged my city to get fit, and as we all grew healthier as a community, we began looking to urban green space — parks, bike lanes, shady walking paths — to encourage people to be more active," says Cornett, who has been mayor of Oklahoma City since 2004. "Nature has helped us meet our goal."

Trees also mitigate summer air temperatures. Heat waves kill more people than any other weather-related source of mortality in the U.S., and they are likely to grow more intense due to climate change. Thanks to the shade they provide and water they release into the atmosphere, trees reduce summer air temperatures by an average of 2-4° Fahrenheit, although under some circumstances the cooling effect can be even greater.[7]

Improved public health outcomes have a tangible economic impact. An Analysis Group study conducted for a new white paper authored by the Group, The Nature Conservancy and the Trust for Public Land investigates the benefits of municipal tree planting and care. The analysis of 27 U.S. cities found that in 2015 dollars, there were $13.2 million in avoidable air pollution-related costs and $11.9 million in avoidable time missed from work on an annual basis. Savings from eliminating these costs would cover an estimated 12.5 percent of the cost of the tree planting and maintenance needed to expand urban forestry. Another study suggests that savings from avoidable health-related costs could be as high as 30 percent in Miami, 23 percent in New York City and 19 percent in Los Angeles.

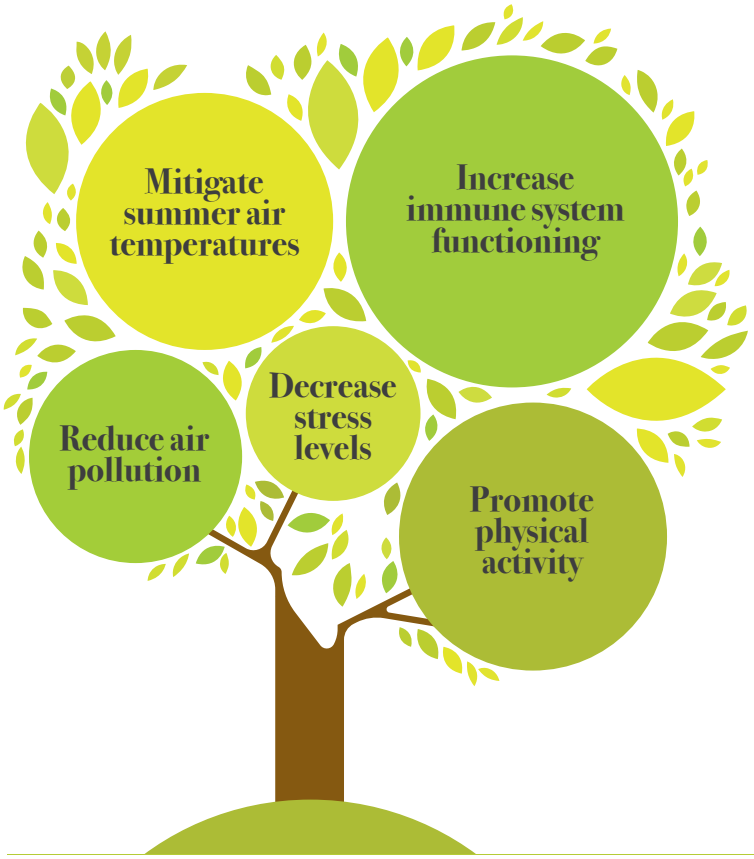
Realizing the Public Health Potential

To expand the urban tree canopy, cities can establish codes for minimum open space or maximum building lot coverage ratios. They can also implement policies to create incentives for private tree planning. Ballot initiatives have been a successful tool for funding urban forestry. Since 1988, initiatives in 43 states have had a 75 percent approval rate and generated $75 billion. Dedicated revenue streams and debt financing are additional options for funding tree planting and maintenance.

Another important action is breaking down municipal government silos. Coalitions that integrate public works, environmental protection, parks and recreation, energy and input from other areas of municipal government can serve as liaisons between departments or coordinators of efforts to ensure effective, efficient greening policies.

Comprehensive sustainability plans are another tool to link the actions of various departments and align them with a coherent vision. They can help balance a range of concerns and be used to better illustrate the connection between greener cities and public health.

Health Benefits of Urban Nature

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Most importantly, funding for trees and parks should be linked to achieving health goals and objectives. To the extent that urban trees reduce health costs, public and private entities that benefit should contribute to closing the urban forestry funding gap.

The federal government accounts for 29 percent of all U.S. health care spending and states contribute another 17 percent. A transparent mechanism should be developed to transfer money from federal and state health agencies to local urban forestry agencies based on the degree to which urban forestry reduces state and federal agency costs and helps health agencies achieve their mission.

Municipal forestry agencies must of course be monitored to ensure they deliver the promised health benefits. In turn, the monitoring and verification of tangible improvements in public health outcomes can make local grant applications more attractive to federal and state agencies.

Given the growing strength of the scientific case for the public health benefits of urban trees, it makes sense to link health sector goals and funding with those of urban forestry agencies.

In the private sector, all employers should be interested in urban forestry's ability to reduce absenteeism and boost productivity. The increase in overall wellness is also particularly appealing to health insurers.

A current study that is a collaboration between Kaiser Permanente and researchers from the Universities of Illinois and Nevada is examining more than four million Kaiser policyholders in Northern California to quantify the health benefits from urban trees in economic terms. It will measure proximity to and amount of tree canopy around the subscribers' homes and correlate them with their health utilization and cost data. The results will both quantify the health benefits of existing trees and improve the ability to estimate the impact of additional urban forestry investment on public health outcomes and costs.

Just as quantifying the health benefits of urban forestry will put municipal agencies in a better position to win state and federal grants, demonstrating improved public health outcomes could help urban forestry attract more philanthropic support. Nearly $30 billion was donated to the health sector in 2015, compared to just over $10 billion to the broad category of environment and animal welfare, of which urban forestry is just a small subset.

Conclusion

This paper proposes ways to fund additional investments that will allow cities to properly maintain existing trees and reap significant public health benefits by expanding the urban tree canopy. Even with the additional public investments proposed here, urban forestry would still comprise less than 1 percent of the average budget in U.S. cities with 100,000 or more people.

Given the growing strength of the scientific case for the public health benefits of urban trees, it makes sense to link health sector goals and funding with those of urban forestry agencies. To achieve this goal, city mayors will need to invest the time and effort needed to educate the public about the tangible health benefits trees bring and the economic benefits that flow from improved public health. In addition, leaders must complete the difficult political work needed to break down municipal government silos and facilitate agency collaboration to ensure effective and efficient policies.

A green urban future is within our grasp if policymakers and others decide now to make the affordable investments that will make it a reality.

This piece was developed and written by the Governing Content Studio, with information and input from The Nature Conservancy.

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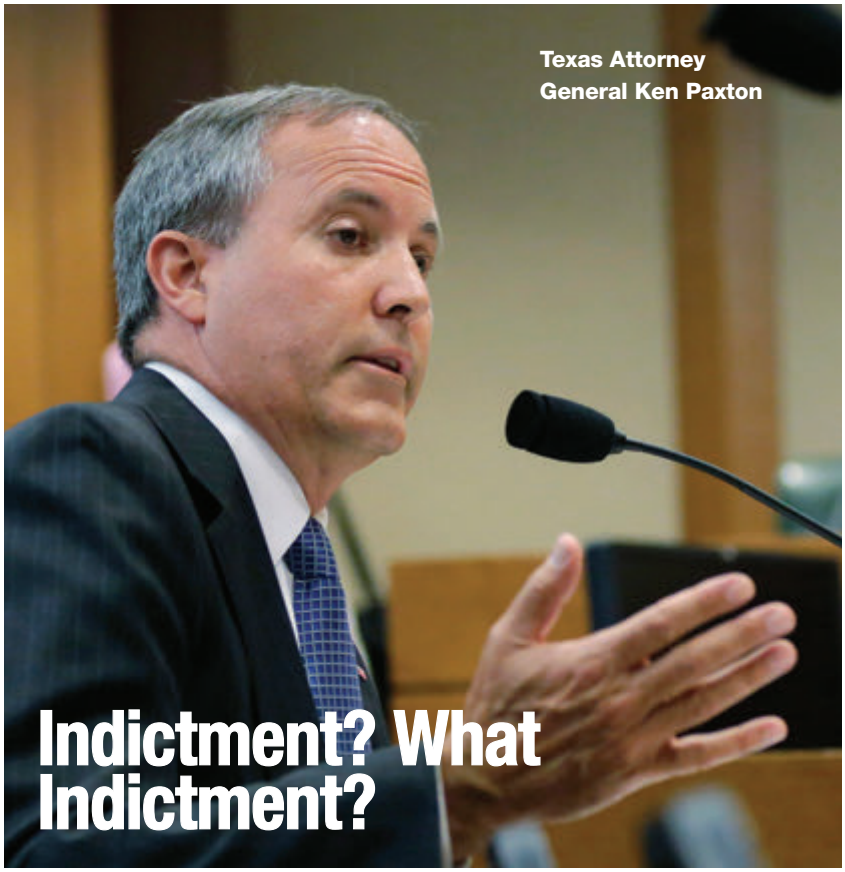

Texas Attorney General Ken Paxton

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Indictment? What Indictment?

KEN PAXTON, the attorney general of Texas, will go to trial in December to face charges of securities fraud. Politically, it doesn't seem to matter.

Paxton is accused of misleading investors looking into a tech startup called Servergy Inc. prior to assuming his current office. Paxton, who is running for re-election in 2018 and hasn't yet drawn an opponent—either Republican or Democratic—has insisted that he is innocent and that the charges are politically motivated. Related federal charges were dismissed earlier this year. "The facts, the law and the people of Texas are on his side," says Matt Welch, his campaign spokesman.

In recent years, several other prominent Republican politicians in the state have seen cases against them thrown out, including former Gov. Rick Perry (currently the federal energy secretary) and former U.S. Sen. Kay Bailey Hutchison. That history does play to Paxton's advantage, says Mark Jones, a political scientist at Rice University. "There's enough skepticism among Republican primary voters that they're willing to give Paxton the benefit of the doubt, absent convictions upheld on appeal," Jones says. "Until there's a conviction, the conventional wisdom in the Republican electorate is that he's right, this is a political witch hunt."

In that regard, Paxton's timing is lucky. His trial is set to begin on Dec. 11. That date also happens to be the filing deadline for Texas state offices. Maybe a prominent Democrat will show up by that point, ready to take a chance in case Paxton is convicted. But the legal outcome won't be known in time for a Republican to mount a primary challenge should things not go smoothly for Paxton.

The current charges were brought back in 2015. His trial was scheduled to begin months ago, but his attorneys successfully petitioned to have the case heard by a different judge. "Fliers were sent out that had called out the judge for politicizing the process," says Brandon Rottinghaus, a political scientist at the University of Houston. "That created a new political dimension to surviving scandals while in office."

THE BREAKDOWN

18%

The decline in New Mexico's lottery revenue in 2017 after the state reduced prize payouts in order to put more money in education.

23

The number of states where there's not a single Democrat in any statewide elected executive position. The same is true for Republicans in nine states.

1

The number of employees left in West Virginia's Division of Tobacco Prevention after the state budget eliminated its funding. The sole survivor is operating on federal grants and remains of last year's budget.

2043

The year in which Wisconsin's proposed $3 billion job creation subsidy to China's Foxconn electronics company would recoup its costs, according to the state's Legislative Fiscal Bureau.

SOURCES: SMART POLITICS, *ALBUQUERQUE JOURNAL*, *CHARLESTON GAZETTE-MAIL*, STATE NET CAPITAL JOURNAL.; IMAGE: SHUTTERSTOCK.COM

No Urge to Merge

St. Louis County Executive Steve Stenger is calling for more coordination among local governments.

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CHANCES ARE YOU'VE NEVER HEARD of Champ, Mo. It's a suburb of St. Louis, wedged along the intersection of interstates 70 and 270. The village has a total of 13 people. It's the smallest municipality in St. Louis County.

But it's far from the only one that's undersized. Nearly half the 89 municipalities in the county—43, to be precise—have populations under 6,000. The city of St. Louis, meanwhile, has been an entity separate from the county since the "great divorce" of 1876. Civic leaders have been bemoaning the resulting fragmentation and petty rivalry ever since. Local governments, for instance, bid against their neighbors with sweetened tax deals to lure employers. And many of the smallest ones rely on court fees and fines to balance their budgets—an issue that became contentious in Ferguson, one among the county's plethora of small suburbs, after the 2014 police shooting of Michael Brown. Ferguson was drawing much of its revenue from court fees levied disproportionately against the town's African-American resident majority.

This summer, St. Louis Mayor Lyda Krewson and County Executive Steve Stenger held a news conference endorsing the findings of a group called Better Together, which promotes consolidation of local governments. The group claimed in a report that the proliferation of suburbs and the separation of city and county functions leads to as much as $1 billion annually in wasteful spending. Better Together called for the creation of a task force to devise specific steps by next year to consolidate services and reduce duplication. "In St. Louis, we're spending more for governmental services while losing population," said Krewson at a news conference.

Critics of consolidation, who are legion in the county, say that claims of potential cost savings are way overblown. The undersized munis—the ones with fewer than 6,000 inhabitants—account for only 4 percent of all the money spent by municipalities within the county, according to former Crestwood Mayor James Brasfield. In other words, you could eliminate them entirely and not save many dollars. "Somehow the fact that we have 89 municipalities instead of 30 causes the region to suffer serious stagnation," Brasfield says with an air of sarcastic disbelief.

Last December, the city council in Chesterfield, one of the larger suburbs, with a population of nearly 50,000, approved a resolution opposing a city-county merger. In June—around the time of the Better Together press conference—the city council in Ellisville, population about 9,000, voted to put similar, nonbinding language before voters next year. As with boutique retail outlets, people in the area seem willing to pay a price for boutique municipalities, says Terry Jones, a political scientist at the University of Missouri-St. Louis. "Even if there were a premium attached to that—paying 10 to 15 percent more in taxes—people would do it."

No matter how logical municipal mergers seem to be in places like St. Louis County, they generally aren't going to happen. It might make more sense for local leaders to continue looking for ways to consolidate specific services on a regional or at least more collaborative basis. "Forget about large-scale consolidation," Jones says. "It doesn't go anywhere politically."

By Alan Ehrenhalt

The Neighborhood Naming Game

What people call a community can have a big impact on its self-image.

Twenty years or so ago, working on a book about the Chicago of the 1950s, I spent some reporting time in Bronzeville, the neighborhood that had been the segregated but vibrant home base of the city's African-American population from the 1920s through the 1960s. I was surprised to find that a friend of mine who had grown up nearby claimed not to be familiar with the name. "Bronzeville?" she said. "Don't believe I've heard that one."

Thinking about it some more, I began to understand how the name Bronzeville got lost. It was a symbol not only of segregation, but of the innumerable indignities that people of color were forced to endure in the Chicago of the early- and mid-20th century. When things started to open up in later years, and black people could live and shop and play pretty much where they chose, the last thing they wanted to be reminded of was the confinement they had just escaped from. If they knew the old name, which most of them probably did, they preferred not to use it. Bronzeville was a ghetto name. The ghetto was over.

Recalling all this, I find it comforting to see that in the new century, Bronzeville has sprouted back to life as an emblem of ethnic and community pride. There are guided tours, summer art fairs, blues festivals, and cool places to eat and drink, some of them trading on historical neighborhood themes. The name itself has been central to the neighborhood's revival.

One of the many lessons to be learned from Bronzeville is that as generations pass, history that was once depressing can become the locus of community pride. Another is that what residents decide to call their community can make a great deal of difference to its economic fortunes and social cohesion.

That last point has come up repeatedly in the last few months in a battle over what name to use for a portion of Harlem, perhaps the only historic black community in America that is even more iconic than Bronzeville. It turns out that Keller-Williams, the giant real estate company with a heavy presence in Manhattan, had started marketing properties at the southern end of the neighborhood (between 110th and 125th streets) under the name SoHa, a sort of code name for "southern Harlem." The company never gave a clear reason for why it was doing this, but local residents nearly all believed that it was an attempt to attract affluent white people who were uneasy about buying into Harlem's dangerous reputation.

It didn't take long for a storm of protest to develop. Street corner rallies were organized. Op-eds were published in the city's newspapers. A state senator from Harlem, Brian Benjamin, introduced a bill in the legislature that would create a city office of neighborhood naming and punish businesses that "advertise a property as part of, or located in, a designated neighborhood that is not traditionally recognized as such."

The Benjamin bill didn't go anywhere, and likely would have encountered First Amendment problems if it had. But it served to reinforce the widespread belief that a neighborhood's name belongs to its residents, not to the real estate industry. For outsiders to come in and give it a new name is insulting. The company caved. In July, it announced that it would be putting SoHa away in a drawer until further notice.

Insults and racism aside, however, New York City has been on a neighborhood

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rebranding binge since the early 1960s, when an urban planner named Chester Rapkin decided he could save a dingy old warehouse district in lower Manhattan by rechristening it SoHo, for "south of Houston Street." Within less than a decade, warehouses once threatened with demolition were turned into condominium lofts, artists moved into them in droves and the whole place became a tourist attraction. Today, very few working artists can afford to live in SoHo.

Why a simple name change worked so well was never entirely clear, but it provoked a flurry of imitation. SoHo begat Tribeca (Triangle below Canal), Tribeca begat NoLita (north of Little Italy) and real estate brokers all over the city started trying to find similar magic in nearly every neighborhood where the market needed a boost. Not all of them succeeded: BoHo wasn't a very attractive name for Bowery below Hudson, and SoBro for the South Bronx was too big a stretch for most tastes. It sounded like a bunch of jocks who had vowed to quit drinking. But the fad itself had staying power. Rapkin had proved, in the words of urban writer Kevin Deutsch, "that you can essentially call a neighborhood into existence with sheer will, imagination and a catchy acronym."

Some of the new names teetered for years on the cusp of popular acceptance. Brooklynites who live "down under the Manhattan Bridge overpass" have grudingly come around to saying they live in Dumbo. But the most interesting of these involved a nondescript swatch of light industrial territory just north of Manhattan's Madison Square Park. It had no history of neighborhood cohesion to speak of. In 1999, real estate brokers decided to name these few square blocks "NoMad." *The New York Times* picked up on it, and headlined one article, "The Trendy Discover NoMad Land, and Move In." The fad didn't last. By 2001, the term had fallen into almost complete disuse. Local residents said it sounded too much like No Man's Land.

But seven years later, an ambitious developer opened a hotel in the middle of the district, and to give his project a little pizazz, resurrected NoMad to describe the surrounding area. Within months, Britain's *Guardian* newspaper was calling NoMad "a hipster hub in midtown Manhattan."

This time, the name stuck. Within just a few years, NoMad had acquired an identity pervasive enough that its leaders decided to apply for historic district status. Sadly for them, the city's Landmarks Preservation Commission turned down the application earlier this year. But it's hard to escape Deutsch's lesson that with enough effort, a name can create a community.

New York is clearly the rebranding capital of the United States right now, but the strategy has taken root in many other cities. A few months back, San Francisco, which coined a hit years ago by calling the area south of Market Street "SoMa," spent $70,000 on a project to find a name and build a neighborhood identity for the cluster of downtown office buildings and high-rise condos known to residents mostly as "the area around the transit center." The name the city came up with was East Cut. How this could be a prize-winner is a puzzling question, and some of the residents pointed out that the territory was once called "Rincon Hill," and would be better off going back to that. But they didn't prevail.

Over the years, there's been a fair amount of research on neighborhood identity, and while there's no consensus on what makes for a strong one, there's general agreement that commonly accepted names and boundaries bring an enhanced sense of community and lead to a higher level of citizen engagement.

Chicago is often described as a city of neighborhoods, and that is a fair description. What's less well known is that the city's strong neighborhood identities are the product of work done by sociologists at the University of Chicago in the 1920s. They created a city map that delineated 77 precisely defined communities, each with a name that the residents could use to place themselves. Those names have been an important part of the city's culture ever since. When Barack Obama was elected president, journalists reported that he owned a home in Hyde Park, a well-known neighborhood on the city's South Side. But some locals pointed out that the Obama house wasn't really in Hyde Park—it was in Kenwood, a half-block outside the Hyde Park border. People in Chicago know things like that.

Chicago's neighborhood naming system has generated a few imitators, most notably an effort a few years ago by a citizens' group in Indianapolis, one that included *Governing* columnist Aaron M. Renn. The group felt that the city was weak in neighborhood identity and, as a result, was lagging behind in civic participation. So it produced a Chicago-style map with precise boundaries and precise names. "Where there weren't well-defined neighborhoods, we created them," Renn told *CityLab* in 2012. The project didn't carry official government sanction, but today the neighborhood map is posted on the wall in cafés and stores, and, in the words of principal mapmaker Josh Anderson, it has given cohesion to parts of the city once known only by "neighborhood diehards."

The liveliest running debate about neighborhood identity, however, revolves around the question of what size the ideal neighborhood should be. The pioneering urbanist Jane Jacobs argued in the 1960s that most of them were too small, unable to muster the energy and clout they needed to negotiate with city government. But most current scholarly opinion is on the other side of this issue, arguing that smaller communities create more loyalty and cohesion. "The greatest deficiency in neighborhood names," the urbanist David Boehlke wrote in 2013, "is that they refer to places that are just too large, places that people can't identify with. ... Neighborhood naming is a core aspect of economic renewal. It must be done with care."

We all know what Shakespeare said about roses. You can call them anything you want and it won't affect the fragrance. That's probably true of a lot of things. It just doesn't seem to be true of neighborhoods. **G**

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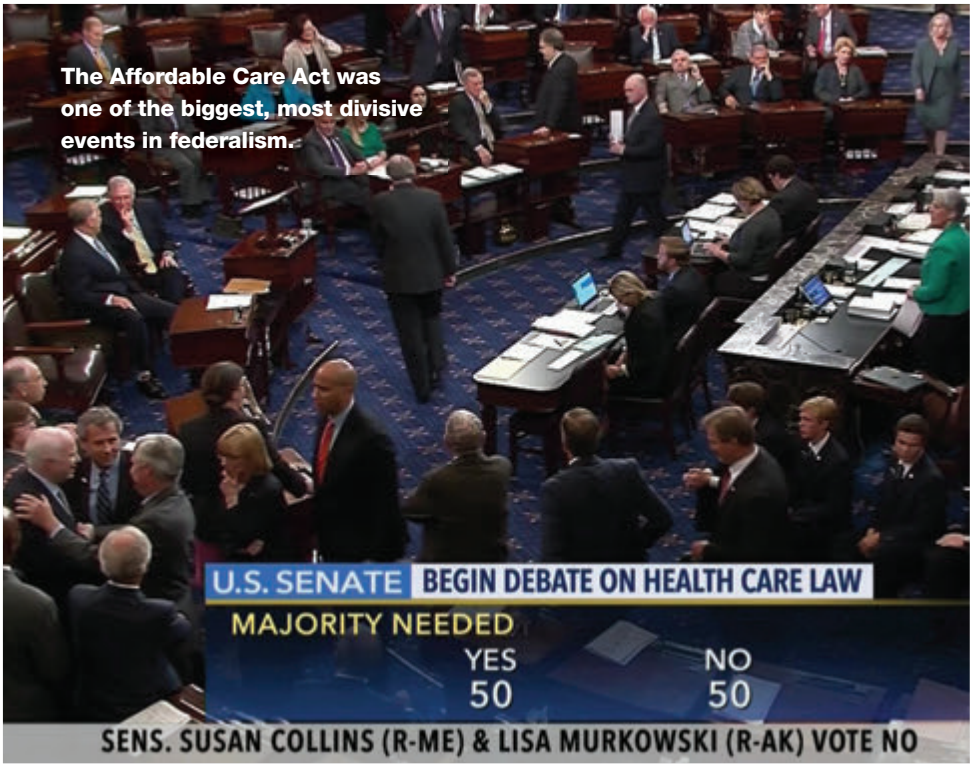
By Donald F. Kettl

Governing's 30th Anniversary

Modern Federalism's Big 3 Moments

There's been a sea change in the way levels of government deal with each other.



The Affordable Care Act was one of the biggest, most divisive events in federalism.

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Federalism will never be a subject of intense interest to most Americans, even if many of them are willing to pay $2,000 a ticket to watch a Broadway musical with a song on federal-state finances. Lin-Manuel Miranda worked that miracle in *Hamilton*; it's unlikely anybody will duplicate his feat in the foreseeable future, or perhaps ever.

But federalism—the division of responsibility among national, state and local governments—remains central to the entire project of American democracy. And over the last 30 years, the years in which *Governing* has been covering the story, our federal system has changed in crucial ways. In the last generation, we've evolved from a federalism that was largely about state and local governments asking for money from Washington to one focused on allocating power between the center and the provinces. Alexander Hamilton himself would have recognized many of the recent frictions. But some of the new tensions are ones that would have been hard to imagine in 1987, let alone 1787.

Consider three events in the past two decades that have brought a new form of federalism into being.

The first is the terrorist attacks of 2001. The 9/11 assault did more than cast a dark shadow over the country's sense of security. It established a new reality: Big national crises increasingly begin as local events, and the early stages of response depend on the capacity of local governments to act effectively. Homeland security suddenly became a major issue, depending on a new, complex security alliance across the levels of government.

In the aftermath of 9/11, New York City created its own counterterrorism bureau, which quickly became one of the world's very best, built on close operating relationships with the FBI. That, in turn, became the model for all the nation's largest cities and most state governments. In the Cold War, the federal government drove national security.

The age of terror turned that on its head, with local governments on the front lines. Their capacity to respond to terrorists and to natural disasters defines this new security alliance. If local governments stumble, as happened after Hurricane Katrina in 2005, the implications are huge—and national. President George W. Bush never recovered from the widespread belief that the nation had failed the residents of New Orleans. That's one of the big lessons for the Trump administration in the wake of hurricanes Harvey and Irma.

Second was the 2009 American Recovery and Reinvestment Act, the federal stimulus that pumped more than $830 billion into the economy. Many Americans have forgotten just how desperate the economic crisis of 2008 was—and how close we came to an even broader global meltdown. Eager to shore up the economy, administration officials concluded that the only way to avoid an even deeper and longer disaster was with a massive transfusion of federal cash, especially for shovel-ready state and local projects.

But Obama administration officials also knew that spending so much cash so fast escalated the risk of massive fraud and waste. So they created a map-based system to track where the money went, with any American citizen free to type in

any address and find out, down to the block level, which projects were working where.

The system solved a host of problems. It instantly helped citizens and reporters answer the question, "How does this program help me and my neighborhood?" Because state and local officials knew that anyone could track their work, they had a huge motivation to keep the projects running clean and on schedule. The stimulus—and its map-based accountability system—marked a true revolution in the federal government's use of data.

Third came the passage of the Affordable Care Act (ACA) in 2010. Critics have relentlessly derided the program as a "government takeover of health care." In fact, the ACA was really a massive expansion in state regulation of private health insurance markets. Although the states' problems varied, depending on whether they decided to create their own exchanges or rely on the federal one, every state's health insurance commissioner had to devise new strategies to manage the private companies doing business within their borders.

That, not surprisingly, led to big variations among the states. Premium rates dropped 4 percent in Providence, R.I., from 2014 to 2018, while Nashville, Tenn., saw a 28 percent increase, according to the Kaiser Family Foundation. But that only underlines the real stories of the ACA: the struggle, state by state, to figure out how to make health insurance work; the way big increases in a few states helped drive the congressional campaign against the law; and the insistence of even Republican governors that Congress not solve its tough problems by dumping the hard issues on the states—without providing money to pay for them.

These "big three" events mark a cluster of truly fundamental but largely unnoticed changes in federalism since *Governing*'s founding. They're very likely to shape the next generation of the magazine's coverage. And who knows? Maybe they could inspire a tune in Broadway's next big musical about federalism. G

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By Alan Greenblatt

Mayoral Roller Coaster

Why can't Seattle find leaders it wants to keep?

Seattle Mayor Ed Murray's announcement last month that he would resign was the definition of news that shocked but didn't surprise. Murray stepped down in the wake of sexual abuse allegations, which he denies. But the allegations had already led him to announce back in May that he would not seek a second term this fall.

Jenny Durkan is vying to be Seattle's sixth mayor elected since 1989.

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Murray's problems are unique to him, but for Seattle voters, having a mayor leave office before starting a second term is nothing new. Seattle has churned through a lot of different leaders in recent years. Next month, voters there will elect their fourth new mayor in as many elections.

Why are Seattleites so unhappy with their political leadership? Unemployment is well below 4 percent, with a talent war in the tech sector, and nearly 2,000 people are moving to Seattle a month, making it the fastest-growing big city in the country. The simple explanation for voters' dissatisfaction is that with growth comes challenges. "Our city is thriving, but it's also changing rapidly," says Maggie Humphreys, president of the National Women's Political Caucus of Washington. "Huge new challenges for transportation and housing and growth management have forced us to have a conversation about where we see ourselves as a city."

The problems of growth are good ones to have, but they can still be unsettling. Take rising home prices. Seattle has led the nation over the past year. House prices were averaging around $500,000 just three years ago; now, they're well above $700,000. Rents have also shot up nearly 60 percent over the past six years. This rapid price rise has contributed to the city's serious problems with homelessness.

Then there's traffic. It has long been a source of complaint in Seattle, but now it's inescapable with the extra people pouring in each month. "With constant change, we don't have the continuity in leadership we once had," says Peter Steinbrueck, a former member of the city council. "The growth dynamic is increasing the division between those who are doing very well and those who are struggling."

Indeed, glaring income inequality is offending voters in a city with a proud populist tradition, as well as the progressive sensibilities of most of Seattle's many newcomers, whose loyalties are up for grabs. "We have a very progressive population, and there's a lot of change all at once," says Don Blakeney, vice president of the Downtown Seattle Association. "We're a challenging city to govern."

Seattle's mayoral turnover dates back to 1989. Five different mayors have been elected since then. By comparison, Chicago has had two. Seattle's experience is exceptional, especially given that most big-city mayors will be re-elected this year.

One thing is certain: Seattle is about to elect its first woman mayor since the 1920s. The choice is between former prosecutor Jenny Durkan and activist Cary Moon. One of them may reap the political benefits of presiding over a booming city. "Maybe Jenny Durkan gets elected and stays for 20 years," says Chris Evans, a former Washington state GOP chair. But then again, maybe not. G

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By Mattie Quinn

Are Doctors Finally Ready for Data?

'Health informatics' focuses on delivering better medical outcomes.

This summer, when Dr. J.T. Finnell was tending to a patient visiting an Indianapolis emergency room for the 10th time in two-and-a-half weeks, he knew he needed some extra help. The patient, whom Finnell described as "extremely complex and refusing help," was making his shift difficult.

Finnell, an associate professor of clinical emergency medicine at the Indiana University School of Medicine, also directs a fellowship program on health informatics, which focuses on applying electronic health records (EHRs) and other forms of health information technology toward improved patient care. When Finnell pulled up the patient's record in the Indiana Health Information Exchange, which now connects 117 hospitals across the state, he saw a longstanding pattern of ER overuse and unruly behavior. That information allowed him to have a meaningful conversation with the patient about what she was really looking for, which in this case turned out to be pain management.

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What Finnell was demonstrating was more about the potential of health IT and medical informatics than the current reality. Increasingly, we're coming to expect that when we visit a doctor's office or an ER, a physician will have access to our entire health history. But given the slow progress of developing underlying medical data systems, that's still the exception, not the rule. "Patients don't realize that we often only see part of their whole story," Finnell says.

One reason for the slow rollout of comprehensive health information systems is the sheer complexity involved. "You have documentations from pharmacists, physical therapists, primary care physicians, dentists," says Dr. Andrew Boyd, assistant professor of health information sciences at the University of Illinois-Chicago. "Within electronic health records, they've tried to make a system that holds all of this with an interface where you can grab decades of co-morbidities in a 15-minute visit." Developing a system that fulfills that promise, he says, is a slow process characterized by a lot of trial and error.

Nevertheless, several states, like Indiana, are well along the way in launching health information exchanges that allow providers to see updated data from across disciplines in real time. Massachusetts' system has been especially helpful in grappling with the opioid abuse epidemic, says Tom Land, director of informatics at the state Department of Public Health. While most fatal overdoses in the state are from illegal drugs that would be unlikely to show up in an EHR, the system still allows providers to look for additional risk factors. "Health IT can give you a spotlight for where interventions can be as fruitful as possible," Land says.

It has taken years for Tennessee to upgrade an old patient billing management system to something "more robust," says that state's health commissioner, Dr. John Dreyzehner, and the process has involved not only a technical struggle but also some strategic rethinking of health-care jobs. For example, the state is now employing "clinical application coordinators," tech-savvy troubleshooters who can help providers find the best ways to use electronic health records and other innovations.

That's the essence of health informatics, and Dreyzehner says Tennessee's system is showing its worth in, for instance, documenting and preventing the overprescribing of medications. "For example, we now know that from 2012 to 2017 we've had a 22 percent reduction in the prescribing of morphine and a 63 percent reduction in doctor-shopping," he says. "Until you had access to that data, you didn't know what you didn't know." G

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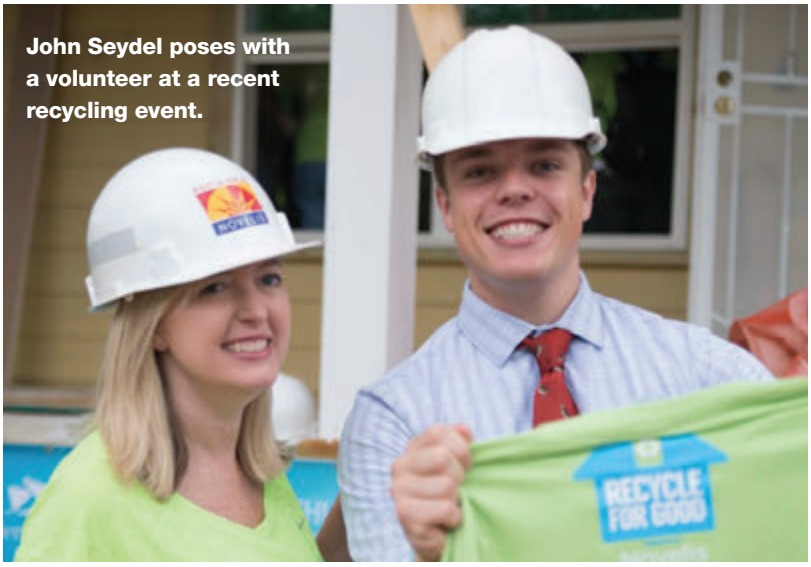
By Elizabeth Daigneau

Green from the Get-Go

At 24, Atlanta's new sustainability director has already spent a lifetime in the field.

In the season one finale of the early '90s cartoon series "Captain Planet and the Planeteers," eco-villain Doctor Blight encases fictional Hope Island in a force field and pumps greenhouse gases into it. Doctor Blight's plan is to destroy the island and sideline the five Planeteers by creating localized global warming. Ultimately, they're able to call superhero Captain Planet, who destroys the force field and creates a giant wave that sends Blight tumbling into the ocean.

"I can tell you that from a very young age, I was engaged in environmental issues," says John R. Seydel III, Atlanta's new sustainability director. That's in large part, he says, "because of this TV show."



John Seydel poses with a volunteer at a recent recycling event.

ATLANTA OFFICE OF RESILIENCE

From the age of five, Seydel remembers watching the cartoon. By working together to solve different environmental issues, the five Planeteers—each from a different country—can summon Captain Planet. "It was a big influence on me," Seydel says. "It really impacted the way that I think, the way that I act and the way that I work with others. And honestly, I think it's a pretty cool metaphor for how cities can work together to be able to solve a lot of the problems we're facing."

Seydel will celebrate one year on the job this December, and looking back, it's been a busy one. Soon after arriving, he set up the Atlanta Sustainability Student Council as a way not only to encourage sustainability initiatives on campuses, but also to get fresh ideas and best practices. "Students can share how to grow the movement, how to [implement] initiatives that worked best on their campus, and how to really advance, in partnership with the city, these best practices. [Together they can] open up new doorways and new opportunities to sustainability, leadership and employment in the future," he says.

No doubt tapping young minds for fresh ideas is a big reason why Mayor Kasim Reed hired Seydel: The 24-year-old graduated from the University of Denver just two years ago. But another reason is Seydel's lifelong focus on environmental issues. The oldest grandson of media mogul and philanthropist Ted Turner, activism is in his blood. Born and raised in Atlanta, Seydel grew up not only under the influence of "Captain Planet" (which Turner created and co-produced) but also a family who have spent their time and money supporting various conservation efforts through the Turner Foundation. Seydel took those experiences with him to the University of Denver, where, while studying political science, he launched a "divest from fossil fuels, and reinvest in climate solutions" campaign on campus. He also worked for Colorado Gov. John Hickenlooper, both in his office and on the campaign trail, as well as former U.S. Sen. Mark Udall.

After graduation, Seydel started RNN: The Revolution Nation Network. The so-called action media company connects millennials with their congressional representatives in an effort to change the political atmosphere. "The way I look at it," he told an Atlanta magazine, is that "10 percent of the political process is the vote, and then you have to pay attention to the other 90 percent when legislation is actually being made."

Now, Seydel gets to make and implement sustainability and resilience initiatives in Atlanta. In addition to creating the Atlanta Sustainability Student Council, Seydel has been partnering with Mario Cambardella, Atlanta's urban agriculture director, to combat food deserts in the city.

Most important, he's been tasked with creating—by January—a strategy for how the city will meet its 100 percent renewable energy goal, which it passed in April. "One of the best ways to take climate action is to fundamentally change the way we produce energy," Seydel says. To do that, "we really need to expand and nurture the sustainability and resilience movement. I think that's a big reason why I'm in this position, to empower people to make our city and communities more sustainable and resilient."

And as his hero Captain Planet would say, "The power is yours." G

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DEVINTRING, THE NATURE CONSERVANCY


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Urban Trees Can Save Lives

Each year, millions of people die around the world because our cities are becoming unlivable — hotter, dirtier, more stressful places. Cities are complex ecosystems, with countless interrelated challenges and few easy answers.

Yet something as simple as protecting and increasing the stock of urban trees can make a difference. The humble street tree is an ecological powerhouse. Study after study has shown multiple benefits to people and society.

Trees and other green spaces in cities help manage runoff during rainstorms. They help clean and cool the air, reducing harmful air pollutants and air temperatures on city streets — saving tens of thousands of lives each year. They lend beauty to our communities and increase property values. And time spent in natural environments has demonstrated mental health benefits.

Trees are one of the most cost-effective solutions to health issues available to city leaders, but American cities are actually losing trees. While urban trees alone can't solve all the public health challenges that cities face, they are an important part of helping municipal leaders improve the lives and health of their citizens.

Honing In On the Health Benefits

Urban trees bring a variety of health benefits:

- In Louisville, Ky., a research team planted three rows of mature serviceberries, pine, cypress and cedar trees in the front yard of St. Margaret Mary Elementary School. Air quality was monitored pre- and post-planting, and 60 students and 20 adults agreed to take part in the study. An initial analysis found that study participants had increased immune system functioning and lower inflammation levels.
- Another 8-year longitudinal study in Los Angeles found that access to parks and recreation programs decreased a child's risk of being overweight or obese at age 18.[1] Multiple studies have found that more time spent in nature decreases a person's stress levels and improves their mental focus.

American cities are losing 4 million trees each year – trees that could make our cities healthier, more livable places.

- Trees also mitigate summer air temperatures. Thanks to the shade they provide and water they release into the atmosphere, trees reduce summer air temperatures by an average of 2-4° Fahrenheit, although under some circumstances the cooling effect can be even larger.[2]
- A recent Nature Conservancy study, called *Planting Healthy Air*, found that investing $100 million per year in tree planting (and maintenance) globally could offer 68 million people measurable reductions in fine particulate matter pollution, a significant factor in cardiovascular and respiratory illness.[3]

Despite these benefits, American cities are currently losing approximately four million trees each year, or 1.3 percent of the total urban tree stock.[4]

A Cost-Effective Public Health Intervention

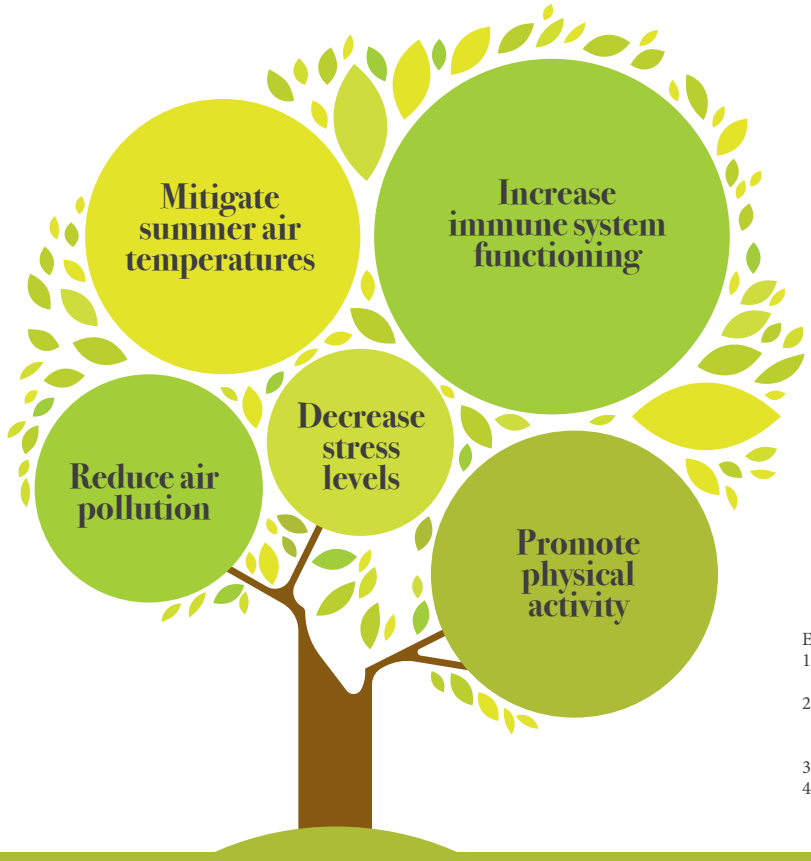
To help turn this trend around, *Governing* and The Nature Conservancy recently published a paper that offers several practical strategies cities can take to improve their urban tree canopy. Among them:

- Establish code that sets minimum open space or maximum building lot coverage ratios for new development.
- Implement policies that incentivize private tree planting.
- Break down municipal government silos and facilitate various agencies working together to ensure effective and efficient policies.
- Link funding for trees and parks to achieving health goals and objectives.
- Invest the time and effort to educate the public about the tangible public health benefits and economic impact of trees.

By funding additional investments in natural solutions to urban challenges, cities can properly maintain their existing trees, reap significant public health benefits and improve quality of life for all their residents.

To learn more about how you as a city leader can take action to improve the urban tree canopy, read the Governing and Nature Conservancy's paper, "How Cities Can Harness the Public Health Benefits of Urban Trees," at governing.com/papers, or download The Nature Conservancy's in-depth analysis at nature.org/trees4health.

Health Benefits of Urban Nature



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For: The Nature Conservancy

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By Alex Marshall

The March of the Machines

Automation seems cold, but it's actually a sign that society is getting richer.

When I travel abroad, particularly to poorer countries, I see people doing jobs that in the United States have been mechanized or eliminated, such as washing clothes by hand or cutting hay with a scythe. But during a recent trip to Europe, I saw the opposite: machines doing jobs that I was used to seeing people doing in America.

In Stockholm, for example, you can reserve a rental car through Hertz online and then pick it up at a parking lot using a little machine similar to an ATM. You put in your credit card, the machine spits out some keys, you take the keys to the car and drive away. No human in sight.

At the city's beautiful main library, you can return a book only after first scanning it into a machine. I've seen automated checkout in libraries in the U.S., but never automated check-in. And even relatively nice restaurants, with well-composed dishes and waterside seating, often have no wait staff. You order and pay for the food at a counter.

Moving on to the Netherlands, a large hotel outside Amsterdam has vending machine-sized boxes where a lodger can check in without talking to a human. As with the Stockholm rental car system, you put in your credit card and out comes a key for your room. The same hotel has a cigarette machine that scans your identification card first to see if you are old enough to buy tobacco legally.

I have not seen any of these things in the United States, where for the most part humans still handle car rentals, check in hotel guests, manually log in returned library books or card a tobacco purchaser. Why is this? Why are these areas of Europe apparently more automated than the United States, and is it a good thing? And what can public officials here learn from it?

The why is probably because hotel desk clerks and car rental staffers in Holland and Sweden earn more than people who do those kinds of jobs in the United States. It's decidedly easier in Holland or Sweden to make a life with such jobs, particularly given that government provides or requires health care, family leave, vacation time, pensions and other benefits. It's also true that hiring is "stickier" in those countries because, thanks to laws and widespread unionization, you can't fire someone easily. This gives businesses a particular incentive to replace people with machines, or at least to provide less human-centered service.

Not everywhere in Europe is as automated as Holland and Sweden are, and the reason, again, is probably relative wages. In less-wealthy Italy, at Venice's Marco Polo Airport, it was the more tedious, familiar routine at the Hertz counter: clerks filling out stacks of paper for each customer, then sending them to another counter outside, also staffed by humans. Clearly, this was a different universe than Hertz in Sweden.

Having a machine replace a human seems cold, but it's actually the definition of getting richer as a society—doing more with less. Economists call it productivity growth. That, of course, is of little

ATM-like machines abroad are doing jobs that we're used to seeing people do in America.

ALEX MARSHALL

comfort to someone whose job has been automated away. Yet, keeping in mind that cross-country comparisons of employment are not precise because countries count it differently, it's hard to see a definitive impact from these new forms of automation. Sweden's unemployment rate in June was 6.9 percent, well below the average for the European Union. Holland's jobless rate was 4.9 percent, just a half-point higher than that of the United States.

Will we see this cycle of automation repeat itself in the U.S.? Almost certainly. Will the machines take away all the jobs and not give any back, leaving us all out of work? Or, to reframe it more positively, are we entering into a "post-scarcity" society, where if we structure things correctly we will all live longer and work less? Maybe.

But that doesn't mean we necessarily ought to rush to embrace all automation. There are questions that a local government official in the U.S. can and should ask. What is the objective in deciding, say, whether to install automated book check-in at the public library? Is it to improve service, to save money or both? If a lot of people are out of work in your town, maybe this isn't the right moment to automate another job.

And there are larger considerations. Sweden, for example, has accepted large numbers of immigrants from Syria and other parts of the Middle East. The country may want to work to slow or reverse the pace of automation as it absorbs this presumably less-skilled population into the workforce.

In my view, replacing people with machines is good, but only if the benefits of automation are spread widely and not just to the owners of the machines, such as the Hertz company. That's why tax structures, worker benefits and employment policies should be part of the discussion, not just the number of jobs. We have better things for people to do than be parking lot attendants, to name a job you generally don't see in the richer parts of Europe. Being a parking lot attendant, while perfectly honorable, is a job better left for a machine. G

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By William Fulton

Governing's 30th Anniversary

Not-So-New Urbanism

City revival has ceased to be a radical idea.

Thirty years ago this month, when I first started writing for this magazine, the idea of a column on the growing trend toward urbanism would have been laughable. Sure, some downtowns and old industrial districts were showing signs of life, and the first loft conversions were taking place. But generally speaking, downtowns were 9-to-5 office districts, and "urban" was often a code word for "ghetto."

What a difference three decades make. Today, *Governing*'s readers can't get enough about cities, urban life, new transit lines and kids making zillions of dollars writing code on laptops in coffee shops. It's a world I hardly could have imagined back in 1987.

As an urban planner, one of the most interesting trends has been to watch the gradual mainstreaming of urbanism as a legitimate aspect of city life. Around the time I first wrote for *Governing*, I also first saw Andrés Duany speak. Duany, the Miami-based architect, was one of the founders of the New Urbanism movement and he provoked people by challenging conventional wisdom not just about cities but about suburbs as well. Maybe people didn't want to drive everywhere. Maybe we didn't need to set every office building 30 feet back from the street. Maybe there's a dignified way for somebody to get a cup of coffee and wait for the bus. To a young urban planner, Duany and his colleagues were exhilarating.

But today ... *yawn*. New Urbanism has become so mainstream that it's hard to think of it as a separate movement anymore. It's been replaced by something else. Call it Ubiquitous Urbanism, an urbanism so prevalent in our society that it's no big deal: Of course people want to live and work in cities. Of course that's where innovation in our society is occurring. We don't even have to think all that much anymore about how to get urbanism to our town—it just shows up.

It's interesting to me that many people view Ubiquitous Urbanism as an almost un-American attack on suburban life. These people ask, don't people still believe that a single-family home with a yard is the best way to live? Aren't most people still living in the suburbs?

Sure, lots of folks are still moving to the suburbs and living in single-family homes. But these days, when they drive to the mall, it's probably no longer a bunch of department stores; rather, it's a faux downtown urban district, where they can shop, eat, walk around and, perhaps, visit friends at their homes just like people do in cities.

I'm not saying one way of life is superior to the other. Obviously, there's room in America for both. But what's heartening to me is that nowadays there *is* room for both—and there *is* a choice. If you want to live in the suburbs with your SUV, you can. If you want to live in a city and take public transit all the time, you can. You can even live in close-in suburbs and drive your MINI Cooper to your local faux town center. But whether you like it or not, urbanism is no longer a niche life. It's a pretty standard American life, and that's a big change. G

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The States and Localities

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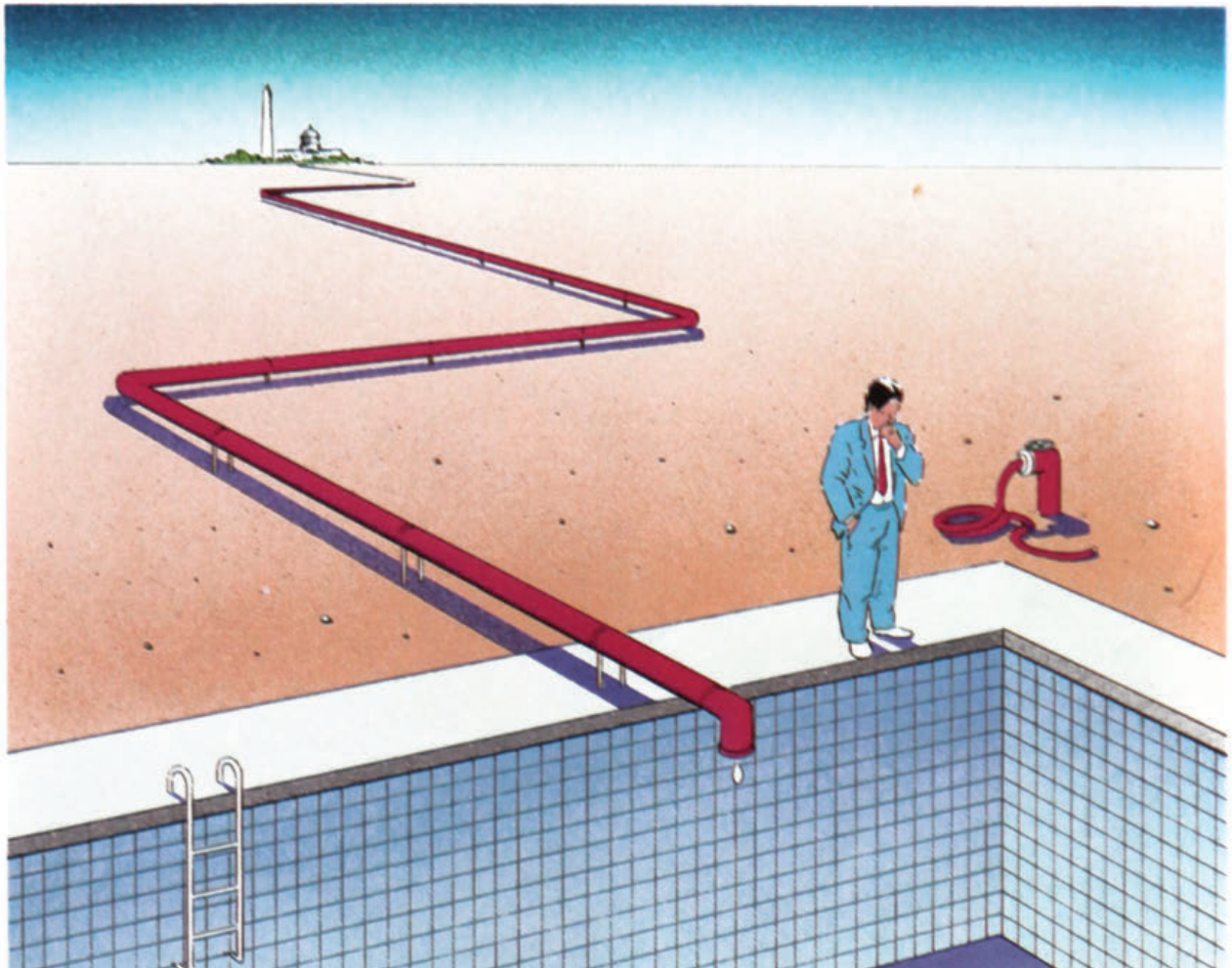

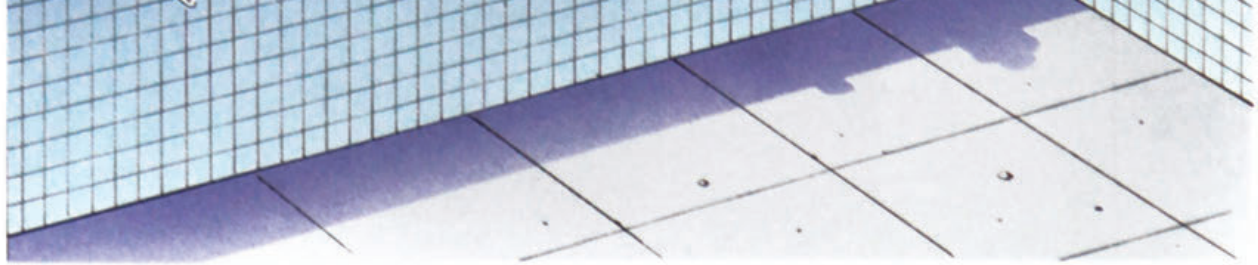

Fend-for-Yourself Federalism

Mayor Congeniality and the Urban Agenda

Florida's New Tax: Is It Contagious?

Lessons from the Liability Crisis

30 Years Later

There are times when American public life is suffused with a sense of possibility, a common belief that government can do big things—solve problems that have resisted solution for decades. At the national level, 1933 was one of those times, as Franklin D. Roosevelt sought to experiment his way out of economic stagnation. So was 1965, when Lyndon B. Johnson could describe his dream of an egalitarian Great Society and make it sound plausible. »

By Alan Ehrenhalt

"It is tempting to imagine that will lead to a new era of state that almost certainly won't be

There have been moments of similar ambition at other levels of government as well. The one that stands out clearest is 1987, a year when states and cities around the country seemed poised to emerge as sources of innovation and creativity across a broad range of policy areas: education, economic development, health care and social welfare, to provide a partial list. The federal government had been systematically cutting back its involvement in most of these fields, led by a president who had famously declared that government was the problem, not the solution. State and local leaders expressed confidence that they didn't need much help from Washington; they boasted that their governments were the true "laboratories of democracy," to quote Supreme Court Justice Louis Brandeis' familiar saying from a half-century before.

Governing magazine was born amid that wave of enthusiasm: Our first issue was published in October 1987; we celebrate our 30th anniversary this month. We started out convinced that both power and ambition were moving down from Washington to the state and local level. Over the ensuing three decades, we have seen our original vision borne out many times and contradicted by reality quite a few other times. By and large, though, we continue to believe the things we believed when we began.

The centerpiece of *Governing*'s first issue was a long article by John Herbers, one whose headline pretty much summed up its central thesis: "The New Federalism: Unplanned, Innovative and Here to Stay." "With a new sense of independence from the federal government," Herbers wrote, "state and local governments have been taking on new responsibilities—a change that promises to be both more profound and more permanent than most people have recognized."

The withdrawal of the federal government from its role as a financial backer of state and local initiatives was well underway when *Governing* began publishing. The previous year, President Ronald Reagan's administration had ended the 15-year practice of sharing revenue with governments further down the chain. By the fall of 1987, the administration was preparing to kill off Urban Development Action Grants, another source of federal largesse that was popular in cities all over the country. And another popular local aid program, the one that awarded Community Development Action Grants, was widely rumored to be on the way out, although ultimately that did not happen.

The response of many state and local governments to this collapse in federal support was to ramp up their own levels of economic development and safety-net spending. Most of them were solvent enough to do that. State spending increased by 6.3 percent in fiscal 1987 over the previous year. Localities had increased their overall spending by 26 percent between 1983 and 1986. There is no question that urban America felt itself under federal siege 30 years ago, but it also displayed a rising confidence that it possessed the wherewithal to cope with its problems.

Many state leaders believed that, in the absence of help from Washington, they could turn their states into economic development magnets, and quite a few created brand-new agencies to solicit new business. It was in the mid-1980s that ambitious governors began carving out a new role as international trade ambassadors, flying off to Asia and Europe on what would become a routine basis. Bill Clinton, then governor of Arkansas, reported that he went on an industry-hunting trip to Japan and found 11 other governors who were there for the same purpose.

It was in those same years that states began to take a much more active role in K-12 education, which traditionally had been virtually the sole province of local government. By 1987, states were paying roughly half the cost of elementary and secondary schools, several times what they had been spending only a few years before. The era of state takeovers in education was also beginning. By 1987, Georgia and Minnesota had

the current federal gridlock and local cooperation, but true."

passed legislation allowing them to take control of school districts deemed to be failing their students.

Another hotbed of state activism in the mid-1980s was social welfare policy. Experiments seemed to be underway almost everywhere, some of them relatively minor, but some highly consequential. Republican governors, led by Wisconsin's Tommy Thompson, had begun to institute work requirements and time limits for adults on public assistance. Many of their ideas became part of the federal welfare bill that Clinton signed as president in 1996.

The evolution of welfare policy underscores one positive feature of American government in the 1980s that will be very difficult to replicate in the 21st century. Thompson, Clinton and a handful of other activist governors were allowed to play a role on the national scene that few governors can emulate today. Republicans in Washington cut off the flow of funds to states and localities, but they encouraged waivers that let governors launch extensive welfare policy experiments. When federal welfare reform efforts began to emerge, a bipartisan group of governors came to the White House to help draft the legislation.

Not only were governors working together across party lines to a remarkable extent in 1987, but states and their localities were pursuing common goals as well. One significant fact of political life was the number of states that passed laws allowing the locals to raise taxes to replace the aid that the Republican administration in Washington was no longer delivering. This was self-serving on the states' part. The more money they allowed localities to raise on their own, the less they themselves would be asked to provide. But there seemed to be a more altruistic component as well: Localities had been the biggest losers in the drying up of federal aid. Most state legislatures seemed sympathetic to the local plight.

States were not only granting tax leeway to localities in the 1980s—they were raising taxes themselves. One of the more dramatic political episodes at the state level in 1987 was the multibillion-dollar sales tax increase signed into law by Texas Gov. Bill Clements. The Republican governor had campaigned for office vowing no tax increases, but when the state's business leaders told him that more money was needed for education, he changed his mind.

It is tempting to imagine that the current federal gridlock will lead to a new era of state and local cooperation, but that almost certainly won't be true. Partisanship today is as deeply entrenched at the lower levels of the political system as it is in Washington. Governors are not the harmonious group that Herbers saw 30 years ago; they are divided into partisan camps nearly as impenetrable as the ones in Washington. And in most of the country, states and cities have long since abandoned the cooperative relationship that prevailed for much of the 1980s. Republican legislatures in more than 30 states have spent much of the year seeking ways to prevent local governments from taking meaningful action on a variety of fronts, from wage rates to environmental protection to LGBT rights.

In at least one important way, it is indeed 1987 all over again: Both state and local governments are steeling themselves for another round of austerity in Washington. But unlike 30 years ago, they show few signs of being able to work together to reduce the damage. And so the sense of heightened possibility that prevailed across the country in the fall of 1987 is very difficult to find in the fall of 2017. But breakthroughs of creativity and common purpose continue to turn up, sometimes in the unlikeliest places. *Governing* will keep looking for them. **G**

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DAVID KIDD

Bailing OUT

Everyone agrees that America's bail system is broken. So why is it so hard to get anything done?

By John Buntin

Last May,

Houston police pulled over Maranda Lynn ODonnell. The 22-year-old had driven through a toll plaza without paying. When officers ran the tags on her car, they found she was driving with a suspended license, didn't carry car insurance and had already racked up $1,487.25 in unpaid tolls. The officers arrested her.

During her intake at jail, a pretrial services agent interviewed her and recommended she be released on a "personal bond," which doesn't require any upfront payments. Nonetheless, the next day a hearing officer set her bail at $2,500.

Some people have the resources to post bond on their own. But most don't. Instead, they turn to a bail agent who, for a fee—typically 10 percent of the total bond—puts up a promissory note for the total bail amount. In theory, the bonding agent will pay that amount if the person fails to appear. To bail herself out of jail, ODonnell needed $250. But she had just started a new job at a restaurant, and she didn't have any friends or family who could come up with the money. As a result, ODonnell, the mother of a 4-year-old girl, stayed in jail for three days.

"It's long been a basic principle of constitutional law that no human being can be put in a cage because she can't make a payment," says Alec Karakatsanis of the nonprofit Civil Rights Corps, one of a group of organizations currently suing Harris County over its bond practices. "Yet it's happening everywhere."

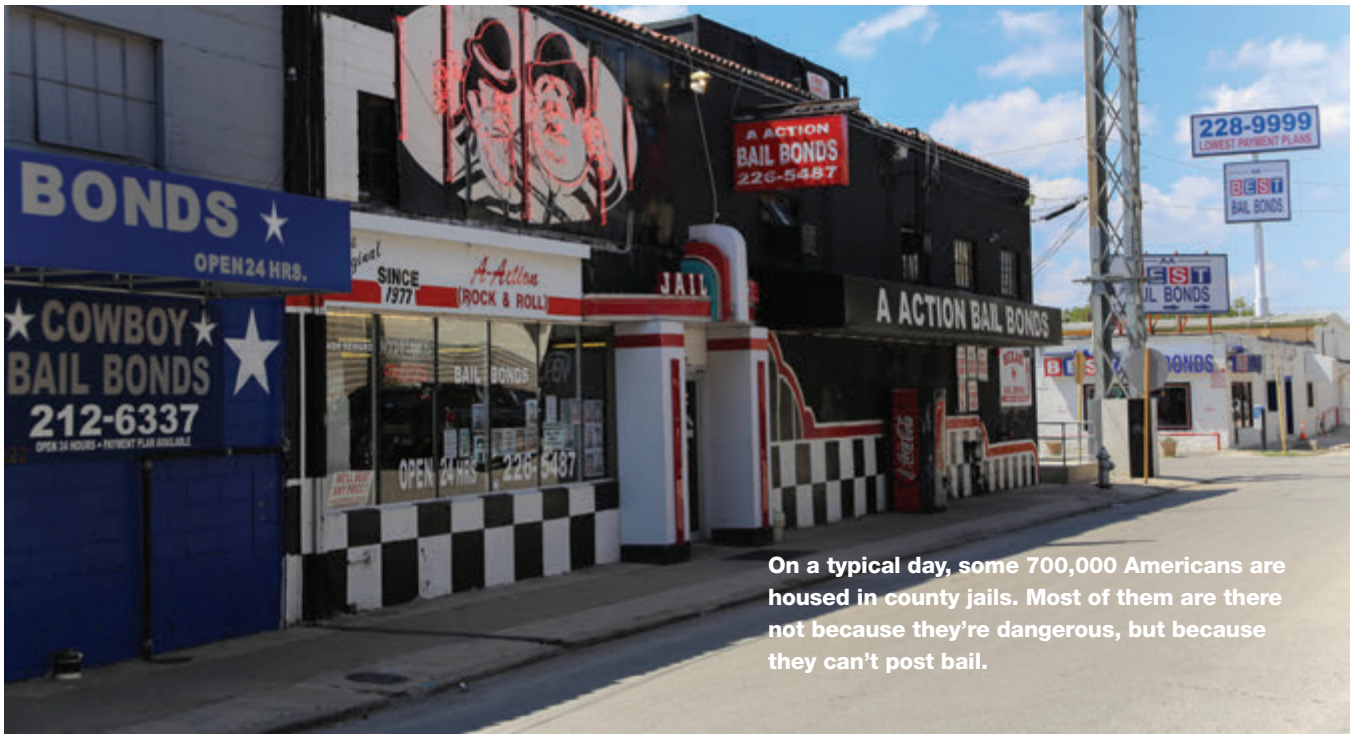
Every year, more than 10 million Americans are arrested and taken to jail. Most are released. However, on any given day, jails house some 700,000 people. A large majority of them are there because they can't afford to make bail. On a typical day in Harris County, 9,000 people are locked up in the county jail system. A significant number of them are low-risk offenders awaiting trial on misdemeanor charges who can't post bail.

Texas policymakers knew they had a growing problem. Twenty years ago, 1 in 3 jail inmates in the state was awaiting trial. By 2017, that had escalated to 3 out of 4. Mostly, these were people who could not afford to make bail. Jail time cost people their jobs, their houses, even their families. It also cost Texas taxpayers: A billion dollars a year was spent on pretrial housing.

To Texas Chief Justice Nathan Hecht, the system looked ripe for reform. The Texas Judicial Council duly recommended a series of fixes: Expand the use of risk assessment tools to help judges better gauge flight risks and potential danger to the community; change the constitution to create a presumption of release on personal bond for low-risk defendants; and allow judges to deny bail to any high-risk defendants. (As it was, judges could only deny bail in capital murder cases.)

The conservative Texas Public Policy Foundation signed off on the proposal. So did influential Republican and Democratic lawmakers. To lead a legislative effort to turn the ideas into law, Hecht turned to Sen. John Whitmire, the Democratic chairman of the Senate Criminal Justice Committee, and Rep. Andrew Murr, a Republican former judge. Legislatively, it seemed like a sure thing, except for one group—the state's bail bondsmen.

Bail is a big business. Of the $14 billion in bonds that are issued across the country each year, some $2 billion is profit for bail bond companies themselves. Nationally, there are more than 25,000 such companies; Texas alone has hundreds, maybe thousands of bail bondsmen. Whitmire and Murr's bill threatened the bail industry by encouraging courts to release more low-risk arrestees without requiring so-called surety bonds. Ironically, what elicited even greater opposition was that bail reform was too tough:



On a typical day, some 700,000 Americans are housed in county jails. Most of them are there not because they're dangerous, but because they can't post bail.

FLICKR/PAUL SABLEMAN

Letting judges deny bail to high-risk individuals was a blow to bail companies, since they earn higher fees on higher-risk defendants. The bill was defeated. "This is the classic case of a powerful special interest being able to block legislation that would change a system that they literally make millions of dollars off of every year," says Whitmire.

Hecht was stunned by the loss. "The logic of it was so strong, the benefits were so clearly demonstrable and the politics so bipartisan," he says. "Bipartisan things just don't come along very often these days. I did not think it would be as hard as it turned out to be."

Welcome to the upside-down world of bail in America. A system that dates back to medieval England is resisting 21st-century updates, at least in this country. While a few states and localities have taken meaningful steps toward reform—relying on risk evaluations and pretrial services rather than cash bail for low-level offenders—their efforts are threatened by significant pushback.

Right now, America's cash bail system itself is on trial. Earlier this year, Maryland's Court of Appeals issued rules that ban the practice of holding low-risk, misdemeanor offenders on money bonds. In April, a federal judge in Houston found that Harris County "has a consistent and systematic policy" of imposing cash bail on defendants in misdemeanor cases and that "these de facto detention orders effectively operate only against the indigent, who would be released if they could pay at least a bondsman's premium, but who cannot." Civil rights attorneys have brought, and in many cases won, similar cases in Alabama, Mississippi and Tennessee.

In other states, court systems are making changes proactively. In Arizona, a criminal justice task force convened by Chief Justice Scott Bales developed rule changes that have lowered the state's pretrial incarceration rate by encouraging judges to utilize nonjail alternatives and pay closer attention to defendants' financial circumstances when setting bail bonds. In July, courts in New Mexico began to operate under new rules that prohibit judges from requiring money bail for low-risk offenders who can't afford it. According to the Laura and John Arnold Foundation, more than 40 states now have task forces or commissions considering changes to bail and pretrial detention.

The most sweeping changes, however, have taken place in New Jersey. On Jan. 1, the state rolled out a new pretrial system, developed jointly by the administration of Gov. Chris Christie, the legislature and advocates of criminal justice reform. Three years in the making, it comprises statutory and constitutional changes, including ones that allow judges to detain high-risk arrestees. Previously, New Jersey, like Texas, could only deny bail to people arrested for capital murder. In addition, the New Jersey measure provides funding for a robust network of statewide pretrial services. The state has also adopted a risk assessment system (developed by the Arnold Foundation) that gives judges a better sense of the potential dangers posed by people being released from jail.

One of the results of reform has been the virtual disappearance of commercial surety bonds from the criminal justice system in New Jersey. That has devastated the state's bail bonds industry and alarmed the companies that insure the bondsmen's bonds.

Jeffrey Clayton, who heads the American Bail Coalition, says that when New Jersey voters approved the changes to the constitution, they had intended to adjust only the top end of the system and the bottom end—let judges lock up the most dangerous offenders until trial and let low-level offenders go home. In Clayton's opinion, the voters hadn't meant to end the commercial bail system for felony-level offenders. Although the industry had expected reform to cut its business in half, it has "lost 100 percent," says Clayton.

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Texas Chief Justice Nathan Hecht's plan to reform his state's bail system went down in defeat after the bail industry came out against the measure.

The industry is fighting back in New Jersey and everywhere else. It has filed lawsuits challenging the reforms in New Jersey and New Mexico and is pushing Harris County to appeal the decision against it in court. It plans to urge the Maryland Legislature to overturn the reform rules the state's court system put in place. These actions are part of a broader argument made by anti-reform factions: Risk assessment is not a safe or effective substitute for cash bail.

Bail is an ancient part of Anglo-American legal systems. In medieval England, courts released all but the most dangerous offenders before their trial. To guarantee that defendants appeared at trial, courts also required bail bonds. The amount of bond was pegged to the severity of the crime and the defendant's ability to pay.

At the beginning of the 20th century, bail bonds became a business. Bail companies began to sign surety bonds with the courts, which in turn were insured by commercial insurers. Bail bondsmen were then responsible for ensuring that defendants appeared in court. That appeared to spare the government the expense of monitoring people out on bail. As a result, the cash bail system grew quickly. But over time disparities emerged. People who had no resources often languished in jail. In order to get out, they pleaded guilty to felony offenses at a higher rate than people who paid bail. Longer jail stays were associated with worse future outcomes. A disproportionate number of the people experiencing the adverse effects of pretrial detention were minorities.

In the 1960s, the Vera Institute of Justice began to explore an alternative: releasing people without a secured bail bond. The institute started with a question: What were the characteristics of people who showed up for trial without posting a secured bond? Certain features quickly surfaced, such as prior criminal record, employment history and family connections to the community. The institute generated risk scores that could be used to make recommendations regarding pretrial release. After three years of trial, the project found that defendants released on nonfinancial conditions (based on risk scores) appeared for their day in court three times more frequently than similar defendants released on surety bail bonds.

Risk assessment was born. "Releases on recognizance" increased sharply in the 1970s and most of the 1980s, as judges made roughly equal use of surety bonds and personal recognizance. That began to change in the late 1980s. Congress passed legislation that allowed courts to factor into bail decisions not just the likelihood of a defendant appearing for trial but also the public safety risk they posed. Most states quickly passed similar directives. Judges responded to the increased concern about public safety by turning more frequently to cash bail. While most large jurisdictions still had pretrial services and made some use of risk assessment systems, they used them inconsistently and ineffectively, according to Cherise Fanno Burdeen, who heads the Pretrial Justice Institute. The result was a sharp rise in the use of cash bail.

In the late aughts, Burdeen and others began to advocate for changes. Despite a decade of robust jail building and falling crime rates, jails were overcrowded. Reformers championed a new generation of risk assessment tools and expanded pretrial services. The Arnold Foundation developed one such risk assessment tool, which it piloted successfully in Kentucky and encouraged other jurisdictions to adopt. The bail industry fought back politically, supporting legislation and ballot initiatives in Colorado, Florida, Georgia and Virginia intended to expand the use of secured money bonds. During the Obama administration, however, the U.S. Justice Department hosted a symposium on bail to explore reform strategies, the first since 1968.

Investigators also looked into the operations of bail agents. In 2014, New Jersey formed a special commission, and it found that bail bond agencies were being operated by unlicensed individuals, some with criminal records. Bail bond agents often hired people in jail to drum up new clients. The commission also found that New Jersey's counties routinely failed to capture tens of millions of dollars in forfeited bail. Instead, penalties were often negotiated

and settled for pennies on the dollar. The bail system as a whole, according to the commission, was "highly prone to subversion by unscrupulous and improper practices that make a mockery of the public trust."

Soon thereafter, New Jersey began work on overhauling the system, the results of which were launched this year.

Faced with the kinds of criticisms that surfaced in the New Jersey report, the bail industry claims to have retrenched. Clayton of the American Bail Coalition says the industry isn't opposed to making it easier to release low-risk, misdemeanor defendants. It just wants to preserve a role for money bail in felony cases. "The key core of our business is high-risk felony cases," says Clayton. "That's where judges should use us."

But that belies the attacks the bail industry is taking against reforms, particularly the use of risk assessment. In states such as Colorado, Maryland, New Mexico and Texas, the industry has mounted broad attacks on measures the states have put in place, raising questions of effectiveness, safety and expense. One of the key arguments is that pretrial services and supervision—a key component of a risk assessment approach—will open sinkholes in state budgets.

Pretrial services can indeed be expensive. Washington, D.C.'s pretrial services program is often held up as a model, but it costs $60 million a year. That's a figure that Tara Blair, who runs Kentucky's statewide pretrial services division, says "gives the cost of pretrial services a bad name." Her state manages to provide effective pretrial services to a population of 4.4 million for just under $14 million a

New Jersey lawmakers and Gov. Chris Christie's administration implemented sweeping changes to the state's pretrial system earlier this year.

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year. Urban localities such as Toledo, Ohio; Allegheny County, Pa.; and Denver have found ways to keep bail reform costs in check. Denver's Community Corrections Department, for instance, began to implement risk assessment in 2012 and enhanced its pretrial services program the following year. Denver now releases without a secure bond 40 percent of people arrested on felonies.

One cost of the program is the monitoring of those released on bond. Greg Mauro, who runs Denver's pretrial services department, says it's tempting to aggressively monitor lots of people after such systems are first put in place, but that most agencies find over time that it's not necessary. Although his corrections department uses GPS bracelets to monitor some arrestees, many are supervised using less-restrictive methods. One innovation that dramatically boosted court appearance rates: texting people reminders.

Burdeen is worried about one of the points Mauro makes: the tendency to monitor aggressively. "I fear that we let all these people out without posting bonds, but we will saddle them with so many conditions for release and with surveillance to such a degree that we will have incarcerated them again." She sees this as something to be mindful of when building alternatives.

Several rural counties have also found simple ways to provide pretrial services economically. Faced with a continual jail overcrowding problem, Major Michael Merican, who ran the jail in rural St. Mary's County, Md., until a recent promotion, decided it was just as easy to supervise many of the county's arrestees outside of jail as inside. St. Mary's borrowed a tool from Montgomery County, a wealthy suburban county near Washington, D.C., with a well-regarded pretrial services program: the use of drug screening and GPS bracelets. He then directed two jail staffers to provide pretrial services; another deputy on "light duty" keeps tabs on inmates who are released under GPS monitoring. "There is no need to reinvent the wheel here," says Merican. "Most any jail with a work release program is already set up for pretrial services to a certain degree."

The success of the pretrial program, along with other initiatives, allowed St. Mary's to ease overcrowding. Moreover, 99 percent of the people who go through the pretrial program show up for court dates; 70 percent are not sentenced to additional jail time.

Passaic County, N.J., Judge Ernest Caposela, one of the three judges to pilot New Jersey's new pretrial system, says he's seeing similar improvements in his state. The state's pretrial jail population has fallen by 20 percent since the beginning of the year.

New Jersey judges are realizing that "the most effective way to ensure that someone appears in court is to remind them that they have a court date, just like when you have a dentist appointment," Caposela says. Other more intensive measures of supervision include a weekly call in or report in to pretrial services. Only about 5 percent of people are actually ordered to wear ankle bracelets, according to Caposela, and that number is going down.

As part of its reforms, New Jersey also invested in IT upgrades that give judges and prosecutors a better sense of defendants' histories and overall life situations. That, along with provisions designed to speed up trials, has had profound effects. They've encouraged prosecutors and judges to think about defendants in a different way. "With early factual analysis, we are able to make an early diagnosis," says Caposela. "Does this person need surgery"—such as a heavy dose of the criminal justice system—"or can we put a cast on it and send it home?"

That is potentially momentous change. Instead of thinking about defendants engaged in a case in an adversarial court system, the new framework is encouraging prosecutors and judges to think about arrestees as people in need of help or correction. New Jersey's approach to bail reform is a model of careful planning. It is sure to inspire reform-minded legislators in the years to come, just as the reforms championed by the highest courts of Arizona and Maryland will inspire other state supreme courts to act.

Back in Texas, Chief Justice Hecht is trying a different tack. He's going straight to localities. The impetus came from two neighboring but very different counties—Dallas County, which is heavily Democratic, and Tarrant County, home to Fort Worth, which is staunchly Republican. Despite their political differences, in the months after the failure of bail reform in the legislature, both approached the Supreme Court with the same message: We want to do bail reform; and we want your help to move ahead.

Hecht agreed that the Supreme Court would provide help identifying best practices. These days, he is spending time talking with jurisdictions around the state and offering technical assistance. "It's really fascinating," he says. "When there is this kind of failure of state policy, local government can just come right in. There's nothing to prevent judges from doing it themselves. It is totally up to them." **G**

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THE TWO AT

Things are looking up right now

LANTAS

in the city. Well, at least part of it.

By Alan Greenblatt Photographs by David Kidd

Fifteen years ago, about the only thing you could buy along Spring Street in Midtown Atlanta was drugs, or maybe the services of a prostitute. One of the few functioning retail outlets was a coffee shop known as Erehwon. That was "Nowhere" spelled backward, and to many who passed by, it was an apt symbol for the neighborhood. But today, the formerly sketchy street boasts all the amenities you'd expect to find near almost any college campus—a smoothie bar, a couple of late-night cookie bakeries and a bookstore that also sells sweatshirts and souvenirs.

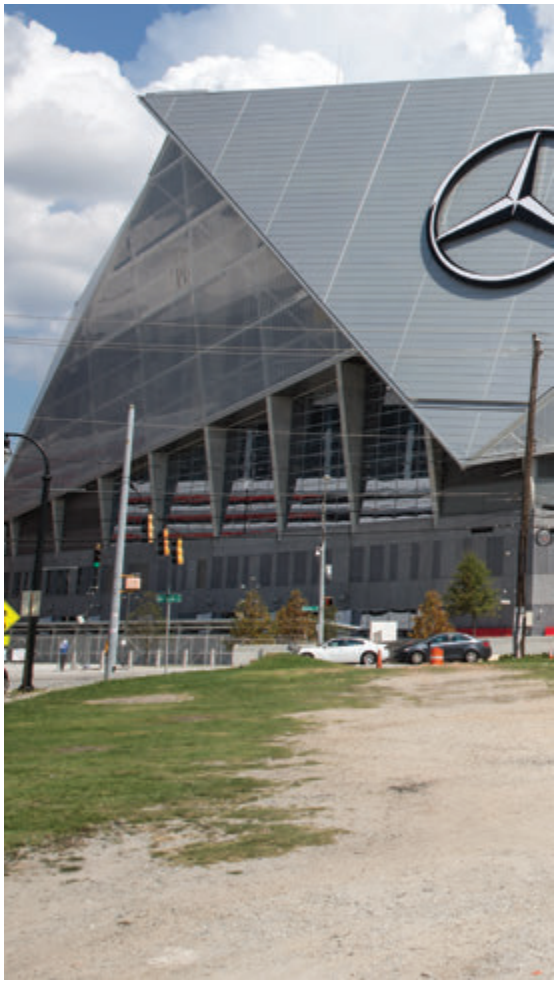
The change has been dramatic, but its origins are simple. Georgia Tech, which was separated from the neighborhood and the rest of the city by an interstate highway, decided it was time to jump that road, expand eastward and fill up some of the vacant lots in Midtown, initially with a hotel and conference center. Twelve percent of Georgia Tech's huge off-campus student population now lives on the east side of the freeway.

The university's investments, in turn, triggered one of the most remarkable urban revitalization efforts in the country. Traffic today can sometimes grind to a halt simultaneously on several blocks along Spring Street, the result of one massive construction project after another. Georgia Tech students study and live among 17 corporate innovation centers and dozens of startups, just in the immediate neighborhood. Some of them can walk to their new jobs right after graduation—or even before taking their degrees. Hackathons and other geek gatherings are turning into job fairs, with employers coming in to check out the young talent.

The corporate employers like what they see in Midtown, and they are sticking around. The number of jobs in the neighborhood is expected to triple in the next few years, from roughly 4,000 to 12,000. Google, Siemens and ThyssenKrupp all have a presence there. GE and Honeywell have transferred their main digital operations to the city. NCR, which moved its headquarters from Ohio to suburban Atlanta less than a decade ago, is about to pick up and move again, into two new Midtown towers just north of the university. The result of all this is that Atlanta now has the third-largest concentration of Fortune 500 corporations anywhere in the country.

People in Atlanta will tell you about the spirit of collaboration that has energized the city, and one symbol of that collaboration is the partnership of Mayor Kasim Reed, a liberal African-American Democrat, and Gov. Nathan Deal, a conservative white Republican. Their relationship has been as productive as any city-state alliance in the country. At the same time, Reed has continued and even amplified the local tradition of aligning city hall closely with business interests. Unlike cities that rely on a cluster of companies in a single sector, the major players in Atlanta—Delta, Georgia Pacific, Home Depot, UPS and Coca-Cola among them—don't compete with each other for customers. They're able to work on projects together—even make direct investments together. "We're in a good space because of that foundation," says Ceasar Mitchell, the city council president, "because of our ability as a city to work together."

Cooperation is paying off. The rate of job growth in Atlanta is currently four times the national average. The city had been a poster child for suburban flight in previous decades and is still home to only 450,000 people, which is less than 10 percent of the metro area's population. But Atlanta proper is now expected to double in size over the next 15 years and triple by 2050.



Atlanta's new $1.5 billion football stadium is the most expensive structure in the city's history. It also borders some of its poorest neighborhoods.

Every other week seems to bring the announcement of some new mega-development—huge tracts of land being redeveloped alongside the new football stadium, or where the former baseball park now sits. Entire blocks near downtown are being renovated, while new parks are being constructed or planned atop highways and at an old quarry. Given its growth and the diversity of its employment base, alongside its traditional strength as a logistics and meeting hub, Atlanta's long-held dreams—of being the undisputed capital of the South and a truly global city, despite its relatively small size—appear within reach.

Those are the stories Atlanta's leaders are eager to tell, and none of them are make-believe. All of those good things are happening. But there are other stories, ones that testify to what might be called Atlanta's paradox of progress. The neighborhoods that declined due to lack of investment are now being punished by the sudden influx of investment. Or at least many longtime residents are. Atlanta's housing crunch is not as intense as in Seattle or Denver—corporate recruiters love to brag about how much more house an Atlanta salary can buy than is true

among its affluent competitors—but outside the professional class, the crunch is becoming quite severe. Growth has led to horrendous traffic problems, making close-in neighborhoods much more desirable, but rendering those same neighborhoods unaffordable to the poor and working class. Longtime residents suddenly find themselves priced out. Evictions have become routine. "Atlanta and cities around the country have been great at building buildings, but not at including people," says Kwanza Hall, a member of the city council.

About one in five residents of Atlanta is living in poverty, while another 25 percent of the economy consists of low-wage service jobs in hospitality, restaurants and retail. Residents in southern and western parts of metro Atlanta can only look on boom areas like Midtown with envy, while worrying that when and if revitalization comes to their neighborhoods, it might force them to leave. "We've been essentially importing our talent," says A.J. Robinson, head of the downtown improvement district. "I'm not sure that's sustainable."

Atlanta has figured out how to be a successful city, but it hasn't figured out how to be successful for everyone. That doesn't make it unique in urban America. But the divide between the area's winners and losers is worse than in many other places. Atlanta not only suffers from stark income inequality, but also has one of the worst track records when it comes to upward mobility. A resident of a struggling neighborhood like Ivy City or Thomasville might live a short drive from thriving job centers, but physical proximity ends up being no help to someone lacking skills or education. Some community leaders are quick to cite the statistic that a child born into poverty in Atlanta has only a 4 percent chance of escaping poverty as an adult. "Growth has bypassed too many neighborhoods," says former state Sen. Vincent Fort. "A child born in Grady Hospital, the inner-city hospital for poor people in Atlanta, has less chance than a child anyplace in this country of joining the middle class."

Atlanta's growing pains have become one touchstone in the city's mayoral race this year. Fort, like city councilmembers Mitchell and Hall, is running. Reed is term-limited. Eight years ago, he won the race against Mary Norwood, then as now a member of the city council. Norwood came in first in the November 2009 election, but fell short of an outright majority, and then lost to Reed by 700 votes in the runoff. She is once again leading the polls, but with eight serious candidates in the race, another runoff appears inevitable, perhaps one that will be racially polarizing. Mitchell, Fort, Hall and most of the other major candidates are black. Norwood is white. "I would be surprised if Norwood's not in the runoff," says Michael Leo Owens, a political scientist at Emory University. "I would be surprised if she's not elected mayor."

The election of a white mayor would signal a sea change. In 1973, Atlanta became the first major city in the South to elect a black mayor. Now it faces the very real prospect of electing its first white mayor in nearly half a century. People in Atlanta endlessly refer to the city as the birthplace of Martin Luther King Jr. and a cradle of the civil rights movement. But the reality in this "black mecca" is that most black professionals have already moved out to the suburbs. They're being replaced by affluent whites. Atlanta is still majority-black, but just barely. "The fact that the population is growing is mainly a function of whites moving to the city," Owens says.

The increased white numbers far exceed the 700 votes by which Norwood fell short eight years ago. That alone might put her over the top. But this time, Norwood also is claiming support among African-American voters, some of whom believe black leaders have not always looked out for their interests, choosing instead to give in to business demands. "In a place where you have a black political elite, the fact that working and poor blacks are being pushed out of the city proper is problematic," says Deirdre Oakley, a Georgia State University sociologist.

The candidates and the people around them seek to downplay the importance of race as a factor in the election. What is clear is that whoever wins will have to build coalitions—between black and white, among neighborhoods and among classes. It's almost impossible to talk with anyone in Atlanta politics or business today without repeatedly hearing terms such as "inclusion" and "access" and "equity." "If all we do is gentrify and move people farther out, it's only going to exacerbate the problem," says Hala Moddelmog, president of the Metro Atlanta Chamber. "Will we get it right in Atlanta? I hope so. Is it difficult? Yes."

The next mayor will inherit a strong hand from Reed. During his time in office, the city's reserve funds have increased from a meager $7 million to $175 million. Six years ago, Atlanta overhauled pension benefits for its employees, saving the city millions annually. Two years ago, voters approved a $250 million bond package to improve roads, bridges, sidewalks and buildings. That seemed like a lot of money until last year, when they approved a sales tax increase that will provide an estimated $2.5 billion for MARTA, the local transit authority, to improve service and promote transit-oriented development. The latter package is so promising that now Emory and the federal Centers for Disease Control and Prevention are clamoring to be annexed by the city to get in on the MARTA action.

Atlanta is blessed with growth from a diverse range of industries, says Hala Moddelmog, the chamber president. But it's got to find ways as a region to house workers and improve their routes to jobs.

But the disparities between the struggling parts of Atlanta and its showcases are too stark for any political leader to ignore. They may force the next mayor to take a more populist approach, perhaps pursuing policies a little less favorable to developers and being a little less cozy with business in general. Even if that doesn't happen, it's apparent that Atlanta is starting to rethink its long-held strategy of growth regardless of cost. "When you have a moment of prosperity, it's a moment of investment," says Mitchell, the city council president. "It's a moment to push the envelope when it comes to moving a city forward, but also when it comes to not leaving people behind."

One Atlanta leader who believes ardently in broader inclusion is Ryan Gravel. While he was in graduate school in the 1990s, Gravel wrote one of the most influential master's theses of all time. He came up with the idea for what would become Atlanta's Beltline, converting 22 miles of disused railroad tracks around the city into green space and walking and bike paths that may eventually also incorporate streetcar lines. Eighteen years after Gravel sketched out the idea, the Beltline is having a transformative effect on the city. The miles that have been completed, on Atlanta's east side, are now packed on weekends and evenings with bikers, joggers and parents pushing strollers.

All along the Beltline, previously neglected neighborhoods are attracting investment, with new offices, shops and condos springing up all over. One area along the Beltline used to be so dangerous that the local grocery store was known as the "murder Kroger." Now a new Kroger is being built at the same spot, as the anchor tenant on the ground floor of an upscale apartment building set for completion next year. Neighborhoods close to the Beltline have become so trendy that real estate agents advertise themselves as "the B-line Broker" or part of "The Beltline Team." What is happening near the trail on the east side of town may happen in dozens of neighborhoods around the city since, as its name suggests, the Beltline surrounds Atlanta. "All the development is good," Gravel says, "cleaning industrial sites and creating opportunities for new business."

But as gratified as he is to see his vision come to life, Gravel isn't completely happy with the effects the Beltline is having. Very few people are. Part of the city's plan was to devote 15 percent of the funds raised for Beltline construction to affordable housing, through the use of a property tax abatement fund. Over the first 25 years of the project, 5,600 affordable housing units were supposed to be constructed. Nothing like that number, or even enough to keep pace with the goal, has been built. Concerned about the lack of attention to this issue, Gravel, along with the head of a local group fighting income inequality in Atlanta, resigned last fall from the board of the partnership that oversees the Beltline. In August, the project's CEO stepped down, also due to complaints about the housing issue.

One of the most popular spots along the Beltline is Ponce City Market, a former Sears warehouse converted into office space, shops and eateries.

From 2011 to 2015, house prices in Atlanta rose 30 percent. A recent Georgia State study showed that property near the Beltline increased an additional 20 percent on top of that. Even if the number of new affordable units was constructed as promised, that wouldn't have done anything about soaring prices for existing units. And nearly all the recent construction in the city has been luxury units. "Most of the city is seeing significant increases in property values and especially rents," says Dan Immergluck, a housing expert at Georgia State. "It's just much worse around the Beltline."

Other parts of the city that are staging comebacks are feeling similar pressures. A nonprofit called the Westside Future Fund, which has received substantial corporate support, is trying to keep residents of four neighborhoods near the new football stadium from being pushed out by new development. Homeowners who are in place this year will receive a major subsidy from the group; all their future increases in property tax rates will be covered. "If you're a homeowner and you're concerned you're not going to be able to afford taxes going up, we've taken that off the table," says John Ahmann, the fund's director. But he quickly notes that only about 8 percent of the people living in the west side neighborhoods are homeowners. And his group's hopes of buying more property to provide affordable housing is a "big lift," he says, in an area where investors can already see dollar signs.

Atlanta must provide opportunities for a "whole new generation" to escape poverty, says City Council President Ceasar Mitchell.

That's the problem with trying to outpace the market. Atlanta's city council last year passed a requirement that developers who receive public incentives create more affordable housing. But once an area gets hot, it's unrealistic to think that developers are going to be drawn to affordable projects that are less profitable than market-rate deals they can make elsewhere. Kwanza Hall oversaw an infill project in his council district that preserved dozens of units as low-cost rentals, but many more were built nearby that charge higher rents. "We've seen an influx of new people in brand-new units that were built by relatively opportunistic developers who were not part of our original planning process," Hall says.

Hall notes that despite its recent growth, the city still has thousands of empty houses and apartments. According to Tim Keane, Atlanta's planning commissioner, the city could accommodate a population of 800,000 just by occupying all the vacant lots and vacant buildings, nearly doubling in size without any redevelopment. Even fitting in 1.2 million people, Atlanta's expected mid-century population, would only make the city as dense as Minneapolis, which is not one of the nation's more crowded cities.

Keane and Gravel have been working on a road map for growth in the city. As might be expected, it promotes values such as equity as part of its framework. The fate of their plan will rest with the new mayor, alongside a city council that will be at least half freshmen following the election. As Keane notes, residents who already find traffic to be a twice-a-day struggle tend to doubt that the city will get better as it gets bigger. But more people are coming. Keane's plan represents an attempt to figure out where they can best fit in, without causing undue disruption. Otherwise, the usual dynamic will apply: Longtime residents will try to thwart growth, especially in hot areas, which will push new arrivals into other neighborhoods that end up struggling with displacement.

Atlanta was built on the idea of newcomers. The city's original name was Terminus, referring to its purpose as a railroad hub, the first usable land south of the Appalachians. Throughout its modern history and the recent decades of growth in the region, it's attracted ambitious people from all over the country. Given Atlanta's increasing prosperity and attractiveness, a much higher percentage of newcomers will settle within the city limits.

Whether Atlanta can accommodate more than a half-million additional people without forcing out longtime residents and working families is the biggest question the city faces. "If the Beltline ends up creating an Atlanta none of us can afford to live in," Gravel says, "we made a mistake." G

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BUDGETING INSIDE THE LINES

FOR THE PAST 25 YEARS, COLORADO'S TAXPAYER BILL OF RIGHTS HAS DEFINED SPENDING IN THE STATE.

BY LIZ FARMER

The blue tag on the streetlight outside Robert Loevy's Colorado Springs home in 2010 didn't signal an upcoming utility project. It was a receipt to show he had paid the $100 to keep his light on for the year. The city was facing a decimating $40 million budget gap and, among many other cuts, it was turning off one-third of its streetlights. That is, unless residents could come up with the money themselves. "I could afford to pay it," Loevy says today, "but I have to think that would have been a stretch for many lower-income people."

Loevy, a retired Colorado College professor, says the lights-out incident—which earned Colorado Springs international infamy that year—is just one of the many instances in which Colorado's Taxpayer Bill of Rights (TABOR) has only benefited those taxpayers who can afford to pay for services out of their own pocket. Loevy has been a vocal critic of the law. As he sees it, "TABOR has had its worst effects on poor people."

TABOR was approved by Colorado voters 25 years ago next month. The constitutional amendment limits the state's year-to-year revenue growth to a formula based on inflation plus the growth in population. If revenues exceed TABOR limits, the money has to be rebated to voters, unless they approve an increase in spending.

Halfway across town, the author of TABOR holds a more cynical view of Colorado Springs' recession-era cuts, which also included shuttering pools, terminating bus service on evenings and weekends and eliminating 550 municipal jobs. The deeply conservative Colorado Springs has its own TABOR that puts even more limitations on the city's property tax rate. To Douglas Bruce, an anti-tax advocate who spearheaded the bill of rights effort in 1992 at the state level, the cuts were nothing more than a "publicity stunt" designed to fuel resentment against TABOR. "It confirmed my belief," Bruce says, "that the people running city government are sadistic bastards."

"No one has had the impact on Colorado politics that Douglas Bruce has had because of TABOR's effect on state and local finances," says Loevy. Indeed, in the two-and-a-half decades that TABOR has been on the books, it's become a lens through which Coloradans see all of state politics. To its defenders, TABOR is a self-fulfilling prophecy: When things go wrong, it reinforces their belief that government spending decisions are better left to the taxpayers. TABOR, they say, is the only thing that has kept Colorado from the spending perils facing other states. To opponents, on the other hand, TABOR is a scapegoat for the many things they'd like to fix in state and local government management, if only they had the funds. TABOR ties policymakers' hands, they say, and it's leaving many Coloradans behind.

The reality lies somewhere in the middle. TABOR is the most restrictive tax measure in the country, but it hasn't caused Colorado to be much of a financial standout—good or bad. When it comes to spending, the state ranks in the middle of the Urban Institute's per-capita measurements for things like education, housing and transportation. The debt transparency organization Truth in Accounting ranks Colorado 20th in the nation in taxpayer debt burden, while the Tax Foundation ranks it 16th for its business tax climate.

Anti-tax advocate Douglas Bruce led the TABOR effort in 1992. "No one has had the impact on Colorado politics" that he has, according to one academic in the state.

To be sure, the amendment has created some weird policymaking scenarios. For example, it has long stalled counties' ability to require insurance and a driver's license to operate all-terrain vehicles on roads. That's because registering the vehicles would have generated a new revenue stream for the motor vehicle administration, meaning the state would have had to make cuts elsewhere or risk coming up against the revenue cap. (Lawmakers solved the dilemma last year by not requiring vehicle registration tags.)

What seems fairly certain is that TABOR has ensconced itself in Colorado politics and isn't going anywhere. Numerous efforts to repeal it have failed, and lawmakers have only managed to alter the growth formula once in the past 25 years. Liberals love to hate it and conservatives wear it like a badge of honor, but TABOR has undoubtedly become an intrinsic part of Colorado politics. It's a product of a unique time in a state that covets its independent, frontier identity. As a former state budget director told *Governing* nearly two decades ago, "If you don't understand the benefits of TABOR, you don't understand Colorado."

Colorado is certainly not alone in the idea that governments' taxing power should have some limits. A total of 14 states require a legislative supermajority and voter approval for new taxes. Six states, including Alaska, South Carolina and Texas, require popular votes to exceed a spending limit. And many state governments impose property tax rate caps upon their localities.

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Some places have gone further. In 1978, California voters approved one of the nation's most restrictive property tax policies, which not only caps the rate, but also sets property values at their 1975 value. Those values can only be reassessed upon a sale or remodel of the home. The constitutional amendment also required a two-thirds majority in both legislative houses for any future tax hikes. Similarly, Colorado in 1982 passed the Gallagher Amendment limiting residential property tax rates. In Michigan, voters in 1978 passed the Headlee Amendment, which ties the state's revenue to just under 10 percent of personal income, requires voter approval for local tax increases and bars the state from imposing unfunded mandates upon its localities. Missouri voters in 1980 passed the Hancock Amendment, which caps the amount of personal income used to fund state government and imposes restrictions on the amount by which fees and taxes can be increased.

Among those states affected by the anti-tax libertarianism that swept through much of the United States in the 1980s and early 1990s, Colorado went further than any other by placing restrictions on state and local revenue and spending. It was the right bill at the right time: In 1992, the fiscal-reform third-party candidate Ross Perot was on the presidential ballot. Perot did particularly well in Colorado, winning over 23 percent of the vote there. It was also the third time Bruce had been able to get TABOR on the ballot, each election result closer than the previous one. Looking back, many people said they should have taken the effort more seriously. "We didn't know what we were getting into," says Sam Mamet, executive director of the Colorado Municipal League.

NUMEROUS ATTEMPTS BY COLORADO LAWMAKERS TO REPEAL TABOR HAVE FAILED, AND ONLY ONE ATTEMPT TO EVEN ALTER ITS FORMULA HAS PASSED IN 25 YEARS.

Over the years, TABOR measures have also made it to the ballot once in Florida, Nebraska, Oregon, Washington and twice in Maine. But none has passed. Critics note that while most of these measures were citizen initiatives, they had the taint of "imported policy" because they were heavily driven by highly influential and deep-pocketed groups like Americans for Prosperity, the conservative Koch brothers' political foundation. Three of the six measures were on the ballot after the 2008 recession led to major service cuts, which the Center on Budget and Policy Priorities' Robb Gray says likely dampened voters' tastes for placing checks on government spending. "Voters had seen their school funding cut, community mental health cut, transportation cut," Gray says. "And TABOR would probably lead to more of that."

Still, such efforts aren't fading away. If anything, says Gray, they have ramped up in recent years as small-government proponents like the Tea Party have gained in power and influence. Two states—Florida and North Carolina—are likely to see a TABOR measure on the ballot next year. But if history is any indication, it would seem that Colorado has been a lesson for voters elsewhere about strictly limiting the choices their elected officials can make. "It's slightly ironic," says William Glasgall, director of the Volcker Alliance's State and Local Program. "This is an honest libertarian movement that sprang up, but it doesn't necessarily let the people decide because it replaces the decision-making process with a rigid formula. Is that democratic?"

There are other ironies that can occur under TABOR. The amendment was born from a distrust of government. But its strictures have in some cases led lawmakers to engage in unorthodox methods of budgeting.

For the past several years, for example, the legislature has been in turmoil over what to do about the state's hospital provider fee. Money from that fee is matched by the federal government to, among other things, expand Medicaid. When the fee was introduced in 2009, it was the middle of the recession and there was little worry that the new revenue would push the state up against its limit. But after the economy recovered, that threat became real. In 2016, the fees netted Colorado more than $700 million in revenue. The state was going to have to make cuts elsewhere—even as it was facing serious demands for more education and transportation funding—to stay under the cap.

The conundrum led to the passage this year of Senate Bill 267, a mammoth bill tailored to address a multitude of interests. The meat of the legislation turns the hospital provider fee into an enterprise fund, thus exempting that money from the TABOR revenue cap. It also makes provisions for a $1.8 billion bond issue for improving state highways and calls for some state agencies to make budget cuts to open up more money for education and transportation investment. And as a subtle way to free up even more space, the bill requires that any future TABOR rebates to taxpayers will first come from the money given back under the state-administered senior homestead exemption and disabled veterans property tax exemption—rebate programs that are already in existence. All told, SB 267 averted a potential $528 million cut in payments to hospitals while putting the state back under the revenue cap with several years of room to grow. TABOR supporters railed against it as an illegal workaround of the state's spending and revenue limits.

SB 267 is a prime example of how TABOR puts lawmakers in a straitjacket, says state Rep. Dan Thurlow, a Republican. "As we sit there and wrestle with the budget contradictions, it almost drives us into the trap of doing things that voters perceive are underhanded and trying to trick them," he says. "It *is* sneaky. But that's the hole we've got ourselves in."

Such budget sneakiness hasn't been as much of an issue at the local level. That's likely because—unlike statewide ballot questions—tax hikes at the local level have been far more successful. Over the past 25 years, proposed tax increases have had a 60

percent success rate, according to data collected by the Colorado Municipal League. Seven out of 10 times, voters have approved a local debt issuance. And a whopping 86 percent of the time, voters have opted to forgo a tax rebate and let their governments keep excess revenue. Colorado government has always been decentralized—it's one of just four states where total local spending is higher than the state's spending. "It has historically been that governments are very close to the people, and taxing and spending is done more at the local level," says Penn Pfiffner, chairman of the TABOR Foundation.

Still, the fend-for-yourself nature of TABOR, critics say, has left poor people behind and created a patchwork of governments tailored to the tastes of only those who can afford to pay for the services they want. "We've lost any notion that we're in this thing together," says Carol Hedges, executive director of the Colorado Fiscal Institute. She points to the inequities in local school district funding and how wealthier districts have approved higher property taxes to supplement state dollars. Case in point: Just east of Boulder, Boulder Valley School District voters have approved an additional $2,236 in per-student funding, according to her data. In Greeley, which hosts three times the number of students on a free or reduced lunch, no additional funding has been approved.

But it's hard to place sole blame on TABOR for a financing system that's primarily based on property values. School finance inequities are rampant across the country, thanks to the fact that wealthier areas generate much more tax revenue for governments to spend on schools than do poor areas. Mamet of the Colorado Municipal League says that TABOR has certainly exacerbated the inequities in Colorado, but he notes that inequality in school finance "is an age-old one that's been around since the state was admitted to the Union."

On a positive note, Pfiffner argues that all this taxpayer permission-seeking has forced state and local governments into better spending transparency. "If you give a legislator money, they spend it," he says. Giving citizens the power to check their lawmakers' spending, he adds, "forces governments to be very clear about how they are going to use their money."

That power has become somewhat of a third rail in Colorado politics over the past 25 years. Multiple state leaders, including the current governor, have called TABOR untouchable. Few efforts to change it—much less repeal it—have gotten off the ground. It has been altered just once, by a 2005 referendum that gave the state a five-year reprieve from TABOR's revenue limits. The approval saved the state from rebating more than $5 billion over that time. The referendum also changed TABOR's formula so that the new revenue cap was measured from the previous year's spending limit, rather than the previous year's revenue collections. The change was designed to help governments more quickly restore service cuts after recessions.

Nonetheless, many believe that more should be done to modernize TABOR for today's economy. Rep. Thurlow calls the current formula "bogus" and, along with Republican state Sen. Larry Crowder, sponsored legislation this year to tie TABOR's formula to personal income growth rather than inflation. Their case that Colorado is not fully capturing its economic growth is convincing. Since 1992, the state's general fund revenue has gone from collecting 4.9 percent of personal income to 3.9 percent. Colorado also ranks 41st in the Tax Foundation's revenue-per-capita measurement. The Volcker Alliance's Glasgall agrees that the formula is "unrealistic," noting that tying the government's spending to a consumer price index is misleading because governments don't spend their money on the same things consumers do. But after passing the House, Thurlow and Crowder's bill languished in a Senate committee.

THE FEND-FOR-YOURSELF NATURE OF TABOR, CRITICS SAY, HAS LEFT POOR PEOPLE BEHIND AND CREATED A PATCHWORK OF GOVERNMENTS TAILORED TO THE TASTES OF ONLY THOSE WHO CAN AFFORD TO PAY FOR THE SERVICES THEY WANT.

With the passage of SB 267, however, the pressure is off for the moment. Thurlow says he is undecided about whether he will attempt a TABOR formula change next year or wait until things become more urgent. That might be because, after the dust settles, Colorado's problems look a lot like those of other states. Mandated spending on things like Medicaid and prisons is crowding out other areas of the budget. At the local level, extreme variance in property tax collection has exacerbated inequities and contributed to the rural-urban divide.

There's no debate that TABOR has been challenging. Yet policymakers have still found ways to create growth. Since 1992, the state's general revenue has doubled, when taking inflation into account. Local revenue has increased by 84 percent. That's almost identical to neighboring Utah, which has no law like TABOR. In both states, population has increased by more than half while economic growth has also far outpaced the national average.

To be sure, TABOR is a tool that continues to keep government spending in check. But, given Colorado's political history and bipartisan legislature, it's hard to say whether the 1992 amendment should get all the credit. And after 25 years, even TABOR's critics are resigned to the idea that it's here to stay. "You've got to be a realist," says Mamet. "How many times can you bang your head against the wall?" G

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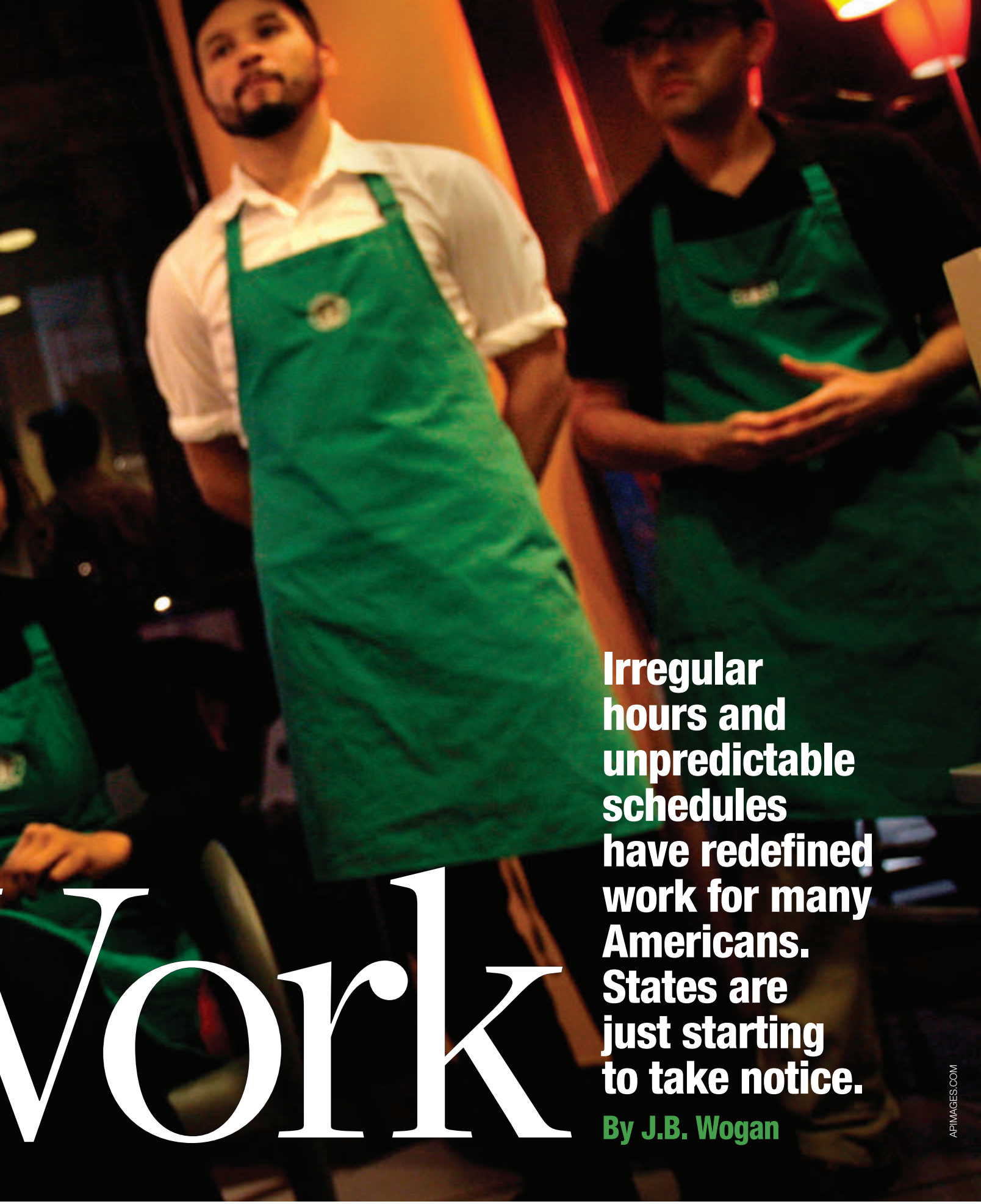
Employees at many retail and food-service companies, like Starbucks, can face fluctuating schedules and uncertain work hours.

The New W



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Work

Irregular hours and unpredictable schedules have redefined work for many Americans. States are just starting to take notice.

By J.B. Wogan

If you're an hourly employee in most parts of the country, there's a good chance you don't know when you're working next week. The boss can call you in at the last minute during busy shifts or send you home early when business is slow. If you show up and there's not much to do, he doesn't have to pay you. To get a full 40 hours, you might need to pick up consecutive closing and opening shifts, even if that means only a few hours of rest in between.

Every year, millions of American workers enter a gray zone between unemployment and a traditional, stable 9-to-5 job. Wingham Rowan calls them "irregular workers." In a recent report for the Annie E. Casey Foundation, Rowan defined irregulars as those who work outside the home with no contractual expectation of regular hours or income. "This is still an under-the-radar issue," he says. "It's not reflected in the official data, but indicator after indicator says [more] people are beginning to work irregularly."

Though irregular work has implications across all levels of government, state and local workforce development boards may be the most affected. These boards, which receive federal, state and local funding, match job seekers with employers and training. But the boards are oriented around full-time positions with a single employer. If a large number of employment opportunities don't fit that paradigm, workforce boards can have a hard time functioning.

Several years ago, a workforce board director in Long Beach, Calif., Nick Schultz, commissioned a local labor market study. Schultz was worried about the impact of a Boeing plant closure that would affect nearly 2,000 employees; he hoped the study would provide a road map for matching in-demand jobs with recently laid-off residents. But the study's most significant finding wasn't in the official data on occupations and wages. "It became apparent to us," Schultz says, "that there were just a lot of folks, based on cost of living, who couldn't possibly be making it with their payroll job on the record." His agency concluded that more than a quarter of local workers earned money from temporary part-time jobs—often multiple arrangements simultaneously—that weren't captured in the official employment data. In some cases, people were also earning unreported income.

1/3

of U.S. workers aren't in traditional permanent jobs.

Just knowing that information makes Long Beach an exception. Most places have no idea how big a chunk of their local workforce is participating in irregular work. At the moment, analysts such as Rowan are cobbling together statistics from government and nonprofit surveys that point to a rapidly growing nontraditional workforce, even if the exact labels and figures don't always line up.

About one-third of U.S. workers are not in permanent jobs with a traditional employer-employee relationship, according to the U.S. Government Accountability Office. The Rand Corp. estimates the number of "contingent" workers to be lower, at about 16 percent, but that's up from 10 percent in 2005. Perhaps most provocatively, Rand's research suggests that all of the net growth in the nation's jobs during the previous decade came from contingent work arrangements.

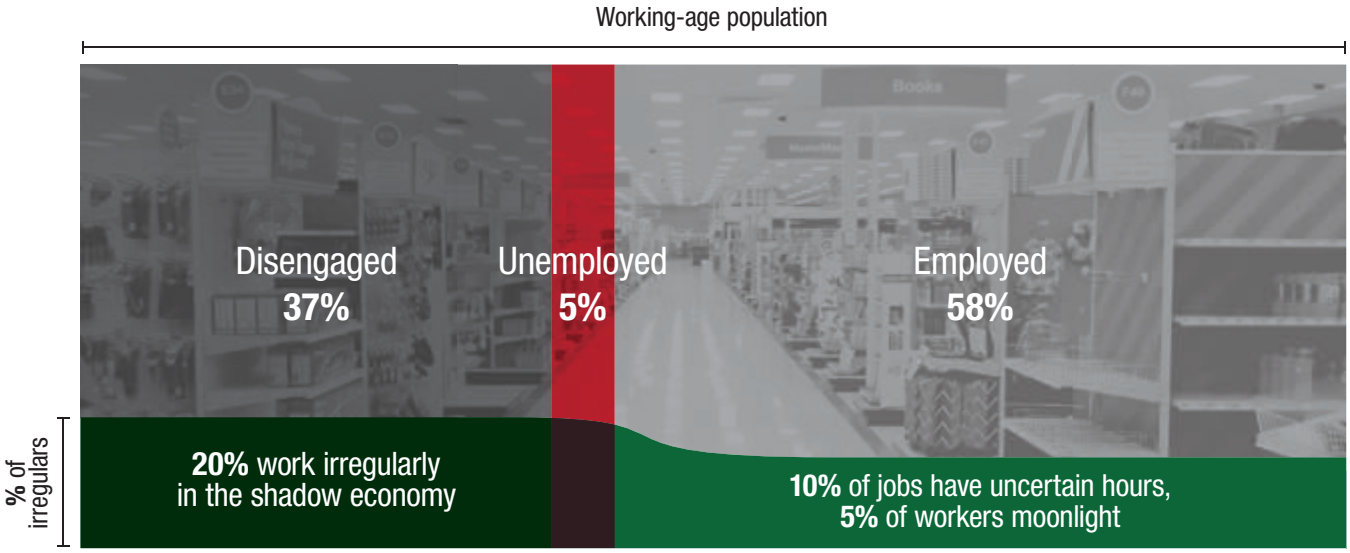
Those contingent jobs often involve schedules that change from week to week, or day to day, but "the irregularity is creeping into a lot of regular jobs, too," says Lonnie Golden, an economist at Penn State University. "If you're a restaurant worker, you used to be able to get a week or two of advance notice. Now you might get a day or two." In a report for the Economic Policy Institute, Golden found that about 17 percent of hourly workers have "unstable work shift schedules," which includes rotating, on-call and irregular shifts. Even more people, roughly 41 percent of hourly workers, receive their schedules no more than a week in advance, according to the U.S. Bureau of Labor Statistics.

The gig economy, based on Uber, TaskRabbit, Postmates and countless other platforms, represents one small slice of the new irregular marketplace. But legacy retail and fast-food companies are a bigger source of these unpredictable part-time positions. Using ever-smarter computer systems, managers can now schedule and summon workers based on fluctuating demand for staffing on a daily, if not hourly, basis. Though proponents of irregular work tout its flexibility and potential to maximize staffing efficiency, it's hard to deny the cost to workers. Three years ago, *The New York Times* profiled a single mother working at Starbucks who had to juggle child care, bus travel and unpredictable shifts, which never reached 40 hours and fluctuated on a weekly basis. Starbucks wasn't alone. The *Times* coverage pointed to a more widespread problem across many U.S. chains. Companies send workers home when sales are slow and ask workers to be on-call or have "open availability" in case they're needed to come in unexpectedly.

Besides unpredictable schedules, irregular work usually comes without the benefits typically associated with a traditional job. At tech startups, workers are often subject to arbitrary and unexpected pay cuts to boost the company profits. Investors can also bring the company's existence to an abrupt end, creating an even more traumatic situation for part-time workers.

Rowan's report on irregular work, which gathered data from 25 workforce boards across the U.S., suggests that workforce directors aren't sure what role they should play, if any, in matching job seekers with these kinds of jobs. Federal law sets performance targets for state and local boards based on job placement, job retention and gains in both skills and earnings. Their data collection systems are equipped to handle a laid-off manufacturing worker looking to change careers, but not an Uber driver who just got kicked off the app. "Most of our policies are not applicable to a gig economy conversation," says Sarah Blusiewicz, an assistant director in Rhode Island's Division of Workforce Development Services.

The Rising Tide of Irregular Employment



Millions of Americans work in a gray zone between unemployment and a traditional 9-to-5 job.

SOURCE: Annie E. Casey Foundation

"It is something that everyone is grappling with at a national level."

One proponent of government matching job seekers with irregular work is Lael Brainard, a member of the Federal Reserve Board of Governors. At a conference last year on the evolution of work, Brainard said that the wide availability of nontraditional jobs might soften the blow of a future recession, giving laid-off workers temporary ways to make money. Even now, with unemployment at its lowest point in more than a decade, she believes remaining job seekers could benefit from temporary, part-time work that doesn't require advanced skills or an extensive work history. At the same time, Brainard says, policymakers have to find ways of protecting the irregulars, either through financial savings vehicles or portable benefits, when the companies fail to provide them.

Labor rights advocates insist that low-skill job seekers are taking irregular jobs not because they want them, but because they lack access to stable, higher-paying positions. One recent study found that 37 percent of freelancers pursued contingent work out of necessity, not choice. That's a concern for Maria Flynn, executive director of Jobs for the Future, a national nonprofit focused on the economic opportunities of low-income young people. "As the nature of work continues to change," Flynn says, "how do we ensure that workers who are already being left behind don't become even more left behind?"

Some governments are beginning to protect the welfare of irregular workers. One way to do that is to pass so-called fair scheduling acts, laws requiring employers to provide more predictable hours for part-time employees, or foot the bill when they don't. One of the latest cities to do so is Seattle. Last year, about 30 percent of surveyed workers in Seattle indicated that scheduling created hardships for them. About the same percentage said they worked exhausting "clopening" shifts, where they would close and then open the store, often because it was the only way to get enough hours at their primary job.

Based on the survey's findings, the city passed a "Secure Scheduling" ordinance, which requires retail and fast-food establishments above a certain size to post schedules two weeks in advance and pay workers extra if they have to pick up or lose hours after the schedule has been set. The measure still lets employees pick up hours and swap shifts, but in those situations, they initiate the schedule changes, not the employer. City Councilmember Lisa Herbold, a co-sponsor, says her concern is that innovations in scheduling technology might worsen working conditions in the absence of regulation. "I don't want the brave new world of the gig economy to turn into a dystopian future," she says, "where a large portion of our workforce is sitting at computers, competing against hundreds of people for the privilege of getting an hour-long shift."

In recent years, a dozen states and a few cities have passed some kind of worker protections around scheduling. In June, the Oregon Legislature enacted what is considered the most comprehensive statewide fair scheduling law. The law affects retail, food service and hospitality companies with at least 500 employees worldwide. In addition to requiring two weeks of advanced notice on schedules, Oregon now requires "reporting pay," meaning companies have to pay employees who report to work as scheduled but get sent home before completing their shifts. The law provides a right to rest between consecutive shifts and a right to express scheduling preferences without retaliation from the employer.

Fair scheduling is one of a series of recent worker protection ideas embraced by the political left. Since the recession, states and localities controlled by Democratic administrations have enacted

BACKGROUND IMAGE: FLICKR/MIKE MOZART

higher minimum wages, guaranteed paid sick days and penalties for refusing to compensate overtime work. "At its core, it's about pay not keeping up with aspirations, with expectations, with inflation," says Golden, the Penn State economist. Irregular scheduling also means irregular pay, which is something labor advocates are trying to address through the scheduling acts. But the laws are also about giving workers more control over their time. Or, as Golden puts it, "who gets to determine when you work?"

Localities are looking to enact other kinds of labor protections for people engaged in nontraditional work. In May, for example, New York City passed the Freelance Isn't Free Act, which requires hiring parties to pay freelancers within 30 days of when work is completed. The law is supposed to address late payments and nonpayments, which—along with unpredictable hours—are common complaints among contingent workers.

But increased regulation is the wrong policy response, say Rowan and others. Some economists theorize that many American workers migrated to an underground economy during the last recession and, thanks to the weak recovery, are still resorting to off-the-books work. Strict schedule rules might accelerate that trend. "The danger," Rowan says, "is that you make hiring for cash under the table more and more attractive by putting these constraints on employers."

At the same time that fair scheduling is being advanced in some states, others are rolling protections back. Georgia, Iowa, Arkansas and Tennessee already have laws on the books blocking any attempt by their local governments to pass rules around predictable scheduling. Allison Gerber, a senior fellow with the Casey Foundation, worries that a new wave of local regulations around scheduling will only invite a backlash of state preemption laws, as has happened with minimum wage laws in recent years.

One alternative to fair scheduling laws is the creation of a new public online marketplace, an idea put forward in the Casey Foundation report. Online job banks run by workforce development boards already exist in most states, but they generally lack the capacity to respond to immediate demands for short-term work. More sophisticated marketplaces could empower job seekers by giving them a single place to look for work across many irregular, part-time opportunities. Workers could quickly compare their options at a given time and pick what's best for them. Employers could select the best candidates based on when workers were available and what skills or credentials they have. While workforce board counselors wouldn't want to send everybody to jobs with unpredictable hours and no benefits, "the answer is about fit," Gerber says. "Some folks need to build a work history, so this might be the right opportunity now."

41%

of hourly workers don't know their schedule more than a week in advance.

Workforce boards are not getting much encouragement from the federal government. Two years ago, when Congress replaced the law that funds workforce boards across the country, it tied funding to performance targets designed around traditional full-time work with a single employer. When local boards match more job seekers with a steady flow of irregular positions, even if the aggregate work reaches 40 hours a week, they're unlikely to get credit under federal reporting requirements.

Nonetheless, one place has decided to take the plunge: Long Beach. The city's workforce board this month will launch a year-long effort to collect information on irregular workers and their employers. Schultz, the director in Long Beach, hopes it will help him establish the first local public marketplace for irregular and gig work in the United States. Several philanthropic groups, including the Casey Foundation, are funding the experiment. A handful of workforce directors in other parts of California, as well as several states, are in regular conversations with Long Beach about the project, and how it might provide a template for other public marketplaces. "We're not the only people thinking about it," Schultz says. "They're watching closely." G

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FLICKR/STEPHEN DOWNES

As scheduling technology has improved, employers like Target can summon or dismiss employees based on fluctuating demand.

SNEAK PEEK:
GENERAL SESSION SPEAKERS

(at time of printing)

Simon T. Bailey
CEO
Simon T. Bailey International

Monday, October 22

OPENING KEYNOTE ADDRESS:
Leadership Brilliance: Breaking the Sound Barrier of Your Organization

Etay Maor
Senior Fraud Prevention Strategist, IBM Security

Tuesday, October 23

GENERAL SESSION:
Getting into the Mind of a Cybercriminal

Robbie K. Melton, PhD
Associate Vice Chancellor of Mobilization Emerging Technology for Tennessee Board of Regents

Tuesday, October 23

GENERAL SESSION:
Innovations of Smart Emerging IOE Mobile Technologies for Global Digital Equity Transformation

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The Overworked Cop

Police overtime and long hours of off-duty work come with alarming consequences.

Fatigue is bad for any work environment. But for police, the stakes are much higher. Officers have to respond to late-night calls, make split-second decisions and de-escalate tense situations—sometimes in the middle of a 16-hour shift.

A small but growing body of research links long hours and officer fatigue to a host of public safety issues. Fatigue may do more than affect the way officers perform routine tasks such as maneuvering a patrol car—recent evidence suggests it can influence their ability to exercise good judgment. Yet many law enforcement agencies maintain lax policies governing just how long officers can work, and some fail to track extra hours at all. Only a third of law enforcement agencies in the most recent federal Law Enforcement Management and Administrative Statistics survey reported limiting how many overtime hours sworn personnel could work, and barely half placed a ceiling on off-duty employment. That's a big problem, says Karen Amendola, the Police Foundation's chief behavioral scientist. "If you put a lot of tired cops into a very sensitive situation, a lot could go wrong."

Fatigue's effects are most prominent in routine situations that otherwise aren't stressful for police, according to Lois James of Washington State University, who studies sleep deprivation and policing. "From an officer safety perspective, there are serious consequences of fatigue," James says. One such result might be impaired performance while driving late at night. But researchers at Washington State also found that inadequate sleep may heighten pre-existing implicit biases. They monitored the sleep of 80 police officers and presented them with a series of tests. Officers who slept less were significantly more likely to associate African-Americans with weapons.

A study of the Phoenix Police Department, published in *Police Quarterly*, compared officers working 10-hour shifts with those who worked more than 13 hours. Longer shifts didn't result in fewer arrests or field interrogations, nor did they hinder pass rates on shooting tests. But the number of complaints made against those in the 13-hour group was significantly higher than for the 10-hour officers.

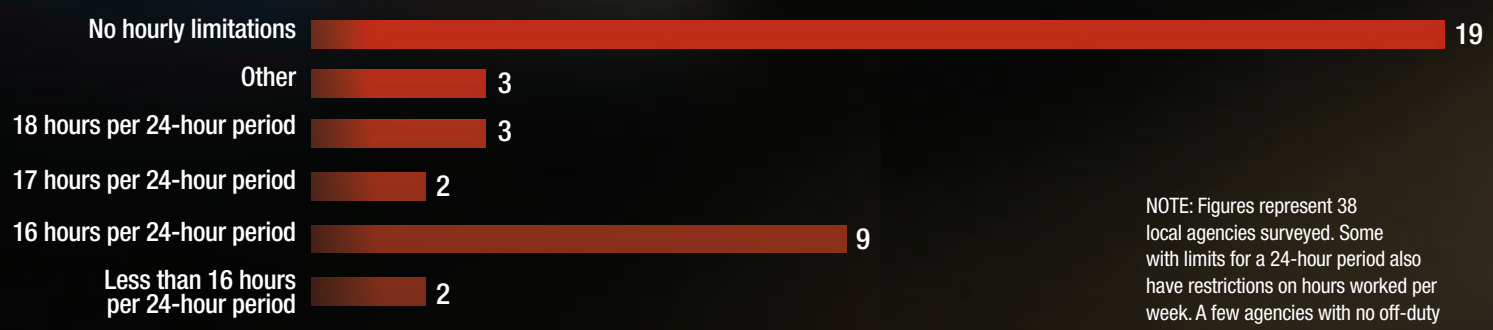
A recent audit of the King County, Wash., Sheriff's Office further associated overtime with a litany of personnel problems. Working only one additional hour of overtime per week increased the chances that an officer would be involved in a use-of-force incident the following week by 2.7 percent, and increased the odds of ethics violations by 3.1 percent.

These issues certainly aren't unique to police—a large body of research has noted that safety risks and health problems are worsened by long working hours for truck drivers, pilots and other professions.

But current pressures mean some police officers are working increasingly longer hours. Some agencies face staffing shortages resulting from budget cuts or baby boomer retirements. An audit of the San Jose, Calif., Police Department, for example, found average officer overtime

Few Limits on Hours

One recent study found half of local law enforcement agencies don't limit how many hours officers work on- and off-duty.



SOURCE: Stoughton, Seth W., "Moonlighting: The Private Employment of Off-Duty Officers." *University of Illinois Law Review*

NOTE: Figures represent 38 local agencies surveyed. Some with limits for a 24-hour period also have restrictions on hours worked per week. A few agencies with no off-duty limits have adopted restrictions for hours worked on duty.

By Mike Maciag

had doubled since 2008 as the agency struggled to fill vacancies. Additionally, a large number of law enforcement agencies have received funding allocated for overtime to combat the opioid epidemic.

Scheduled shifts are lengthening, too. Police Foundation surveys suggest most departments still utilize eight-hour shifts, but more are moving to longer ones. A study by the group found that 10-hour shifts yielded the highest quality of work life, and officers slept a half hour longer than those on eight-hour shifts. But police on 12-hour shifts were shown to be sleepy on the job, with lower levels of alertness.

Some overtime work is unavoidable. Officers need to make off-duty court appearances, complete arrests late in their shifts, fill in to cover absences or assist with crowd control. But the extra hours aren't usually distributed evenly among the entire workforce. News reports frequently single out individual officers who've accumulated staggering amounts of overtime, sometimes more than doubling their salaries.

Overtime restrictions that do exist are often lenient—some departments allow 18 work hours over a 24-hour period. Many don't even monitor overtime at all. Amendola of the Police Foundation recommends that law enforcement agencies limit officers to no more than 14 hours per day and mandate rest periods between long shifts. "The policies are generally about what unions want or what agencies want, but it's not based on science," she says. Another recommendation from a National Institute of Justice-funded study calls for agencies to incorporate officers' input into shift scheduling. Older officers in particular have been found to be less fatigued when they're able to choose their own shifts.

Off-duty employment can take a further toll on officers, but most police departments don't track basic information about that either, says Seth Stoughton, a University of South Carolina law professor and former police officer who recently surveyed departments' practices. Most departments permit police to work for private employers in a law enforcement capacity, which provides them additional income at a rate often exceeding what they're paid as public employees. Half the local departments Stoughton reviewed, though, lacked any limits on how many hours officers could work on- and off-duty. And of those with policies, few restricted officers to less than 16 hours a day. "It's very easy for agencies to underestimate the risk of officers working long hours," Stoughton says.

There are no state or federal mandates regarding police work length, and police associations mostly haven't adopted model policies. Part of that likely stems from different needs and capabilities of departments, as smaller ones with fewer officers may find it more difficult to fill shift absences without imposing significant overtime. In any case, unions generally oppose restrictions on hours worked. (The Fraternal Order of Police did not respond to requests for comment on this issue.)

Dangers are especially apparent for cops working graveyard shifts. A few years ago, in Henderson, Nev., police officers crashed their patrol cars in three separate overnight accidents during a relatively short period. That prompted Wade Seekatz, now a captain with the department, to explore potential solutions. The result was four quiet rooms scattered around the city, outfitted with hand-me-down recliners from the fire department, where officers are permitted to nap on their lunch breaks. (They are required to keep their cellphones turned on.)

"We expect officers to come to work rested and prepared," Seekatz says. "But there are those times outside of our control when they hit a wall." The rooms afford officers some privacy and may prevent the kind of adverse publicity that the Richmond, Ind., police department saw earlier this year when photos of a pair of officers sleeping in their cruiser went viral on social media. "If you have a 24-hour operation, then you have officers who are sleeping on duty," Seekatz says. "They're human beings." G

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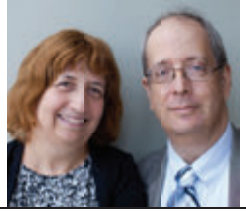
DAVID KIDD



By Katherine Barrett and Richard Greene

Governing's 30th Anniversary

Managing Expectations for 2047

Here are the five trends we predict will unfold over the next three decades.

We're nearly at the 20-year mark in writing *Governing*'s management column, which means we can lay claim to the longest continuously written column in the publication. As *Governing* celebrates its 30th anniversary, we can't help but reflect that the first articles we wrote about state and local government predate this magazine. They were originally published in *Forbes* magazine 35 years ago.

Given that—and the vast variety of management topics we've covered over the past three decades—we thought, by way of celebration, it would be fun to write five predictions for the next 30 years. So, without further ado, let's get started.

Pension problems will take a backseat. Many of the concerns about the relationship between the number of working Americans and those who are dependent on their incomes is going to cease being front-page news. The U.S. Department of Commerce tells us that by about 2030 the over-65 population is going to level off at about 38 percent of the total population.

What will that mean? Although 38 percent may still be challenging, the problems aren't going to get worse. Dramatic shifts in state, local and federal management that are forced by the so-called aging population could easily become a backburner item before the children born today graduate from high school.

Bye-bye, balanced budgets. Since the notion of balanced budgets in the states is a fallacy—budgets are generally only in true balance for a matter of months, weeks or even days—we believe that the varying requirements for balanced budgets are going to disappear as years pass.

What will that mean? The idea of fiscal stability is going to be almost entirely replaced with "fiscal sustainability." The emphasis on crafting a budget that is mathematically in balance every year will fall by the wayside in favor of budgets that function in ways that allow money to be easily moved to future years when there's an economic boom. States won't have to make dramatic programmatic cuts if facing a year where revenues appear to be headed downward.

London bridge will fall down. For years, we've been bemoaning that states and localities have allowed their infrastructure to go unmaintained. This has become such a commonplace fact that you barely ever hear the word "infrastructure" when it's not preceded by the word "crumbling." (Much like forest fires are always raging.) Notwithstanding whatever comes out of President Trump's commitment to invest in infrastructure, we think this phenomenon is going to recede into memory—and not in a good way. At some point, water pipes will be leaking at such a rate that, unfixed, cholera outbreaks could return just like in the bad, old days of London.

What will that mean? Whether it's increasingly unsafe roads and bridges or faulty water pipes, real human lives will be at stake. There are few things to focus a legislature's attention better than a growing number of deaths that could have been prevented. One or two bridge collapses don't do the trick, of course, but when the headlines are full of tragedy, representatives act.

Cyberattacks will cost more than just dollars. State and local governments' concern about cybersecurity is very real today. The worries are fundamentally about such high-profile challenges as preventing identity theft, securing data and fighting off ransomware. Although IT departments are dedicated to forestalling breaches of public-sector computer systems, we don't see a great deal of agitation among many elected officials. In the last set of State of the State addresses, for example, only five governors spoke specifically about cybersecurity, and two of those were mostly concerned with the economic development benefits that could come with attracting firms that work in that sector. We believe that it's inevitable that breaches of the computer systems that run the nation's support systems—health care and infrastructure, to name a

Today's infrastructure will almost certainly deteriorate further in the next three decades.

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couple—will inevitably cost lives. That will matter a whole lot more to public officials than a bunch of Social Security numbers run afoul.

What will that mean? There will, for example, come to pass a time when a successful cyberattack could shut down security systems in prisons and jails or cease the smooth functioning of city stoplight systems that protect us from accidents. When those kinds of things happen, you'll hear a whole lot more governors dedicate their next term to preventing such problems.

All good things eventually come to an end. This last one may make you sad. It certainly gives us a case of the blues. But we predict, with clear mind and body, that we'll no longer be writing this column in 30 years. We hope you'll miss us.

We've put a fair amount of thinking into these predictions and are confident that we haven't missed the mark. In any case, we really like the idea of making long-term predictions, instead of reporting on something that happened last week. After all, nobody can prove us wrong until long after this piece is published. This is a similar advantage to the one enjoyed by the women who work in small storefronts in urban centers, peering into crystal balls and telling people that they're going to come into a great deal of money, someday. G

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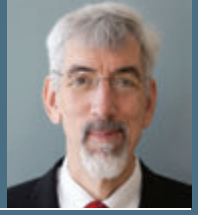

By Mark Funkhouser

Why Our Policing Is So Ineffective

Racism results in misdirected resources. Technology could help.

Only about 13 percent of burglaries in the United States ended in arrests in 2015, according to the FBI. The clearance rates for more serious crimes were low as well: 20 percent for arson, 38 percent for rape, 54 percent for aggravated assault and 62 percent for homicide. Statistically speaking, your chances of getting away with murder are better than 1 in 3.

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Policing in America is a huge and expensive enterprise that clearly isn't very effective, and I think a big part of the reason is the misdirection of resources resulting from racialized policing. Two provocative papers by Bennett Capers, a professor at Brooklyn Law School and a former federal prosecutor, convinced me of that. Capers uses both statistics and his own experience as a black man and prosecutor to make a compelling case both for how pervasively racialized our policing is and for how we might use technology to de-racialize it.

Paradoxically, Capers writes, the principal problem for people of color when it comes to serious crime is not over-enforcement but under-enforcement. "The best way to counter that problem," he writes, "is by first addressing racial profiling tactics so that resources can be directed to tackle actual crime." He cites the New York Police Department's aggressive stop-and-frisk tactics, whose stated objective is to get illegal firearms off the street. According to the NYPD's own data, police find just one firearm in every 1,000 of these stops, and blacks stopped by police are actually less likely to have a weapon than whites stopped.

It's hard to know the magnitude of the resources misdirected because of racialized policing. But the case of Philando Castile, the black man who had been pulled over by police 49 times prior to the traffic stop in which he was killed by an officer in a St. Paul, Minn., suburb, gives us reason to believe it is huge.

Capers describes three uses of technology to improve policing while decreasing its racial bias: more public surveillance cameras, increased use of facial recognition technology and equipping police with so-called terahertz laser scanners, small devices that can detect concealed firearms. He recognizes the pushback that will come from these ideas, acknowledging that "all of this may sound precariously close to George Orwell's Big Brother [in *1984*]." But he makes a forceful case that it can help to de-racialize policing. "After all," he notes, "cameras and terahertz scanners do not have implicit biases."

Our racialized system of policing is not just morally repugnant. It is appallingly ineffective. In a paper published two decades ago, the British Society of Criminology found that reallocating resources for solving burglaries could produce a clearance rate approaching 50 percent. If we could get from 13 to 50 percent for burglaries, imagine what we could do with more serious crimes and how much safer our communities would be. G

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By Tod Newcombe

Governing's 30th Anniversary

30 Years of Disruption

Technology evolves rapidly, but that's not always true for states and localities.

Over the course of three decades, I've written extensively about government technology. While the technologies themselves have gotten faster, and cheaper, leading to some remarkable innovations and disrupting entire industries, change has been a lot slower in state and local government. But that's not necessarily a bad thing: One of government's essential roles is to enable entrepreneurship and let the private sector develop best practices. Indeed, the three biggest evolutions in government technology over the past 30 years bear that out.

When *Governing* started publishing in 1987, the era of decentralized computing was about to begin. That year, state and local governments were still firmly in the mainframe computing camp, using big iron primarily to collect, sort and file data for the big government programs of the day, including Medicaid and unemployment insurance. But in the private sector, mainframes were on the way out.

Companies were replacing mainframes with personal computers, which were a lot cheaper. The lower costs enabled states and localities to build systems capable of tackling more specific programs and processes, such as document management or city permitting. But running and managing so much more technology became complicated. Governments needed someone who could take charge of the different types of computers, networks and storage devices and keep everything up to date and connected.

The rise of the chief information officer in the 1990s coincided with the rise of the internet, which brought us email, websites and more information than we knew what to do with. The era of e-government was underway, and some savvy CIOs saw an opportunity to begin delivering government services digitally. The battle cry was, "Services online, not in line." The goal was to allow citizens to conduct business on government websites, and if there was a fee, pay it online too.

E-government would go on to save millions in labor costs, but its adoption was slower than anticipated. CIOs were able to demonstrate the functionality of digital services, but they couldn't make agencies implement them. One big reason: What CIOs saw as labor-saving automation, agencies and their workers viewed as job-killing technology.

The advent of the smartphone, though, forced many of these agencies to get on board. Mobile devices changed citizens' expectations: They wanted to engage with government through their phones. The rise of smartphones a decade ago coincided with the beginning of a new era of open government. The advances of the e-government era enabled states and localities to introduce loads of new services and, as a result, collect massive amounts of data. Thanks to public demand, governments started sharing that data with citizens. The trend has spawned a wave of startup companies that have taken this wealth of data and created third-party government services. Social media has also helped the open government era to grow, making the public sector more accessible and more accountable.

These three evolutions have brought government technology to an interesting but extremely challenging point in time. Step into a government IT shop today and you'll still find mainframe computers dating back to 1987 and clunky personal computers from the 1990s. Many governments are running on old, outdated systems, making them vulnerable to cyberattacks.

But in that same IT shop today, you're just as likely to find an experiment involving artificial intelligence or driverless cars or next-generation cloud services. In the next 30 years, those technologies and others will continue to disrupt the way governments deliver services to citizens. Since government CIOs came along, states and localities have shown an ability to become more nimble in adopting and responding to technological shifts. Over the three decades to come, they'll have to do all that and more. G

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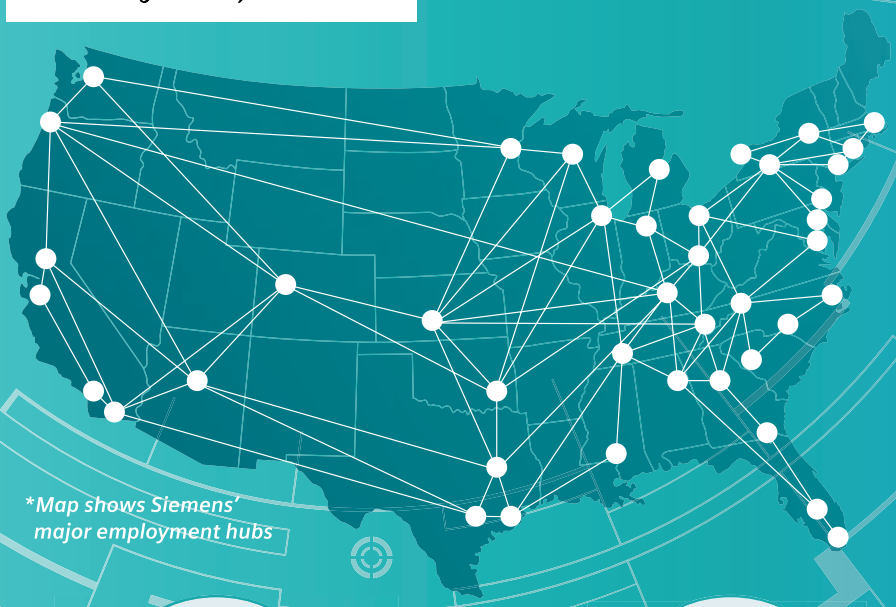

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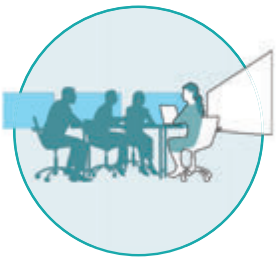

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By Justin Marlowe

Governing's 30th Anniversary

Reversal of Fortunes

Local income taxes were once blamed for causing businesses to flee to the suburbs.

For the past 30 years, local government finance has revolved around a simple, controversial idea known as the "suburban exploitation thesis." As the theory goes, suburbs have prospered at the expense of central cities. They've stolen taxpayers and businesses, and left behind hollowed-out shells of once-great communities. They benefit from unique central city amenities like parks, museums, universities and downtown business districts, but contribute nothing in exchange.

Of course, suburbanites see it differently. They pay a bevy of taxes and fees to regional entities for transit, airports, sports stadiums and other infrastructure that mostly serves central cities. And that's to say nothing about state and federal policies that redistribute resources—some of it coming from their pockets—toward struggling central cities.

The front line of this conflict has often been local income taxes. But now, for the first time in three decades, those battle lines are shifting.

Let's take a quick look at the numbers. Roughly 1 in 7 local governments levies a tax on income earned within their boundaries. Sometimes the tax applies to income earned within the city limits. Sometimes employers pay it based on their number of employees (also known as a "head tax" or "commuter tax"). Sometimes it applies to income earned by city residents regardless of where they work. Local income taxes are designed to ensure that those who use city services, whether they live there or not, pay for those services.

The argument opponents of the tax make is that local income taxes have hastened the demise of central cities. Businesses are mobile and can easily relocate someplace without a local income tax. Moreover, cities have offered generous local income tax abatements and exemptions to keep employers within their borders. All this adds up to a vicious cycle where a tax meant to preserve and protect central cities has driven away jobs or lowered tax revenues. For evidence, opponents say, look no further than Cleveland, Detroit, Kansas City, Mo., and Philadelphia. All saw a huge outmigration of jobs roughly 30 years ago, shortly after they imposed a local income tax designed to keep jobs within their borders.

Yet local income taxes persist. In fact, they're more popular than ever. Last year, voters in Kansas City and St. Louis overwhelmingly approved measures to renew their local income taxes. The Seattle City Council recently passed an income tax on the "One Percent" of residents who earn more than a half-million dollars annually. It's also considering a modified commuter tax to fund badly needed investments in local transportation infrastructure. Los Angeles and San Francisco have both floated proposals for a local "millionaire's tax" to fund homeless services. Columbus, Ohio, is one of several cities to retool its local income tax rather than get rid of it. The city used a system of credits and differential rates to make their tax fairer by ensuring residents pay only slightly more than nonresidents.

Meanwhile, as my colleague Scott Allard points out in his new book *Places in Need: The Changing Geography of Poverty*, there are more poor people living in suburbs today than in cities. What's worse is that suburbs don't have the government and nonprofit infrastructure to deliver assistance to those in need. Without the appropriate fiscal policy tools, suburbs will continue to struggle just as central cities did 30 years ago.

In other words, in many regions today we're seeing the suburban exploitation thesis in reverse. Talent and capital are flowing back into central cities and leaving behind their suburban neighbors. That's also why it's no surprise that an unpopular tax like the local income tax is back in vogue. If the future is in cities, then the local income tax might become the go-to tax for the next 30 years. G

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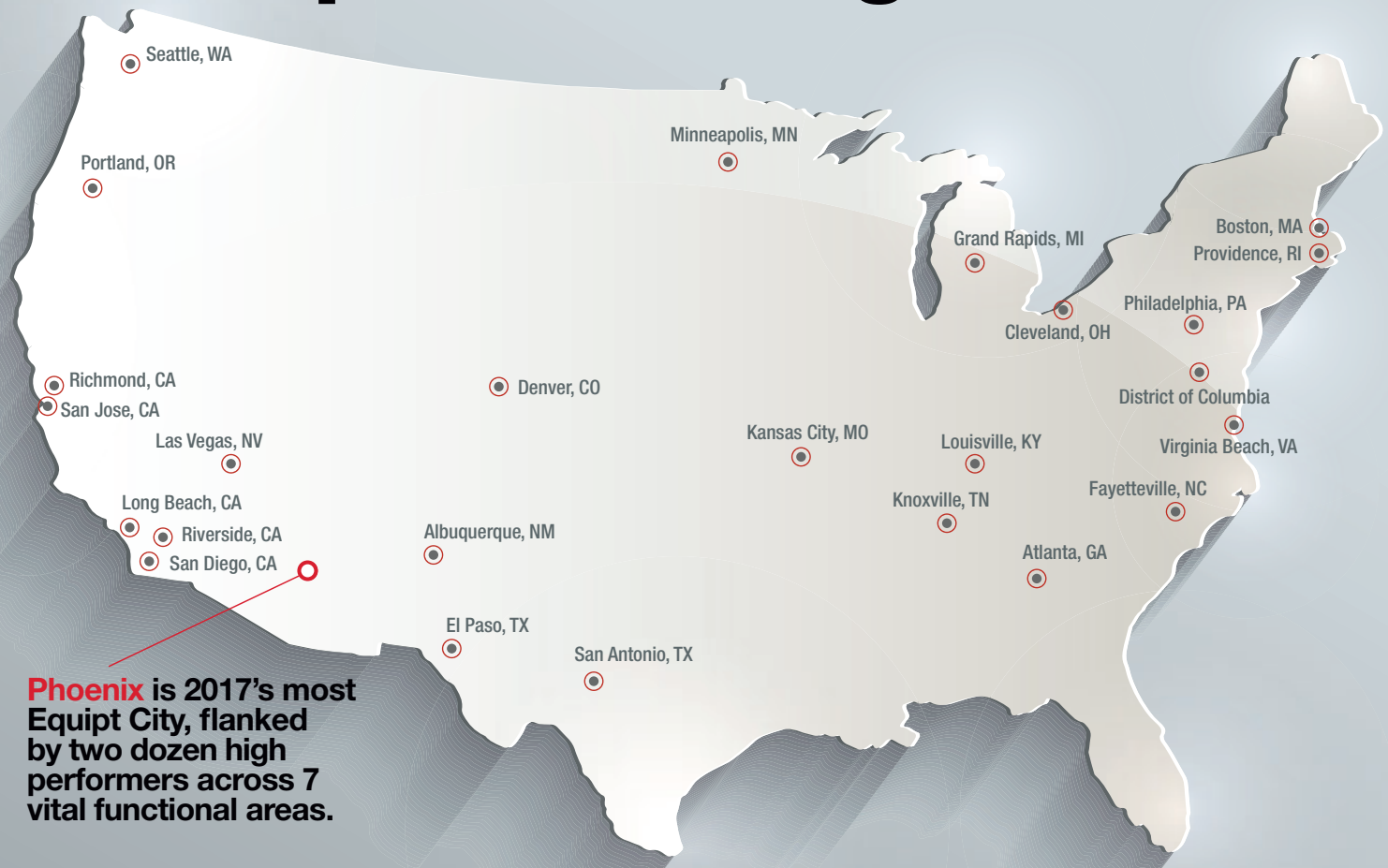
Last Look

DAVID KIDD

Reno, Nev., is the self-proclaimed "Biggest Little City in the World." Drive downtown and the slogan is hard to miss: It appears in bright neon lights on the Reno Arch that spans Virginia Street. But the arch that stands today is not the original one. That can be found a few blocks south on Lake Street (above), restored to its 1920s glory. The arch was initially built to promote the 1927 Nevada Transcontinental Highway Exposition. But when the exposition ended, the city was stuck with a steel arch announcing an event that had come and gone. So city leaders held a contest to replace the exposition name and dates with a city slogan. The sign was replaced in 1963 with something more modern and eventually moved to a storage yard where it languished until 1994 when a movie company needed it as a prop. The resurrected sign was such a hit that it was moved to its current spot. As for the arch over Virginia Street—which is actually the third one so far and was erected in 1987—Mayor Hillary Schieve has said she'd be open to replacing it with something, well, more modern. **—David Kidd**

There is Something New About America's Top Performing Cities



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