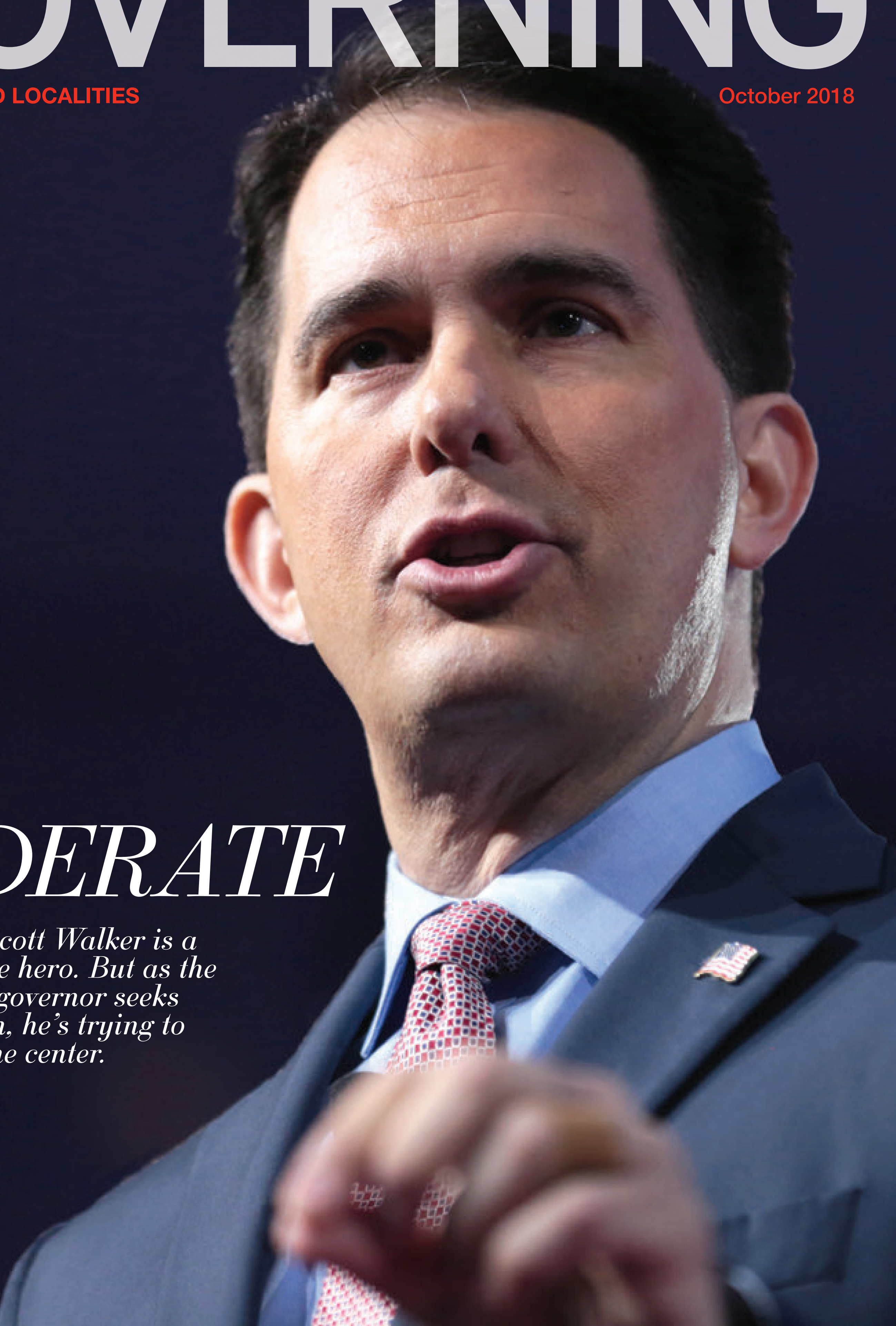
GOVERNING

THE STATES AND LOCALITIES

October 2018



MR. MODERATE

To many, Scott Walker is a conservative hero. But as the Wisconsin governor seeks a third term, he's trying to appeal to the center.

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A 5G installation in Baltimore

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The Business of Government

DAVID KIDD


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Imagine tomorrow
Create for the future
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Downtown Duquesne in Allegheny County, Pa.

> *"I don't think I'd want to be the first city to do this."*

Scott Neal, city manager of Edina, Minn., on Twitter. He was responding to Liz Farmer's August feature "Berkeley's High-Tech Gamble," which looked at the California city's goal to become the first municipality in the country to wade into "cryptobonds" as a way to raise money for various civic projects.

Keep Calm and Recycle On

Back in January, Elizabeth Daigneau wrote in "Pickup Hiccup" about China's decision to ban most of the paper and plastic U.S. consumers recycle. Since then, prices have fallen for recyclable materials, and some jurisdictions have had to landfill materials for short-term expediency. That said, according to a recent column on governing.com by Neil Seldman, co-founder of the Institute for Local Self-Reliance, "demand has already rebounded in the wake of China's new restrictions. A 32 percent tariff on Canadian newsprint will prop up domestic recycled newsprint prices. New capacity for mixed paper and corrugated cardboard will be on line in a year in Georgia, Ohio, Oregon and Wisconsin. New capacity for processing multiple grades of recycled plastics is opening in Ontario, and another plastics processor is moving from China to Illinois."

NEW LOOK, NEW VOICES

***Governing* has changed.** With this issue, we've refreshed the look and content of the magazine for a smoother reading experience. In the front of the book, we've expanded the Observer section with more perspectives and commentary on some of the most important issues of the day. We're also debuting a new section, The Business of Government, which presents mission-critical information for all facets of the public sector, including management, finance, transportation and infrastructure, energy and the environment, and health and human services.

In addition, we're introducing three new columnists. Last month, Anne Kim, a senior fellow at the Progressive Policy Institute, and Nicole Gelinas, a senior fellow at the Manhattan Institute, joined us. They are contributing to the Public Money and Transportation and Infrastructure columns, respectively. And debuting with this issue is our new Urban Notebook columnist Pete Saunders, a former urban planner.

This new content and organization also comes with a crisper, updated look. We hope you like it.

Invest or Disinvest?

In the August Observer item "To Be, or to Disband?," Daniel C. Vock wrote about Allegheny County, Pa.'s smaller jurisdictions, which have seen big drops in their populations and are struggling to survive. But these towns aren't allowed to disband. Instead, they have to enter a state program that sees disincorporation as a last resort. That's why the county executive there is fighting to get state lawmakers to allow municipalities to disband on their own, bypassing the state program, and accept some form of county supervision.

The issue of how difficult or how easy it is to disincorporate is real, but a side issue. The real issue is the state refusing to invest in municipalities.
—Jonathan Tucker on Facebook

Transferring money to prop up failing towns won't stop them from failing. We've been trying that for 80 years in some places. Welfare policy needs to be rewritten to encourage people to move to where the work is. If you aren't in farming or resource extraction, why would you live in the countryside?
—Ryan Borman on Facebook

Correction

In his September Assessments column "On Different Tracks," *Alan Ehrenhalt reported that under Georgia's new transportation law, House Bill 930, the Atlanta-region Transit Link Authority would be receiving dedicated funds from a taxi and ride-sharing fee and a levy on airport concessions. But the provision was actually stripped out of the bill by a House-Senate committee.*

FLICKR/JOSEPH

"Bureaucrat is one of my favorite words."

Tina Nabatchi is the new **Strasser Professor of Public Administration** at Syracuse University's renowned **Maxwell School of Citizenship and Public Affairs**. She's an expert on what makes democracy tick — citizen engagement, public participation, collaboration, conflict resolution, etc.

Add to that list the crucial day-after-day role that public servants play in American governance. To her, bureaucrats are heroes, responsible for implementing the highest ideals of the nation where it matters most: on the front lines of democracy.

"Now more than ever," she says, "we need to appreciate that American government only works when public administrators — smart, dedicated, engaged bureaucrats — advance it with their committed everyday service."

The **Strasser Professorship**, focused on public sector management, is made possible by and honors Joseph A. Strasser, a two-time Maxwell School alumnus whose career is a model for administrators overseeing complex systems of government. A veteran of the Korean conflict, Mr. Strasser was the first budget officer of Savannah, Georgia, and then long served in that role for Jacksonville, Florida (where he introduced trained civilian administrators to fire and police departments). He is a committed philanthropist, supporting not only Maxwell but several nonprofits in the Jacksonville area.

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Observer

Politics + Policy + Point of View

page 16

The revival of downtown Greenville, S.C., is one in a growing number of urban success stories.

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COURTS UNDER SIEGE

Lawyers seeking a favorable judicial outcome often go venue shopping, filing cases in courts where they think they have a good chance of winning. Now politicians are taking that tactic a step further, threatening to throw out judges whose decisions they don't like and replace them with others who are friendlier.

Last month's impeachment trial of the entire West Virginia Supreme Court took place amidst numerous political attacks against judges elsewhere. "There's a kind of war going on between the legislatures and the courts," says Chris Bonneau, a political scientist at the University of Pittsburgh. "Absolutely, we're seeing a new environment."

There were some legitimate reasons for West Virginia legislators to go after the court. In June, Chief Justice Allen Loughry was charged with 22 criminal counts, including fraud and witness tampering. In August, Justice Menis Ketchum, who had stepped down, pleaded guilty to fraud. The court as a whole has been accused of lavish spending, including exorbitant amounts for office furniture.

Nonetheless, by impeaching the entire court, Republicans have opened themselves up to charges of making a power grab. The allegations of criminal wrongdoing had been known for months, but legislators waited until August to act—missing a deadline to allow voters to fill any vacancies. GOP Gov. Jim Justice did little to assuage complaints of a partisan "coup" by appointing two Republican politicians, state House Speaker Tim Armstead and Congressman Evan Jenkins, to interim posts on the court.

There was a time in America when judicial impeachments were rather common. During the 19th century, the New Hampshire Legislature made a habit of clearing out the entire state Supreme Court, doing so on at least five occasions. In modern times, however, impeachment has been rare, as are cases of judges being unseated by popular vote after issuing controversial opinions.

Talk of impeachment usually has been just that. Legislators unhappy with a decision express their anger at judges, warning them to stay in their lanes and signaling to voters that they don't approve of an unpopular verdict. But while "threats of this nature have been going on for years," says William Raftery of the National Center for State Courts, today actual articles of impeachment are being filed more often. Up to now, they haven't gone very far. State constitutions typically list things like treason, high crimes or malfeasance as grounds for impeachment, not partisan disapproval. But there are signs of change.

Earlier this year, Republican legislators in Pennsylvania filed articles of impeachment against state Supreme Court justices who had overturned the state's congressional map. The court found the map to be an unconstitutional gerrymander and imposed a new one that was much more favorable to the Democratic Party.

In some cases, preemptive threats are being made before any decision has been rendered. In North Carolina, Dallas Woodhouse, the executive director of the state Republican Party, publicly threatened that if justices there tossed aside constitutional amendments placed on the ballot by the legislature, they would face a backlash that could include impeachment.

Most of the time, impeachment resolutions aren't introduced by legislative leaders. That was the case in Pennsylvania. Impeachment moves there have failed to gain leadership support. "While I believe the state Supreme Court's decision to draw and implement their own congressional redistricting map is wrong," Dave Reed, the Republican House majority leader, said in a statement, "disagreement over the outcome of any particular case should not be grounds for impeachment."

But rank-and-file lawmakers angry over a judicial ruling don't always see it that way. Two years ago, the Kansas Senate, angry about decisions on school funding and the death penalty, approved legislation to expand the playing field for impeachment to include "attempting to subvert fundamental laws and introduce arbitrary power" and "attempting to usurp the power of the legislative or executive branch of government." It did not become law.

Legislators in other states, unhappy with the partisan makeup of their courts, have simply expanded or contracted them. Last year, the North Carolina General Assembly shrank the state court of appeals by three members. In 2016, Arizona and Georgia both enlarged their supreme courts by two seats, allowing their governors to appoint new partisan majorities—in these cases, Republican majorities.

West Virginia House lawmakers formally deliver articles of impeachment for the state Supreme Court to the Senate.

GOP legislators have introduced more "court curbing" bills in recent years than Democrats. There are various explanations for this. One is that Republicans are paying exceptionally close attention to the courts as a result of controversies over divisive social issues. Courts in many states have been solicitous of minority rights, leading to liberal rulings on issues such as gender equality and voting rights.

Perhaps just as important, changes in partisan control take longer to reshape a state court than a legislative body. Many justices were elected to long terms as Democrats or were appointed years ago by Democratic governors. In West Virginia, where the GOP has taken control of the legislature and governorship in recent years, the Supreme Court was still held by Democrats. Republicans have grown increasingly impatient. "Courts generally lag behind, and so are willing and able to put the brakes on things that other people want to rush through," says Michael Nelson, a political scientist at Penn State. "Depending on which side you're on, that's either a feature or a bug."

Democrats may be equally willing to change the ways courts operate when they get the chance. "You've seen lots of proposals in the last few months from left-leaning academics or consultants that once Democrats get control of Congress, they should expand the courts," Nelson says.

Democrats in North Carolina complained that the Republican legislature was engaging in partisan attacks on the judiciary long before Woodhouse, the GOP strategist, issued his impeachment threat. Among the amendments Woodhouse was referring to was a proposal to take the power to fill judicial vacancies away from the governor (currently, Democrat Roy Cooper). Instead, a commission would recommend names, with the legislature whittling the list down to as few as two choices, from which the governor would have to pick.

ATTACKS ON JUDICIAL INDEPENDENCE ARE CERTAIN TO BE CRITICIZED BY RETIRED JUDGES AND EDITORIAL WRITERS. WHAT'S LESS CLEAR IS WHETHER THE PUBLIC CARES.

In August, a North Carolina court did, in fact, remove that proposal from the ballot, finding that its language was misleading and vague. Within days, the legislature had called itself into special session to rewrite its proposal. It was the latest in a series of changes North Carolina legislators had opted to impose on the judiciary, among them making judicial elections partisan and canceling this year's primaries.

The move to tie the governor's hands when it comes to appointing replacement judges was derided by all of North Carolina's former Supreme Court chief justices, as well as its five living former governors—Republican and Democrat. "It's about partisan politics, it's about power politics, and it must be stopped," former GOP Gov. Jim Martin, who served from 1985 to 1993, said at a news conference.

Attacks on judicial independence are certain to be criticized by retired judges and editorial writers. What's less clear is whether the public cares. Polls indicate that the public has more respect for the judiciary than it does for the political branches, but few voters follow the ins and outs of state judicial politics. "For very few voters is the judiciary a decisive issue," Bonneau, the political scientist, points out.

Also, in a time of intense partisan fervor, voters want to see their "team" win more often. They're not as likely to worry about an assault on separation of powers or other concepts that they may hazily remember from civics class. After Senate Republicans kept a seat on the U.S. Supreme Court vacant for more than a year, GOP voters were a lot less interested in punishing them for violating a norm than they were in electing a president who would pick a justice they liked.

So there's potential political gain for state legislators in removing justices who make decisions that they—and the voting public—don't like, but very little political risk. The only real risk is to the court system and its fragile integrity. "When we start meddling with institutions simply because we don't like a certain outcome, those institutions lose legitimacy," Bonneau says. "If we want them to have independence, sometimes they're going to do things we don't like." *—Alan Greenblatt*

THE BREAKDOWN

$57M

The amount of money spent on sports betting in New Jersey in the first two months after it was legalized by the U.S. Supreme Court in June.

10%

The minimum rent increase that triggers a requirement that a landlord pay tenants' moving costs, according to a law in Portland, Ore.

18 years old

The minimum age for using an indoor tanning booth in New York state, as written in a new law.

68%

The share of state pension fund money held in high-risk or other alternative investments, as defined by Standard & Poor's, for 2015, the most recent year reported.

SOURCES: ASSOCIATED PRESS, PORTLAND *OREGONIAN*, STANDARD AND POOR'S

AKRON'S POP-UP FOREST

No matter how detailed the plans, there's no way to know for sure if a new idea will work until you give it a try. That's especially true with something genuinely novel—like putting a forest on top of a downtown freeway.

More than a half-century ago, the city of Akron, Ohio, built a highway called the Innerbelt into its downtown. Like a lot of freeways created during that era, it destroyed some neighborhoods while cutting off others from the center of the city. In terms of handling traffic, it turned out to be unnecessary. Akron's population is down by a third from its 1960s peak. A road meant to carry 120,000 cars a day ended up being used, even on busy days, by maybe a fifth as many.

The city shut down the freeway a couple of years ago. That left the question of what to do with the land. A designer named Hunter Franks threw a big party, hosting a meal on the Innerbelt for several hundred people. Franks polled those who showed up, and they overwhelmingly said they favored turning the land into some kind of green space.

It wasn't that outlandish. Atlanta and New York have enjoyed huge success in turning old rail lines into elevated parks. Dallas and other cities have placed parks on top of working freeways. Still, Akron officials were not sold on the idea. They worried about the logistics of letting kids play in close contact with the active roads that were still connected. But Franks received a grant from the Knight Foundation that allowed him to proceed anyway.

At first, the city insisted that he plant trees in pots, so his "Innerbelt National Forest" would be easier to remove. In time, he was allowed to plant them in the ground, while also putting in a stage, a children's play area, a mulch trail and other amenities. The park, which opened in August, was an immediate hit. Although it was originally seen as temporary, talk soon started up about extending its life, or even making it permanent. "Some or all or most of it may end up staying," says Jason Segedy, Akron's planning director.

A rendering of the Innerbelt National Forest

Residents, posting pictures of the park on Instagram, keep comparing it to an old Joni Mitchell song, noting that it's the reverse of her 1970 lyric about paving paradise to put up a parking lot. The fact that a disused freeway can become a pop-up forest makes it easy to envision turning practically any area into green space, Franks says.

The crucial thing was seeing it work in real life. It's one thing to try to imagine how a park might work when staring at plans, but it's an entirely different matter watching kids play there, or seeing people enjoying performances on pleasant summer evenings. Governments are good at holding meetings and soliciting proposals to imagine how something might work, but there's value in simply letting people use a space and allowing their behavior to inform a more permanent plan. "I like the idea of trying these kinds of things," Segedy says, "hitting on elements that people find compelling that we can recreate or use." *—Alan Greenblatt*

RENDERING BY MICHELLE ZUCKER, LOCI

Sales of luxury apartments in Miami and elsewhere have slowed since the U.S. Treasury issued geographic targeting orders.

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Unlaundering Real Estate

In any hot real estate market, there are complaints about prices being artificially inflated by foreign buyers. That sometimes sounds a little far-fetched. In cities with tens or hundreds of thousands of homes, how many can really be bought up by absentee owners from abroad? Actually, the answer turns out to be a substantial share.

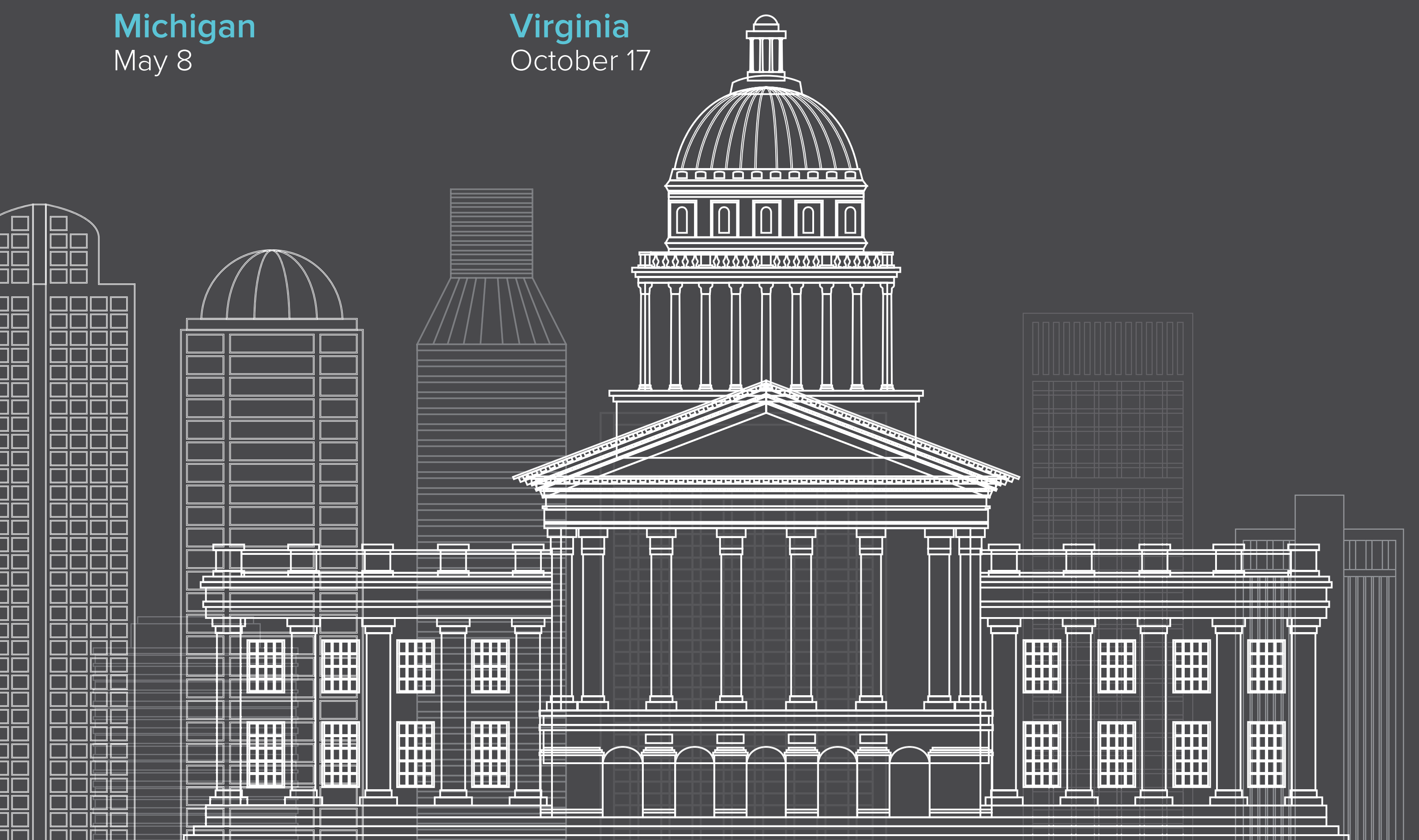
Federal laws designed to prevent money laundering have long had a gaping loophole. Namely, real estate. People or corporations that pay for houses and condos with cash, whether using currency or wire transfers, can evade disclosure requirements. The sellers and bankers involved don't have to know who the real entities are behind limited liability corporations nominally making the purchase.

There are any number of reasons why buyers would want to remain anonymous: It allows them to launder money and hide assets from tax collectors—as well as their spouses if they're getting divorced, or creditors if they're going bankrupt. For foreign buyers, it's a good way of masking their true net worth from authorities back home.

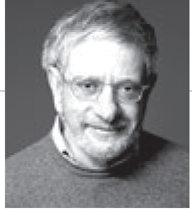
There can also be legitimate reasons to stay private. But in 2016, the U.S. Treasury Department, convinced there was something fishy going on in the Miami and Manhattan real estate markets, issued geographic targeting orders, or GTOs. This bureaucratic-sounding change meant that for high-end real estate purchases, cash buyers had to reveal their true identities. The effect was immediate, with cash purchases dwindling to a small fraction of overall sales. "I and a couple of other analysts have publicly said that the condo market in Miami was being dominated by foreign investors," says Jack McCabe, a Florida real estate consultant. "In many cases, we suspected it was corrupt or criminal funds that were being laundered by these investments, which was easy to do."

The Treasury Department soon expanded GTOs into more markets, covering many of the nation's largest cities. A new study from Sean Hundtofte and Ville Rantala, respectively business professors at Yale and the University of Miami, finds that the disclosure requirements have had profound effects. All-cash purchases by limited liability corporations and other corporate entities shrank from 10 percent of the total dollar volume in the targeted real estate markets to just 2.5 percent. House prices at the high end of the market have dropped by at least 4 percent. The changes have been most dramatic in Miami, where the corporate share of residential transactions has plummeted from 29 percent to 2 percent. "It's had a chilling effect on condominium sales," McCabe says. "You can make a pretty strong case that the additional scrutiny of buyers and their funds has played a major part in the slowdown of sales."

Developers in Miami are now offering enhanced commissions or bonuses such as Teslas and Lamborghinis to Realtors who bring them buyers in bulk. In most markets, the impact has not been as dramatic. But the numbers from Hundtofte and Rantala's research show that there has been a softening in luxury sales throughout cities under GTOs, suggesting that foreign buyers had been contributing significantly to price increases. "In the long run, this might affect property tax revenue through lower valuations or fewer transactions," they write. "On the other hand, housing appears to have become more affordable to local residents." *–Alan Greenblatt*



BY ALAN EHRENHALT



Urban Power

The ascent of cities is real, though things may not be as rosy as some suggest.

Everybody who watched it remembers what Ronald Reagan did to Jimmy Carter in the closing moments of their 1980 presidential debate. Reagan stared straight into the camera and asked the voters a simple question: "Are you better off than you were four years ago?" Enough of them answered in the negative to give the challenger Reagan a decisive victory over the incumbent Carter at the polls that November.

It was a fair question. Most of us have a clear enough memory of the recent past to provide a meaningful answer, at least in regard to our own lives. But what if we ask ourselves about a much longer period of time—say 40 years? Then many of us become unreliable witnesses. The warm glow of nostalgia begins to take over.

The current period of widespread public discontent has made "are we better off?" into a more urgent question, and has produced a whole series of works seeking to determine whether life really was better a few decades ago. The most important of these is Steven Pinker's book, *Enlightenment Now: The Case for Reason, Science, Humanism and Progress*, in which the author makes a careful statistical case that across a whole range of crucial categories—health, schooling, clean air, financial security and so on—the numbers just keep getting better all the time.

The one thing Pinker doesn't try to say is that the political process is getting better. There he leaves the conventional wisdom alone. Unyielding partisanship, legislative gridlock, incessant name-calling and the overall corrosion of public discourse give most people the impression that we have been living through a period of demoralizing decline. "In area after area," Pinker writes, "the world has been getting more rational. There is, of course, a flaming exception: election politics and the issues that have clung to it."

But even here, there is room for a somewhat different view. What if the national political culture is just as bad as most of us believe, but another corner of the political system is steadily getting stronger?

That's a reassuring enough idea in these times that you can understand its potential appeal, and there have been two books published this year making essentially the same argument: Federal and state government may be a mess, but local governments are an increasingly positive force, innovating and solving problems that would have been beyond them a generation ago.

James and Deborah Fallows, after four years visiting localities around the country, wrote in *Our Towns* of "an intensity of local civic life that generally escaped any outside notice." Meanwhile, Bruce Katz and the late Jeremy Nowak were arguing in their book, *The New Localism,* that the conventional wisdom that "cities are powerless, mere creatures of the state" is wrong. "Federal and state governments, for the most part, are no longer in the problem-solving business," the authors write. "They have dealt themselves out of the equation through a combination of dysfunction, incompetence and hyperpartisanship. ... As politics has become nationalized, problem-solving has become localized."

Both books are laced with urban success stories from the past couple of decades, some quite convincing, some less so. Katz and Nowak zero in on Pittsburgh, where a

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Reedy Riverwalk in downtown Greenville, S.C.

proactive local government and a cooperative nonprofit sector have turned a fading steel town into a 21st-century headquarters for the development of robotics. They also cite Indianapolis, a city once renowned for its dullness, where a succession of mayors has created a vibrant and growing metropolis with an economic base in sports and health sciences.

Fallows and Fallows take a more scattershot approach, flying their private plane into nearly 30 small- and medium-sized cities and casting about for signs of entrepreneurship and vibrancy. One of their favorite stories is about the revival of downtown Greenville, S.C., where local politicians and city planners have turned a decrepit textile-era Main Street corridor into a serious tourist mecca for the entire South. Another deals with Duluth, Minn., a depressed mining town that is now one of the world's most important manufacturers of small aircraft.

It doesn't take very long to come up with other urban victories that add weight to the argument. One can cite the remarkable crime decline that has reinvigorated cities all over the country, and in particular the revolution in law enforcement that has been credited with bringing the number of homicides in New York City down to a tiny fraction of what it was in the 1990s. Or the conversion of seedy riverfronts into community showplaces and gathering spots. Or the successful efforts of a number of financially troubled cities, most notably Houston, to accept fiscal responsibility and deal with their crippling public pension debts. Or the ability of a place like Cleveland to create a thriving transit corridor that experts insisted couldn't work.

I could go on, but I'll stop there. The most interesting challenge may not be identifying these tangible triumphs but gaining insight into what makes them happen.

One common explanation for the revival of effective urban governance is that partisanship is muted, as in the dictum expressed nearly a century ago by New York Mayor Fiorello LaGuardia: "There's no Democratic or Republican way to clean the streets." This may express a truth about New York in the 1930s, but it doesn't do much to explain the present wave of urban accomplishment. It's not that Democrats and Republicans are cooperating; it's that there's hardly any bipartisan cooperation *required* these days. Democrats have been running big cities essentially as one-party strongholds for nearly a generation. When former Chicago Mayor Richard M. Daley wanted to build Millennium Park, he didn't need a single Republican vote to do it. Whatever the recent urban triumphs may be traced to, it's not bipartisanship.

Another theory is that urban politicians are performing well these days because they have longer time horizons: They aren't fixated on the next election and can govern for the common good. "Few national politicians even pretend about long-term visions anymore," James Fallows writes. "Cities, because they can do things, still make plans." I have trouble buying this one. There's no disputing that short-term thinking afflicts Congress and most state legislatures, but the short-term curse is a larger societal affliction, one that plagues Wall Street, public schools and a host of other major institutions. There's no plausible reason why mayors or city councils would be immune to it. County commissioners seem just as obsessed with reelection as members of Congress are.

Federal and state government may be a mess, but local governments are an increasingly positive force.

But there is one common strand that runs through nearly every successful locality these authors visited. It's the presence of collaboration: the ability of local elected officials to work with chambers of commerce, universities, foundations and other nonprofits to formulate ambitious plans and see them through. Pittsburgh's emergence as a science research center is largely the result of an alliance between city hall and Carnegie Mellon University. Chattanooga, Tenn., owes much of its success to the joint efforts of the city, the public utility and two local foundations. Columbus, Ohio, has so many cooperating partners that its effort is known colloquially as "the collab." It's always some variation on the theme of benign and closely connected interest groups, public and private, working together.

Even if collaboration does, in some way, amount to the secret sauce of modern urban governance, there are legitimate reasons to question whether the picture is quite as rosy as these two books suggest. Fallows and Fallows are upfront about looking for success stories, for "towns with positive energy, with signs of rebound from some kind of shock or shift." If you start out seeking those towns, it's almost a given you'll find them. If you are searching for unrelieved despair, you can find that too. You pretty much have to take it on faith that revival—or at least incipient revival—is the crucial story of contemporary urban life. It's a plausible argument, as both these books endeavor to show; I don't think it's one that ought to be swallowed whole.

But it's not a crazy idea. The wave of reform that remade American government and politics in the early 20th century was for the most part a creature of state and local entrepreneurship. James Fallows writes that "after our current Gilded Age, the national mood will change again. When it does, a new set of ideas and plans will be at hand. We've seen them being tested in towns we never would have suspected."

Nearly 50 years ago, the sociologist Daniel Bell made the startling prediction that in the 21st century the centers of power would be global and local. National governments would become increasingly minor players. The global half of his forecast has stalled, given the success of Brexit and the surge of nationalist sentiment on the European continent. But the other half—the emergence of new, local centers of power and innovation—seems destined to live on for quite a while. G

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Washington Watch

BY DONALD F. KETTL

A Crumbling Opportunity

To get to her home in Washington County, Miss., where many of the bridges have been closed by the state and declared structurally deficient, Lori Gower has to maneuver her Dodge Charger through farm fields. Once, after heavy rains, the engine flooded and her husband Mack had to come out to rescue her. Mack has his own road-related problems, as NBC News has reported. He's diabetic and can't get his insulin delivered.

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The Gower family is an icon for President Trump's trillion-dollar infrastructure pledge. The roads and bridges around them are crumbling. The Gowers live deep in the heart of Trump country, where voters went for him by a margin of 2 to 1. But the prospects for a big infrastructure program that could help with their real-life problems are becoming more distant every month.

The irony is that this is the one part of Trump's presidential agenda that looked like a sure bet. In the first hours after his victory, he announced that his administration was going to "rebuild our highways, bridges, tunnels, airports, schools, hospitals." Bipartisan support was almost immediate. Democrats, led by Senate Minority Leader Charles Schumer, quickly jumped on board.

The need is indeed enormous. The American Society of Civil Engineers has graded the nation's infrastructure as a D+ and warned that its deterioration is harming the nation's ability to compete in the global economy. In the early days after Trump's inauguration, Republican strategist Steve Bannon predicted that infrastructure would give the president an added bonus, the key to "an entirely new political movement, as exciting as the 1930s," even "greater than the Reagan revolution." It was such a good idea, the White House believed, that Trump's team boosted the target to $1.5 trillion.

One seeming certainty of Trump's presidency was a trillion-dollar infrastructure deal. It won't happen.

But nearly two years after the election, the plan is by all reports dead. Everyone seems to love the idea of investment in infrastructure, but no one has figured out how to pay for it.

Early in the debate, Trump's advisers suggested they could link the infrastructure program to the 2017 tax bill, extracting revenue from corporations that parked their earnings abroad. Corporate opposition killed that. Then there was a quiet plan to increase the gas tax or phase out some costly tax breaks. It turned out that there wasn't the stomach in the White House for either of those ideas.

The Trump administration finally launched its $1.5 trillion plan with a pledge of just $200 billion in federal cash, to be offset by cuts elsewhere in the federal budget and supplemented through public-private partnerships. State and local officials across the country couldn't have been more disappointed. They didn't have that much cash to put into infrastructure projects—if they had, they would already have been doing them. The promise of a big federal aid program suddenly had turned into a burdensome expense they'd have to meet on their own. Analysts at the University of Pennsylvania's Wharton School, the president's alma mater, calculated that the $200 billion White House infusion might not even produce $200 billion in new investment, because state and local governments might simply decide to put the money into existing programs.

That left public-private partnerships as the best option. That seemed a reasonable plan. Many European countries have enjoyed success with such ventures, and with interest rates near zero over the past decade, the costs were at historic lows. But in St. Louis, for example, a deal to turn the airport over to private operators has been bogged down due to the complexity of working out such partnerships, and because local voters are opposed to total privatization, preferring to keep some control over such a big local resource. The controversy has scared off some investors, who are squeamish about navigating turbulent governmental waters when other bets offer better—and much faster—returns.

Even where public-private partnerships have produced pavement, the results have raised questions. A new 10-mile stretch of interstate highway outside Washington, D.C., built with private funds, has seen congestion-based tolls hit $47.25 during rush hour, causing drivers' jaws to drop. Even then, the overall speed on the highway hasn't improved much. And a P3 toll road in Austin, Texas, designed to take traffic off the city's congested Interstate 35, has generated only a third of the volume that a study projected. Texans, it turns out, just don't like to pay tolls.

So what looked like the one can't-miss deal of the Trump administration has gotten stuck in a deep rut. With budget deficits ballooning and interest rates rising, the odds of getting out aren't improving.

According to some estimates, half of the American population in 20 years will live in just eight states. The fast-growing states won't be able to build infrastructure quickly enough to accommodate all those people. Many of the other states will be bleeding population and won't have the tax base to fix their infrastructure.

The failure of Trump's infrastructure deal isn't just the loss of Bannon's Roosevelt-Reagan vision. It might well be the collapse of the best chance the country has had in a very long time to do what has to be done. Meanwhile, the going will only get tougher. **G**

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Trade Winds

President Trump's trade tariffs may be having more than an economic impact: They may also influence governors' races next month.

Tariffs are already a big talking point in Iowa and Wisconsin, and they could also play a role in Kansas, Michigan, Minnesota and Ohio—agricultural and manufacturing states with competitive contests this year. Half of these races are to fill open seats, and all but one are currently held by Republicans.

If export-dependent farmers are hurt, or if manufacturers reliant on newly expensive steel and aluminum begin to suffer, it could provide a political windfall for Democrats.

But even if Dems can't get Republicans to switch sides on Election Day, says Christopher Larimer, a University of Northern Iowa political scientist, they may at least be able to "mobilize rural, moderate-leaning Democrats who typically don't vote in a midterm." *—Louis Jacobson*

Tariffs may affect Iowa Gov. Kim Reynolds' reelection efforts.

APIMAGES.COM

Destabilizing a Stabilizing Marketplace?

It's been a tumultuous few years for the Affordable Care Act (ACA), with dozens of attempts by Congress and the Trump White House to repeal or defund it. Last December, the law's individual mandate was scrapped. Now President Trump has signed off on rules to ease the regulation of short-term and so-called association health plans.

Both types of plans were restricted under Obama because they can reject people with preexisting conditions and refuse to cover benefits like maternity care and mental health. Critics worry that premiums could now rise even more if a significant number of healthy people leave the ACA pool for these cheaper options.

The decision comes as premiums are starting to stabilize in more than a dozen states. But Dania Palanker of the Center on Health Insurance Reforms at Georgetown University warns that the latest changes could have a domino effect in the years to come. "Looking at 2020 and beyond," she says, "there could be more instability."
—Mattie Quinn

You're Only as Secure as Your Vendor

No matter how many steps election officials take to improve polling place security, they still face potential exposure if they're using vendors whose efforts aren't as stringent.

In July, *Vice* reported that Election Systems & Software, a major voting machine manufacturer and software vendor, conceded that it had installed remote access software on its machines between 2000 and 2006. And in Maryland, officials announced that the FBI had informed them that ByteGrid LLC, a vendor that handles the state's election management, is financed by a fund whose manager is Russian and whose top investor is a Russian oligarch.

Maryland's governor and legislative leaders sent a joint letter to the Department of Homeland Security asking for federal assistance in evaluating the state's election system. Meanwhile, some states are altering their contracts with election vendors to stipulate that they must perform penetration and vulnerability tests. *—Alan Greenblatt*

Urban Notebook

BY PETE SAUNDERS

A Chicago Model?

Despite today's negative headlines, the city has a lot to teach the Sun Belt.

If America's growing Sun Belt cities are looking for a model to emulate to achieve standards of prosperity, sustainability and affordability, they should look to Chicago.

Chicago may seem an odd choice to many, especially those who are mostly looking at the global economy-fueled growth of, say, New York, San Francisco or Seattle. And indeed, Chicago's historical culture of political corruption, its history of racism and segregation, and its current high rates of violent crime are troubling and real obstacles to this view. But somehow, despite these challenges, Chicago has still been able to be a top site for major corporate relocations and expansions, position itself as a leader in downtown construction and redevelopment, and host a housing market that remains eminently affordable relative to America's superstar cities. And it's done so while having many of the urban amenities that make today's top cities attractive: It's walkable, has strong public transit, and offers a wealth of commercial, elite educational and cultural opportunities.

How has Chicago been able to do this? The city and region continue to benefit from significant public investments made between 1870 and 1930 during its high-growth era. For a time in the late 19th century, there was a battle between Chicago and New York City over which would reign supreme in the emerging industrial world. In its push to compete, Chicago made many critical investments that established the foundation of the region we know today. It early on committed to a street grid system that made for the easy subdivision and sale of land. The city's emergence as a rail center provided opportunities for the development of railroad suburbs, while the city's rapid expansion of public transit allowed for the development of transit-focused communities. Chicago committed itself to an extensive and connected park and boulevard system in its interior and an open lakefront to serve as a recreational resource and protect its water supply.

For its part, New York doubled down on its strengths—as the historical center of the nation's media and finance sectors, the primary port of entry for immigrants, and an openness to entrepreneurship—to separate itself from Chicago's industrial-centered economy. In the increasingly interconnected global economy that emerged with the 20th century and is still here today, that was enough to enable New York to achieve heights that eluded Chicago.

New York clearly won the economic battle. However, Chicago has maintained a level of overall affordability that is the envy of coastal cities, as well as a quality of life that few of today's rapid-growth Sun Belt cities have been able to attain. Chicago has done this by continuing to invest in itself. After its heyday, the city brushed past its declining Rust Belt counterparts by successfully diversifying its economy away from manufacturing—no one industry accounts for more than about 15 percent of its economy today. Chicago has also supported downtown investment since the 1990s—it trails only Seattle this year in the number of cranes dotting its skyline—and has made sure its housing stock has broad appeal.

That's what today's rapid-growth Sun Belt regions such as Atlanta, Austin, Charlotte, Houston, Nashville and Phoenix need to do. Like Chicago, they need to utilize their periods of impressive growth to invest in themselves as livable regions. Many have largely been reliant on the white-hot nature of economic sectors like tech and finance over the last 40 years, or on fueling the development of inexpensive single-family homes. But as these metros become larger and their regional economies diversify and mature, they'll need to address challenges typically associated with our nation's older metros. How will they combat road congestion and move people and goods efficiently through their region? How will they develop a housing stock at the regional and local scale that meets the needs of today's renters, first-time buyers, upsizers and downsizers?

Chicago's example suggests that the time to answer those questions and implement the appropriate policy response is now. In many Sun Belt cities, there's still a strong single-family, suburban orientation to many of the neighborhoods that calls for a heavy reliance on cars and roadways. Don't be afraid to embrace urbanism. Invest in your city now, and it will pay dividends for generations to come. **G**

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Behind the Numbers

The Stagnant Paycheck

For much of the American workforce, economic growth isn't leading to higher wages.

By many indicators, the U.S. economy is humming right along. Unemployment is at the lowest level in nearly two decades, and job growth hasn't slowed. But workers mostly haven't reaped the benefits of this growth in the form of higher paychecks. Following years of stagnant wages, real median earnings started climbing slowly in 2014. They peaked around mid-2017 and have since dipped slightly.

Some groups of workers over the past year have actually sustained notable wage declines when the numbers are adjusted for inflation. *Governing* identified several struggling demographic groups, using the latest quarterly median earnings estimates from the Labor Department's Current Population Survey. These groups include women with low educational attainment, older black women, black men and those with bachelor's degrees. But they also include the much broader category of employees in the prime of their working years.

Stagnant wages are partly due to inflation, which has ticked up in recent months. Inflation over the first half of the year was up 2.5 percent from 2017 and is now rising at the fastest rate since 2011-2012.

There are other plausible reasons for long-term wage stagnation. The higher wages that labor unions used to command are reaching far fewer private-sector workers than they once did. Nationally, workers are less likely to relocate for work, limiting job-movement pay raises. Some research further suggests that with big businesses employing a larger portion of the labor force, and with fewer startup companies coming on the scene, suppressed wages could be a result.

In particular, wages for many groups of women are failing to keep pace with inflation. Their real seasonally adjusted median earnings as a whole have declined or remained essentially unchanged for three consecutive quarters. One cohort that's long struggled to secure higher wages is women with no education beyond high school. Their inflation-adjusted earnings haven't grown for any sustained period of time since 2009 in the aftermath of the Great Recession.

One possible reason, according to Chandra Childers at the Institute for Women's Policy Research, is that technology is redefining many of the jobs these workers hold in retail sales and accounting. "The threat of automation can undermine the ability of these workers to demand better pay and working conditions," she says.

Wages of older black women also continue to fall behind. Their real earnings—already much lower than those of other workers—have recorded year-over-year declines for three consecutive quarters. Part of this may be because black women are overrepresented in the public sector. Many of them lost government jobs during recession-era cutbacks and haven't found employment offering the same pay and benefits.

Meanwhile, wages for African-American men aren't keeping up with inflation. Their median earnings for the first half of 2018 are down 1 percent from last year and 4 percent from 2016. Although younger black workers and black men nearing retirement also aren't receiving pay raises, it's middle-aged black men who have sustained the largest losses recently.

Labor unions represented 14 percent of black workers last year, a higher number than for white or Hispanic employees, according to Labor Department estimates. Childers says it's likely that they have been particularly affected by right-to-work laws, related court decisions and unchanged minimum wages in some parts of the country.

Across different levels of education, those who left school after receiving bachelor's degrees have incurred the most noticeable decline over the past 12 months. Their year-over-year median earnings have been down for four straight quarters, with estimates for the second quarter of this year down nearly 3 percent. Wage stagnation for workers holding advanced degrees hasn't been quite as severe.

Finally, earnings for the key prime working-age segment of the labor force—those between 25 and 54—also are starting to head in the wrong direction. After a sustained period of slight growth, they've turned negative the past four quarters. **G**

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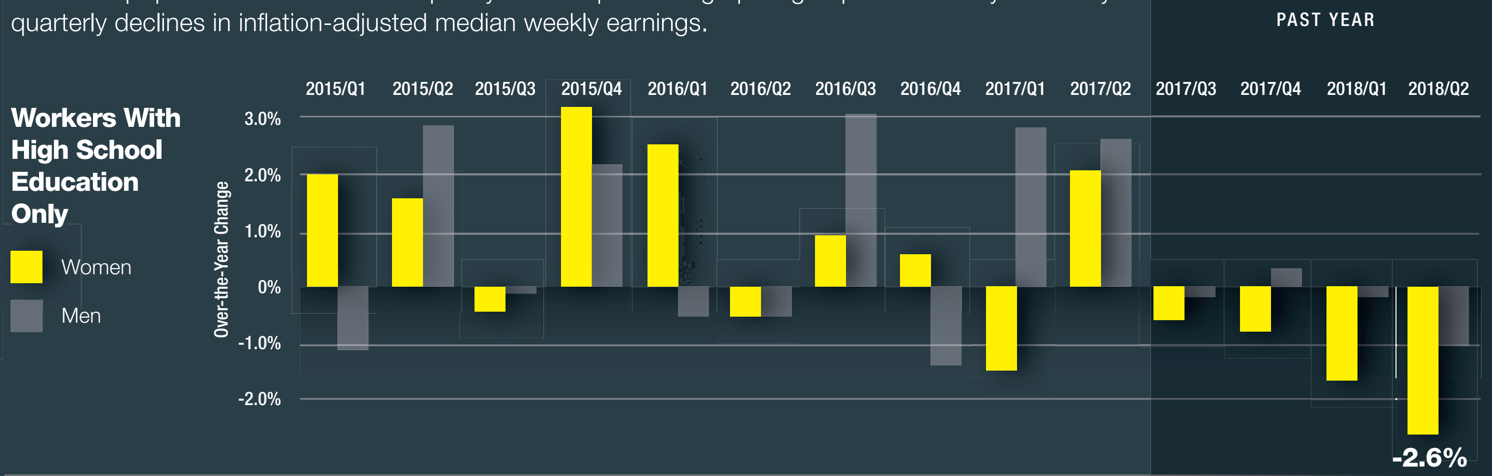
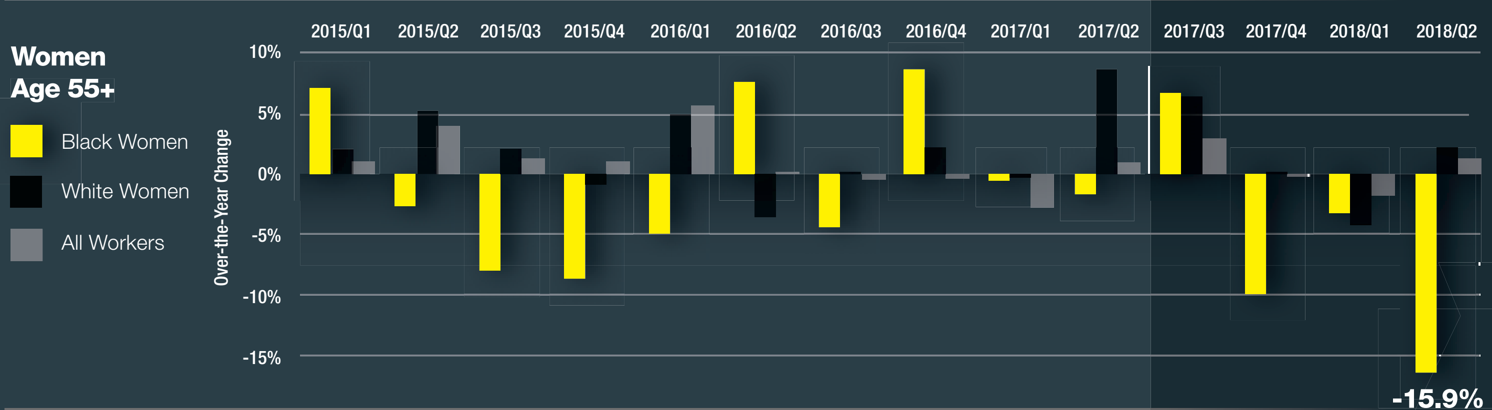
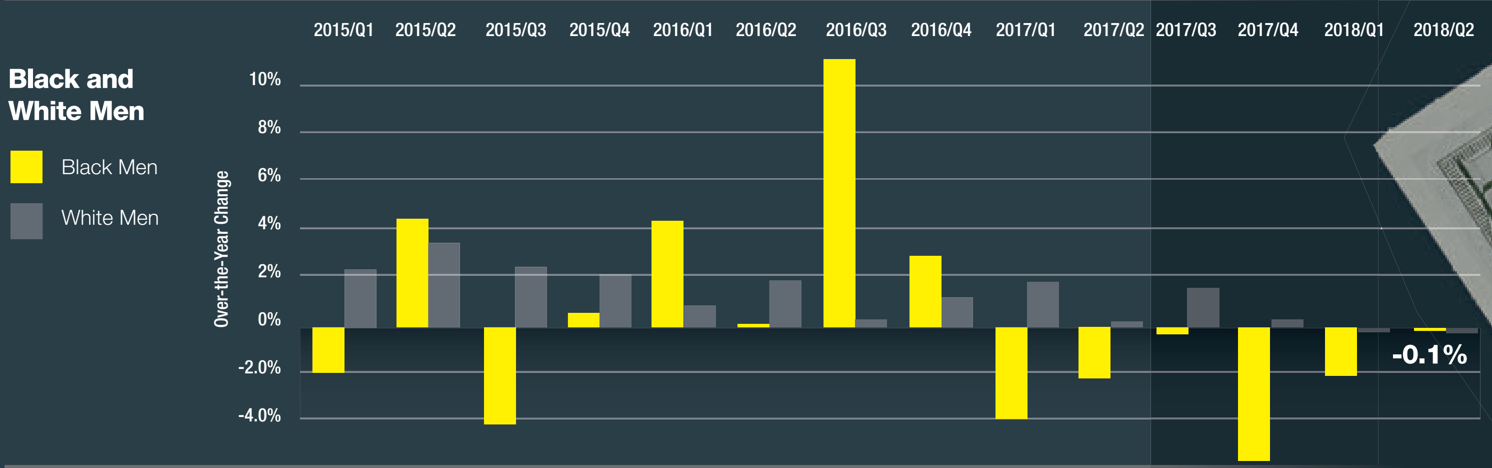
BY MIKE MACIAG

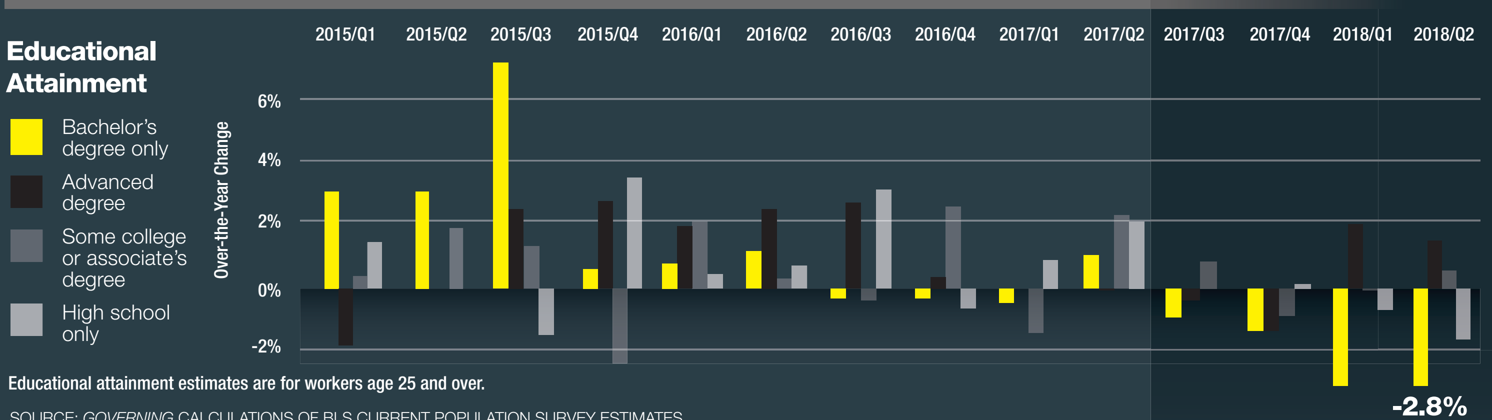
Falling Behind

For several segments of the workforce, wages for full-time workers haven't kept pace with inflation in the past year. Multiple demographic groups sustained year-over-year quarterly declines in inflation-adjusted median weekly earnings.









Educational attainment estimates are for workers age 25 and over.

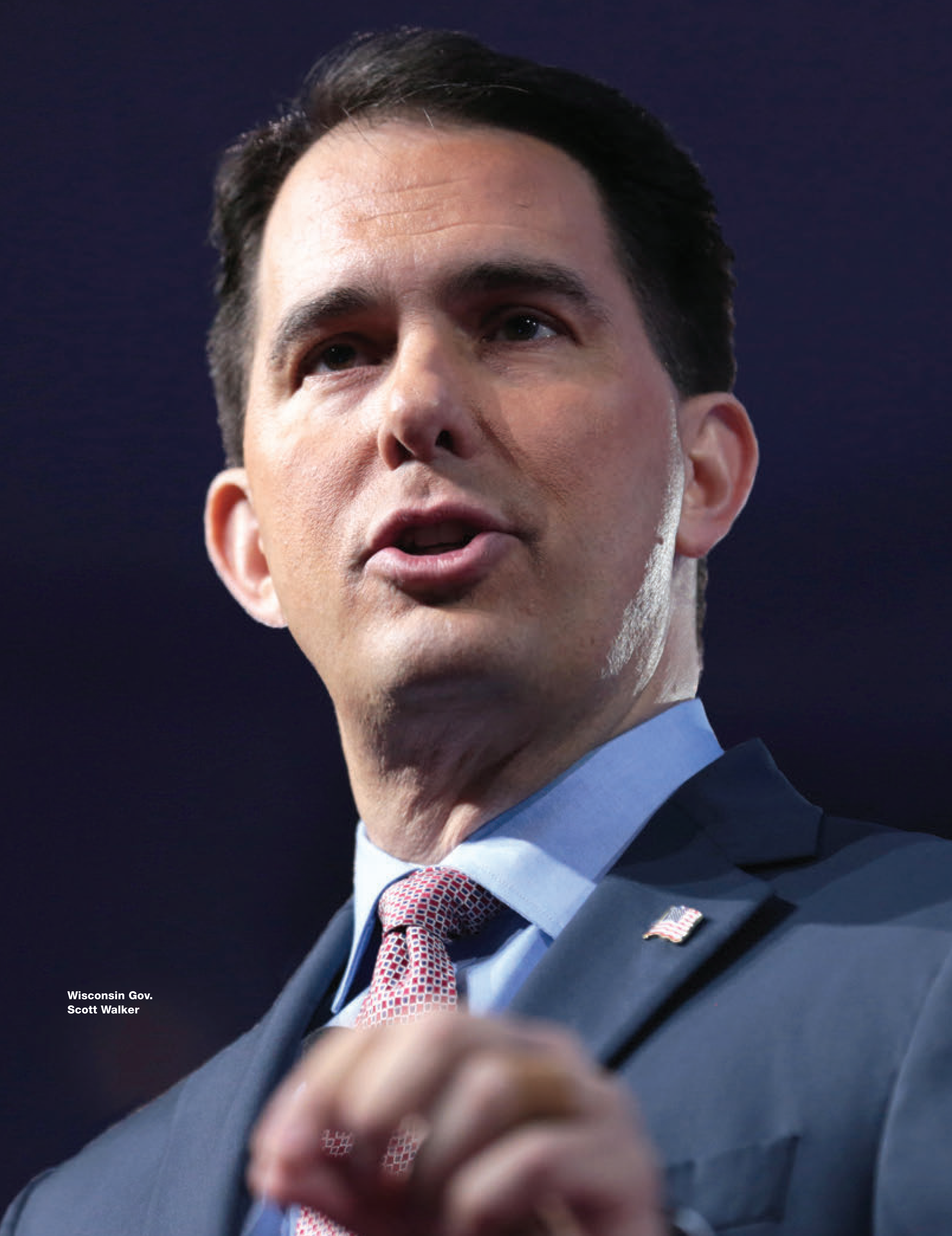
SOURCE: *GOVERNING* CALCULATIONS OF BLS CURRENT POPULATION SURVEY ESTIMATES

Born-Again Centrist

Wisconsin's firebrand conservative governor is sounding kinder and gentler as he seeks a third term.

BY ALAN GREENBLATT

FLICKR/GAGE SKIDMORE



Wisconsin Gov.
Scott Walker

Few governors in modern times have reshaped their states as profoundly as Scott Walker. Over the course of two terms in Wisconsin, he has taken what had been a model progressive state and turned it into one of the most successful test kitchens for conservative Republican ideas. Shortly after taking office in 2011, he pushed through legislation that stripped collective bargaining rights from most public employee unions, sending their memberships into freefall. He turned Wisconsin into a right-to-work state for private-sector workers. He's tightened restrictions on abortion, imposed strict voter ID requirements, strengthened gun rights, and abolished civil service protections, a slew of environmental regulations and tenure for university professors.

As he seeks a third term this fall, Walker isn't talking about any of that.

Touring meeting halls and dairy farms across the state, he touts his record cutting income and property taxes to the tune of roughly $8 billion. He insists he'll keep felons sitting in jail longer than would his Democratic opponent, Tony Evers, the state superintendent of public instruction. Other than that, however, Walker often seems like he's taking notes from the Democratic playbook, keeping his focus on education and health care. "Sometimes, I'll hear from our capital press corps, those are Democrat issues," Walker tells me between campaign stops. "That's baloney. They're issues that people care about."

Despite his protests, it's clear that Walker is trying to appeal to voters in the center. It's a striking strategy for someone who has spent much of the past decade as a polarizing conservative ideologue. It also runs counter to this year's trend of candidates from both parties doing all they can to rally their bases, counting on allegiance to President Trump, or revulsion to him, to be more of a motivating factor than any state-level issues. "He really is running as Mr. Moderate," says Mordecai Lee, a former state legislator and a political scientist at the University of Wisconsin-Milwaukee. "It's not go big and go bold. It's been go small and go moderate."

Walker describes his most recent education budget as the largest investment in schools in Wisconsin history (although it came after deep cuts during his first term). The budget included the state's first sales tax holiday for back-to-school shopping, as well as a tax credit for any parent with a child under 18. In August, he unveiled a plan to give college students who remain in the state after graduation a $1,000 tax credit per year, for up to five years. Democrats dismiss those items as "candy" meant to make it easier to swallow budget cuts elsewhere, but the not-so-accidental political timing means that parents across the state will be receiving $100 checks just as the election is approaching.

Walker unfailingly notes that while unemployment in the state topped 9 percent back when he first ran in 2010, it's been under 3 percent for much of this year. College tuition doubled in the decade before he took office, but it's been frozen now for six years straight. He inherited a budget shortfall of $3.6 billion, but the state is now running surpluses, despite all the tax cuts. Walker certainly benefits from the political equivalent of "buying low," taking office in the teeth of the worst recession in generations, but there's no question that, economically at least, the state is in better shape now than when he was first elected. "We have a habit of picking people who have a track record people can judge them on," says Wisconsin Assembly Speaker Robin Vos. "If that's the case, I don't see how Gov. Walker doesn't win reelection in a landslide, frankly."

But Vos knows that, while Walker has a solid floor of support, he also bumps up against a constricting ceiling. Polls over the past couple of years have shown, on average, that roughly 48 percent of the voters in Wisconsin approve of the governor's performance, while about 48 percent disapprove, most of them strongly. There aren't many people who are neutral. The day before the August primary, Walker himself said Democrats could put Daffy Duck on the ballot and get 48 percent of the vote for governor. Walker has

The Democratic candidate for governor, Tony Evers, says that Walker's effort to adopt the mantle of "education governor" is a ridiculous assertion.

Walker has not faced an electorate as hostile to his party as the one this year, and he knows it.

won three times—two of them in the Republican wave years of 2010 and 2014, and the other in the recall election of 2012, launched in response to his union busting measure, known as Act 10. But each time, he's taken only 52 or 53 percent of the vote. "He still has close to half the population who hates him with a passion," says Mike McCabe, who ran unsuccessfully for the Democratic gubernatorial nomination.

Walker has not faced an electorate as hostile to his party as the one this year, and he knows it. In January, when Democrats flipped a state Senate district that had voted strongly for Trump, Walker took to Twitter to warn conservatives that the result should serve as a wake-up call. Democrats flipped another district in June, after winning an expensive and contentious state Supreme Court race in April. "In 2010 and 2014, nationally the wind was at our back," Walker says. "In this election, the national wave is coming at us."

ALAN GREENBLATT

A tougher political environment could be enough to bring his share of the vote down below 50 percent. Certainly both parties see this as a marquee election, with the Republican and Democratic governors associations collectively devoting upwards of $10 million to the race. Walker, as is his custom, is raising tons of money and has stuffed the state to the gills with campaign field offices. He's one of the most disciplined politicians in recent memory, sticking resolutely to his message that Wisconsin is in better shape thanks to his policies, no matter what's happening in Washington.

If he wins, Walker will be the last Republican governor from the so-called Tea Party Class of 2010 to remain in office. (New York Democrat Andrew Cuomo is the only other governor seeking a third term this year.) But he doesn't concern himself with tending the flame for that particular strain of conservatism. Instead, he's doing his best to put attention on state issues, seeking to remind people that they're better off than they were eight years ago, while warning of the potential dangers of changing course. "It's like amnesia," he tells a group of supporters crammed into a small GOP party hall in Reedsburg. "People forget, before I was elected governor, Wisconsin was moving in a very different direction."

Good economic news notwithstanding, Walker has to thread a needle. The state's primary population centers, Milwaukee and Madison, will vote overwhelmingly for Evers (whose name rhymes with "weavers"). Walker needs to excite the conservative rural voters who came out and tipped the state narrowly for Trump and get them to turn out for this midterm, while not upsetting suburban Republican women who may have soured on Trump. When reporters ask Walker anything about Trump, the governor generally tries to insist that the issue at hand falls outside his jurisdiction.

Waukesha County, in suburban Milwaukee, is such an important source of Republican votes that *The New Yorker* ran a cartoon in 2016 showing Russian generals looking at a map of a divided red and blue America and being told, in a caption in Russian, "It's all going to come down to Waukesha County." There's no way that Walker will lose Waukesha, but if voters there don't turn out for him in the numbers he needs, in a year when Democrats in Madison and Milwaukee are highly motivated, Walker could well lose the state as a whole. "Democrats are going to get destroyed in

Waukesha like they always do," says Marquette University political scientist Paul Nolette. "But if the Republican numbers go just a bit down, Walker's margin of error is so low that he needs those votes, and it's plausible that those votes aren't there."

It will be a considerable irony if Walker loses because a small percentage of his regular voters are put off by Trump. There's still a plausible case to be made that, were it not for the rise of Trump, Walker would have been the Republican presidential nominee in 2016. He was almost uniquely acceptable back then to all major factions of the party. Walker, who will turn 51 four days before the election, combines the populist instincts of talk radio with the policy agenda of a free-market think tank. He initially polled well as a presidential candidate, particularly in Iowa, but ultimately his appeal as a Washington outsider was no match for Trump's. Walker shut down his campaign in the fall of 2015, two months after its official launch.

He wasn't a Trump guy. When he pulled the plug, Walker said he wanted to help clear the field so that a smaller number of candidates could "offer a positive conservative alternative to the current frontrunner." Still, like nearly every Republican, Walker has been supportive of Trump as president, appearing regularly in Washington for working meetings and events. When Foxconn Technology Group announced its decision last year to build a $10 billion display panel plant in Wisconsin, the event was held at the White House. Trump later came to Wisconsin for the groundbreaking. "His connection to Trump represents his true colors as a right-wing politician, and that is not Wisconsin," says Phil Neuenfeldt, president of the AFL-CIO in the state.

Walker himself concedes that "the left" is motivated this year by anger—"more so at the president and others in Washington than me," he says—and notes that anger is a powerful motivator when it comes to increasing turnout. He wants his side to match that motivation, warning his followers at campaign stops that progressive forces from outside the state, such as a redistricting committee headed by Barack Obama and Eric Holder, as well as the leftist billionaires George Soros and Tom Steyer, would love nothing more than to defeat him. "The other side is angry," says Brad Courtney, the state GOP chair, who believes this will be Walker's toughest race.

Walker concedes that "the left" is driven by anger, and that's a powerful turnout motivator.

Walker often seems like he's taking notes from the Democratic playbook, keeping his focus on education and health care.

For their part, Democrats have long complained that Walker is in the pocket of the Koch brothers and Wisconsin Manufacturers and Commerce, pushing an agenda forged by big donors and the conservative American Legislative Exchange Council. They contend that Walker has decimated the state's institutions. Spending on K-12 education is less than it was when the governor took office, despite his more generous recent budget. The university system has taken major financial hits, with several campuses cutting dozens of majors. The quality of Wisconsin's roads ranks near the bottom nationally. It's hard to find a state or county road that's free of patches or potholes, which Democrats seek to rebrand as "Scott-holes." That hasn't caught on, but many voters, including lots of Republicans, complain that the highways are in bad shape. Walker adamantly refuses to raise the gas tax to pay for more maintenance or construction. With the incentive package that was offered to lure Foxconn topping $4 billion, plenty of people around the state say they'd rather use that money to pay for better roads.

The bulk of the new jobs and spending by Foxconn will happen in and around Mount Pleasant, which is located along Lake Michigan between Kenosha and Milwaukee. The company has made an effort to spread contracts around the state, and Foxconn has announced a $100 million gift to the University of Wisconsin's main campus in Madison to start an engineering research project. Still, the farther you go from Mount Pleasant and southeast Wisconsin, the less popular the Foxconn deal seems to be. "Clearly, the economy should be an advantage for Walker, but complicating that for him is Foxconn," says Nolette. "The deal he made remains quite unpopular."

Despite the state's low unemployment rate, it's a Democratic talking point that too many people are having to work two or three minimum-wage or mediocre jobs to make ends meet. Job growth has plummeted, with the state ranking at the bottom for business startups for most of Walker's current term. Democrats commonly use phrases such as "fed up" and "waking up" to describe voter reaction to Walker after so many years in office. No fewer than three former Walker cabinet secretaries have offered torrid criticism of the governor in recent weeks, accusing him of mismanagement and putting donors' interests ahead of voters. All this leaves Democrats hopeful they can end what for them

ALAN GREENBLATT


WALKER
MOVING WISCONSIN FORWARD

has been the nightmare of Walker's regime. "It's a different world this year," says Ingrid Wadsworth, who chairs the Sauk County Democratic Party. "What's happening at the national level has engaged so many people."

But even some Democrats wonder if they have the right champion to unseat Walker. Evers has won the statewide post of superintendent of schools three times, taking 70 percent of the vote last year. He easily won the party's gubernatorial nomination, aided by pre-primary polls that showed he could defeat Walker. Evers prevailed over a large field, but the candidates weren't particularly well-known, even among Democratic voters. Evers wasn't very well-known himself. A good number of primary voters declined to support him simply because they didn't believe he would be a dynamic or charismatic enough alternative to Walker. "I just don't think he has what it takes to beat Walker," says Steve Sullivan, a small business owner in Janesville.

That sentiment is not uncommon. Evers, who will turn 67 the day before the election, is quiet, pale and mild. Even some of his supporters describe him as "bland" or "boring." Walking along parade routes or past town festival tents, Evers is not the type of candidate who commands attention or grasps after every hand. He pushes back against descriptions of himself as placid, insisting that he'll "fight like hell" for priorities such as increased education spending and expansion of Medicaid.

But if Evers is no glad-hander, he seems to get approached constantly for selfies by schoolteachers who say Walker has wrecked funding in their districts. Evers maintains that Walker's effort to adopt the mantle of "education governor" is a ridiculous assertion. "He has done more to destroy public education in this state than any other governor," Evers says.

Evers notes that education is an issue that concerns everyone, whether they tend to vote Democratic or Republican. While attacking Walker, he has tried to suggest that, even in a polarized era, it's possible to find common ground on issues. He ran on a more moderate platform than his Democratic rivals, who veered left to endorse single-payer health care and free college tuition. Evers was the only candidate who didn't pledge to cancel the deal with Foxconn (which, as a contract, would have to be renegotiated, Evers notes). Such stances might make Evers more acceptable to independents. He'll certainly have no trouble attracting Democratic votes, simply by virtue of the fact that he's not Scott Walker. "Fed up doesn't even come close," says Kiett Takkunen, an education consultant in Lake Nebagamon, describing her feelings about the governor. "It's just deplorable that he is part of the whole Trump regime."

Walker is seeking to turn the education issue against Evers. He says the Democrat's

Touring meeting halls and dairy farms, Walker touts his record cutting income and property taxes to the tune of roughly $8 billion.

ALAN GREENBLATT

Wisconsin's politics have long been a battle between progressives and a GOP faction of wealthy individuals and business interests.

complaints amount to posturing, since Evers himself described the governor's last education package as "pro-kid." As soon as Evers was nominated, Walker began attacking him over a case involving a science teacher who viewed pornographic material at school. The teacher was fired, but later reinstated. Evers says that state law made it impossible to revoke his license, and that he worked to persuade legislators to tighten sanctions. Walker counters that Evers should have gone after the teacher anyway and let the courts decide the matter.

To be hated by just under half the voters in the state is actually a positive accomplishment for Walker. After his failed presidential campaign, the governor's approval ratings in Wisconsin sank into the mid-30s. Before running for president, Walker had governed as a conservative, but carefully stayed away from issuing pronouncements on divisive social issues. That changed as he sought to position himself for the Republican presidential nomination, decrying abortion and Planned Parenthood and publicly admitting he was flipping his position to take a harder line on immigration. Those moves cost him support within his own state.

After dropping out of the presidential race, Walker held listening sessions that eventually took him to every Wisconsin county. Education, health care and access to broadband came up repeatedly, helping to shape his agenda and campaign message this year and bring his poll numbers back up. "If we win again, it will really be a reminder that if you listen to what you hear from your constituents and you don't nationalize everything, then that's the winning recipe," he says.

A centerpiece of Walker's stump speech is talking about college students, how they had to leave the state to find jobs before his time in office, his own children included. Now his sons are back in the state and Walker says that the growth of employers such as Foxconn will keep more people around. Not just having a job but knowing your kids can get a job nearby—and that you won't have to get on a plane to visit grandchildren—is "our ultimate American dream," he says. He doesn't tell voters much about specific policies he'd implement in a third term.

Walker may just be playing it safe. Or it's possible that there simply aren't too many mountains left to climb. As much as any state, Wisconsin under Walker has ticked off just about everything on the contemporary conservative checklist. Certainly, he will hunt for more regulations to eliminate, and he says there are plenty more taxes he can cut. But after eight years pursuing an aggressive agenda, there aren't obvious big and splashy items such as right-to-work or voter ID laws left for him to tackle. "There are opportunities still," says Paul Farrow, the county executive in Waukesha County and a former Republican legislator, "but, granted, we finished a lot of what are considered conservative goals."

If austerity's the policy, once it's been achieved, there's not a lot left to do. There certainly isn't money for grand new initiatives, or even much for road repaving, which Walker's fellow Republicans will press him to approve. But that may be the point. Wisconsin's politics have long been a battle between progressives and a GOP faction once known as stalwarts, wealthy individuals and business interests who favored conservative policies. Progressives in Wisconsin had an impressive run, making the state a fountainhead for ideas such as workers' compensation, unemployment insurance and Earth Day. Back in 1959, Wisconsin was the first state to pass a law allowing public workers to enter into collective bargaining. Walker has undone much of that.

In his new book, *The Fall of Wisconsin,* Dan Kaufman complains that Walker and his allies have decimated a state built on a Scandinavian sense of shared fortunes, turning it into "a laboratory for corporate interests and conservative activists." What Kaufman views as a tragedy and a warning for the rest of the country, however, conservatives see as a triumph. And Kaufman concedes that rebuilding progressive institutions will be a lot harder than tearing them down. For all Evers' promises to restore funding for schools and universities, the reality is that even if he's elected, he will find it difficult to undo much of what Walker has done. The state Senate is in play this year, but the Assembly will remain in Republican hands. "This should be an incredibly easy win for the governor," Farrow says, "but Wisconsin is a 48-48 state."

If Walker does win, Farrow says he hopes that the governor's third term will represent "continuance" and "steady governance." That's not an inspiring campaign slogan, but it may represent success. Walker has already refashioned the state in a much more conservative image. That will remain true even if he loses or, like many other third-term executives, has a hard time coming up with a grand new set of fresh and innovative ideas. **G**

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TOWNS, GOWNS AND REAL ESTATE

Every city would like to have a world-famous university. But it's a mixed blessing. Just ask New Haven. *By J. Brian Charles*

The sun hadn't yet risen in New Haven one day this summer when a line started forming outside the new L.L. Bean store on Elm Street. People were queuing up to get first crack at the gift certificates advertised as part of a grand opening weekend, a three-day gala with music, food, a block party and a free yoga class.

Yale University is the landlord for the new store, which is the latest addition to the Shops at Yale at Broadway, a 9,000-square-foot retail triangle just a block north of the main campus. The exact university boundary is hard to identify because Yale's presence is stitched throughout New Haven. It comprises not only academic and research buildings and dormitories, but also the hundreds of homes Yale has bought for faculty and staff, and equally important, commercial land holdings valued at more than $100 million. The university has reshaped a city where the Ivy League campus once felt like a world of its own, separate from the factory town where thousands of workers assembled bolt-action rifles.

Yale University is New Haven's biggest player when it comes to commercial retail development.

When the new L.L. Bean opened in August, it wallpapered a nearby column with pictures of its signature duck boot. The boot's color matched Yale's blue. It was not a coincidence. Yale is New Haven's biggest player in commercial retail development. The Shops at Yale, the Chapel Street Historic District and the Whitney-Audubon Arts and Retail District are almost entirely under university control. In many of the commercial corridors, quirky local businesses have been displaced by high-end national retail chains. Where Cutler's Records used to sell used and new vinyl albums, the British clothing brand Barbour now offers a line of trendy cotton jackets. Patagonia, Lou Lou and J. Crew are all part of the Shops at Yale, and coffee shops and bistros, all Yale tenants, line up along adjacent Chapel Street. Lauren Zucker, the university's associate vice president for New Haven affairs and university properties, admits she often has to think like a mall operator. Yale isn't in the retail business to lose money. Still, she insists, the university places aesthetics ahead of pure profit in selecting commercial tenants. "If you wanted to make a quick buck in retail," she says, "you'd lease it to a fast food restaurant or a bank."

That a university with more than 300 years of history and a $27 billion endowment would have to decide on the location of a frozen yogurt store speaks to the university's vested interest in all of New Haven. Former Mayor John DeStefano has called the relationship between the university and the city, once frosty but thawed since the late 1980s, a matter of "mutual self-interest." The city, long battered by economic headwinds, needs the injection of capital, the jobs that come with the expansion of a large research institution, and the affluent talent base that follows. Yale needs New Haven to provide an attractive backdrop for its campus to compete against Columbia, Harvard and Princeton universities in attracting top students and talented faculty members. As Amy Cotter, who studies town and gown politics at the Lincoln Institute of Land Policy, says, "Universities are fooling themselves if they think the community and the region around them are not part of the draw."

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The university owns the Shops at Yale, a retail triangle just a block north of campus.

The connection between a university and its host city has traditionally been one marked by mutual benefit, but also mutual suspicion and, in the worst cases, mutual disdain. Even Harvard, an icon in Greater Boston, has felt the wrath of local politicians, most notably in the 1990s when it used an outside agency to buy Boston property secretly because university officials believed anyone knowingly selling to Harvard would demand top dollar. That move earned an angry rebuke from then-Boston Mayor Thomas

Menino. But the town and gown relationship has taken on a new dimension in recent years as universities' abilities to drive the economic engine both benefits and clashes with the needs of the local communities.

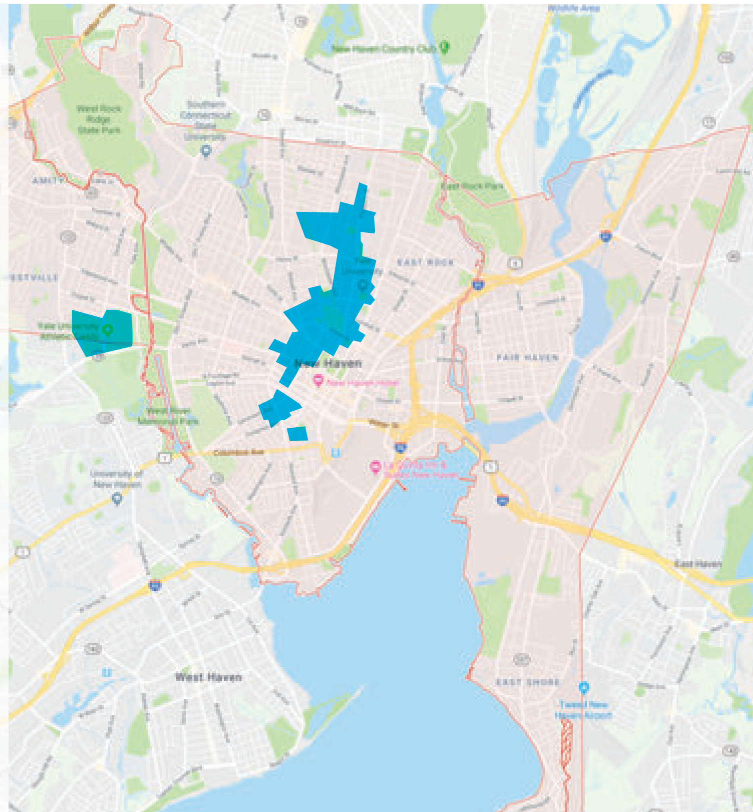
It's a challenge for cities all across the country. With 14,000 employees, Yale is the largest single employer in New Haven. Harvard ranks second and the University of Massachusetts ranks fourth among employers in Greater Boston. The University of Southern California has for more than a decade been among the largest private employers in greater Los Angeles. In at least 25 metropolitan areas in America, higher education institutions and their accompanying hospitals, a sector often dubbed "eds and meds," account for roughly 1 in 6 local jobs, according to an analysis of 2016 federal data by the Martin Prosperity Institute.

Mayors in New Haven, Boston, Philadelphia and Pittsburgh have all been largely supportive of benefits from the expansion of the universities. But the growth comes at a steep dollar cost to these college towns. Boston, Cambridge, Mass., New Haven, Philadelphia and Pittsburgh have collectively lost billions in property tax revenues because of the tax-exempt status of their universities and affiliated medical centers.

According to a Lincoln Institute study in 2009, universities in Boston were sitting on more than $12 billion in real estate, which if taxed would have generated more than $340 million for the city. Through voluntary contributions in lieu of taxes, colleges and hospitals in Boston sent the city about $14 million that year. Tom Murphy, the former mayor of Pittsburgh, says this is the predicament cities who play host to major research universities invariably confront. "You want the universities to grow, you need the jobs they provide," Murphy says. "But as they grow, you lose property off the tax roll."

Gifted with its huge endowment, Yale has created an urban center that would not exist without its money and influence. Each summer, parents, prospective students and tourists flock to the city to lay eyes on an institution older than the country itself, and to spend money in the Yale-controlled business district. This is the New Haven that nearly all the visitors see. But it is not the only New Haven. Once a manufacturing hub where the rifle maker Winchester Repeating Arms employed more than 15,000 workers, the industrial core of the city has been hollowed out over the last 40 years. Poverty has followed and persisted. Currently, 1 in 4 New Haven residents lives at or below the poverty line.

For many years, as the town struggled and the university grew, Yale remained an island seemingly cut off from the ills of the city. A statewide fiscal crisis in the late 1980s began to change that. New Haven was on the verge of bankruptcy in part because the state was underfunding aid meant to compensate cities for the taxes lost to large nonprofit landowners like Yale and the university's hospital. Douglas Rae, who teaches management and political science at Yale and was chief of staff to the mayor in the early 1990s, helped broker a deal where Yale would voluntarily pay New Haven a fee each year to offset the cost of public services that benefited the university. It wasn't so much a partnership; it was the university throwing the city a lifeline that would in turn help Yale. "The university," Rae says, "was willing to make modest concessions to the city, but wanted wherever possible to justify it through direct self-interest that alumni would understand."



The areas highlighted in blue encompass Yale's tax-exempt academic properties (but not its taxable commercial land holdings).

YALE UNIVERSITY

Yale was slowly acknowledging that its fate was tied to New Haven. The "Yale bubble" was pierced for good in 1991, when a varsity lacrosse player, Christian Prince, was murdered walking to his apartment near the campus. "The Prince murder," Rae says, "was the event that caused Yale University and the Yale Corporation to say we have to give the highest priority to the community around us."

Former Yale President Richard Levin took office in 1993, shortly before DeStefano became mayor. They each served nearly 20 years. And it was under the leadership of the two that town and gown would enter a marriage of sorts.

Under Levin, the university began to aggressively extend its real estate footprint both commercially and in residential real estate. Yale purchased the financially challenged Chapel Street Historic District and became landlord to the businesses in that district. It began to extend its reach into the residential neighborhoods through handsome housing subsidies offered to faculty and staff. Yale offers $30,000 in cash assistance to employees who buy in the city, with an additional $5,000 for those who purchase homes in the long-blighted Dixwell neighborhood. In all, the program has invested $31 million since it was launched. "Certainly, there are pros and cons when the university and its students and faculty expand their footprint in the city," says the Lincoln Institute's Adam Langley. Yale employees buying homes are contributing to the city's tax base. But the investment has come at a cost.

The housing cash incentive has helped fuel gentrification in places such as East Rock, a traditional Italian enclave where rising home prices and corresponding spikes in property taxes have pushed out working class white residents. The Dixwell and Dwight neighborhoods have also felt the impact of Yale's homeownership program in the form of displacement.

DeStefano and Levin's transformation of New Haven resembles events in other cities with powerful universities. The neighborhoods surrounding the University of Pennsylvania in Philadelphia have seen similar shifts in the housing market thanks to home-buying subsidies and major investments by Penn in the nearby University City neighborhood. Housing prices have tripled there in the last 15 years, while the black population in University City has declined by more than half.

As Yale has reshaped—and in many ways, revived—its host city, it has left a gaping hole in the city budget. Thanks mostly to the university, a full 54 percent of all the property in New Haven is tax exempt. Student housing, academic buildings, research facilities and Yale's sprawling hospital complex all escape taxation. Despite these exemptions, Yale is still the fourth-largest property taxpayer in New Haven, because of the size of its retail presence. But of the $3 billion in real estate Yale owns, it pays property tax on roughly 3 percent—the commercial space it rents out in the city. Since 2014, Yale has invested $700 million in new construction, all of it tax exempt.

Under former President Richard Levin, Yale aggressively expanded its real estate footprint.

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In Philadelphia, the University of Pennsylvania has balked at the idea of direct payments to the city.

The sales tax money collected in New Haven goes to the state, which in turn sends some of it back in the form of state aid. Under its payment in lieu of taxes (PILOT) program, the state is supposed to reimburse the city at a rate of 77 cents for every $1 of untaxed property owned by an institution of higher learning. But the cash-strapped state has never met the terms of the agreement, and in recent years has sent New Haven 33 cents on the dollar. The reduction in state aid through PILOT, coupled with city pension obligations, caused Standard & Poor's to downgrade New Haven's bond rating to BBB+/Negative in July.

Standard & Poor's report predicted that the city, despite its large and wealthy university, would have to turn to its homeowners to pay more in property and car taxes to fill the budget gap. "This could prove difficult," the report noted, "given New Haven's overall high amount of tax-exempt property and weaker wealth and income factors relative to other Connecticut municipalities."

Yale has attempted to fill some of the gap left by the state. This year it will increase its voluntary contribution in lieu of property taxes from $7.5 million to $10 million. But as pension and health-care costs continue to stress the city financially, and the state continues to cut back on aid to cities, New Haven will face fiscal headwinds despite the success of its famous tenant. "We are looking at fiscal strains to New Haven that voluntary contributions by Yale are not going to cope with," Rae says. "I don't think we are near what would be realistic levels in terms of New Haven's financial needs in the next 25 years."

Yale's voluntary contributions are the largest in the nation paid by a single university to its host city.

As big universities go, Yale is far from the worst tax evader. Its voluntary contribution is actually the largest in the nation paid by a single university to its host city. By comparison, the University of Notre Dame, which has an annual television deal with NBC worth $15 million to broadcast its football games, voluntarily gives the city of South Bend $500,000 under its PILOT program. In Pittsburgh, neither the University of Pittsburgh nor Carnegie Mellon University provides a contribution in lieu of taxes directly to the city, despite recent efforts to establish voluntary payments.

Pennsylvania is an interesting case. It compensates municipalities which are home to state parks, but it refuses to reimburse Pittsburgh and Philadelphia for the revenue losses caused by large research universities. Pittsburgh tried to sue the University of Pittsburgh Medical Center in 2014 over its tax-exempt status, but pulled back and has since tried to negotiate a voluntary payment system. The University of Pittsburgh, the medical center and Carnegie Mellon have chosen instead to contribute to Pittsburgh Promise, a program that pays college tuition for graduates of the city's public schools. Similarly, in Philadelphia, the University of Pennsylvania and Drexel University have balked at direct payments to the city, and have not committed to a plan favored by Mayor Jim Kenney that would use revenue from those institutions to help shore up funding for K-12 schools in lower-income districts in the city.

Penn and a handful of other colleges and universities in the Philadelphia area fund what is called the University City District, a partnership between the colleges and neighborhood nonprofits which provides additional policing, street cleanup, funding for street lighting and job placement for low-income residents. Since the mid-1990s, Penn has spent more than $2 million a year on programs and poured $640 million in payments into the Philadelphia Police Department for additional patrols around campus.

Kenney has considered trying to establish a PILOT program funded by the universities, but that would be difficult. A Pennsylvania law bars cities from taking legal action against universities that fail to compensate them for the cost of public services. Prior to the enactment of that law in the 1990s, Philadelphia collected $9 million a year in PILOT payments from its universities. Opponents of a new PILOT program point out that Philadelphia levies a wage tax on all who work in the city. While New Haven is almost entirely dependent on property taxes, Philadelphia collects much more in wage taxes than it does from taxes on property.

Although many universities agree to voluntary PILOT programs, the agreements leave a tremendous amount of leverage with the universities. Take Harvard. In 2014, when Harvard offered $4.3 million, or just a bit more than half of what Boston city officials asked for, the university pointed to the more than $45 million it had given to Boston and Cambridge in the preceding decade. Officials continue to accuse Harvard and other Boston-area universities of being "one-sided" in their community relationships. "The frustration is that you're talking about a university—this isn't John Smith Vocational School," then Cambridge Councilman Marc McGovern said. "Harvard has more money than many third-world countries. They are going to be expected to do more."

Yale says its obligation to New Haven has never been to make the city whole for hosting the university, but to recognize the interdependence of the two entities. This is a common argument. "The current law in states around the country is that nonprofits are completely exempt from taxes," says Langley of the Lincoln Institute. "And part of the reason for that is these nonprofits and these anchor institutions do provide a lot of important benefits to the cities where they are located."

Still, officials in New Haven have been growing more aggressive about lobbying for a higher PILOT contribution from Yale. Connecticut state Sen. Martin Looney has called on Yale to guarantee 50 cents on the dollar to New Haven. Some have pushed for the city to sue Yale in an effort to tax the school's endowment. Those efforts would be in vain, however. Yale's nonprofit status is enshrined in the Connecticut Constitution. **G**

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MENTAL BREAK-DOWN

This country has never had an effective public policy toward mental illness. In Chicago, things seem to be getting even worse. **By Mattie Quinn**

The wait for mental health services at Saint Anthony Hospital, a nonprofit community institution on Chicago's West Side, is about a year. The hospital sits on the border between North Lawndale, an African-American community, and Little Village, which is mostly Latino. It tries to offer culturally sensitive care to both constituencies, and it gives free mental health services to the uninsured. But it's swamped.

Arturo Carrillo, the mental health program manager at Saint Anthony, says there's been a near-constant waiting list since he started as an intern in 2005. The list is longer in 2018 than it's ever been. This is despite a widespread belief that Hispanics and African-Americans are less likely than other groups to seek out mental health treatment because of a widely felt stigma against it.

Despite its name and size, the 151-bed facility feels more like a community health clinic than a sprawling city hospital. Spanish is often spoken when people check in at the front desk. On one recent morning, a child played with an adult in the waiting area, while a couple in the reception room waited for medication-assisted treatment, an FDA-described "whole person" approach to weaning people off substance abuse.

Two waves appear to have contributed to the exceptionally long waiting list for mental health services at Saint Anthony. The most recent came in the aftermath of the 2016 presidential election, when Spanish-speaking communities reported growing anxiety as a result of the new zero-tolerance immigration policies. But the much bigger wave came a few years earlier, in 2012, after Mayor Rahm Emanuel's administration shuttered half a dozen city-run mental health clinics. Two of those clinics were in the low-income areas that Saint Anthony serves. "The Woodlawn clinic was a crucial clinic for the African-American community in need," Carrillo says. "The Back of the Yards clinic had Spanish-speaking psychiatry services. It's the degradation of many layers of the social safety net. That's not just a Chicago problem, but in Chicago there's been an intentional disregard for investment in these areas."

In 2011, Chicago had 12 community mental health clinics. Now it has five. Local officials cite both cuts in state funding and a consolidation plan from the city that aimed at shifting patients to private mental health centers. Protesters sat vigil day and night outside the clinics in the months leading up to their closure, arguing that the patients wouldn't have anywhere to go. It didn't make a difference: By the spring of 2012, Chicago was down to six city-run clinics. That number was reduced to five after one was privatized in 2016.

Protesters staged a sit-in outside the office of Chicago Mayor Rahm Emanuel in 2012 to oppose the closure of six of the city's 12 mental health clinics.

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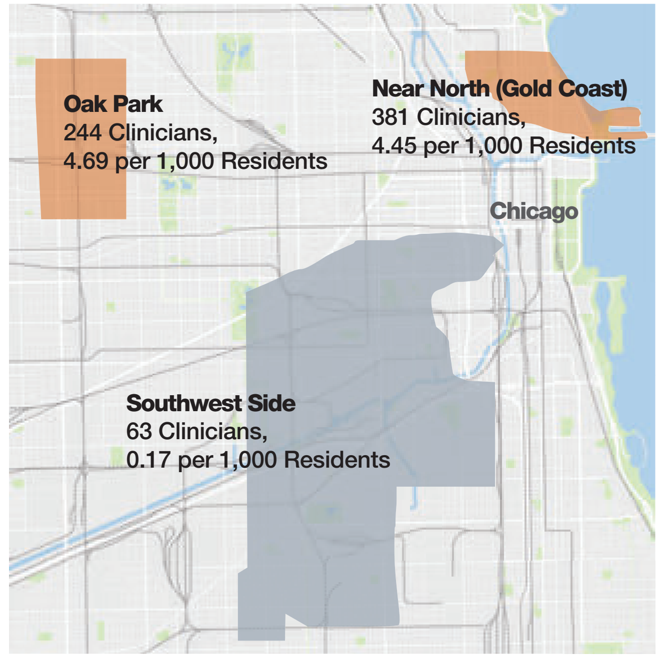
Five years after the closure decision, mental health advocates and activists say traditionally underserved areas are still reeling from the double budget cuts from the city and state. "It was devastating and frankly unnecessary," says Jaleel Abdul-Adil, co-director of the Urban Youth Trauma Center at the University of Illinois at Chicago. "I know Chicago has money it could have spent on more mental health resources, and ironically we're more than happy to spend that money on policing and prisons. It shows a real lack of vision for what wellness looks like for urban youth and families."

City officials dispute the argument that the 2012 decisions had a cascading impact on the city's treatment of mental illness. Health Commissioner Julie Morita says the city was responding to state action in the best way possible. The reduction in state assistance, she says, "resulted in us closing clinics that we knew had skeletal



COLLABORATIVE FOR COMMUNITY WELLNESS

Treatment options are limited for low-income and uninsured residents on Chicago's Southwest Side. Meanwhile, there are plenty of clinicians available in more affluent neighborhoods in the Chicago area.

crews and not that many people using them. People look to those closures to have a reason to blame Chicago's problems on, but it's a bit of a scapegoat."

These are arguments that have been going on for half a century, and in many places besides Chicago. In the early 1960s, the Kennedy administration advocated closing most large public mental hospitals in the hope that patients would be better served by community clinics, including private ones. Within a short time, this policy drastically reduced the number of inmates in residential treatment throughout the country. Critics have argued ever since that private and nonprofit facilities aren't publicly accountable like publicly funded clinics, and that they constantly have to battle crippling budget and capacity restraints.

In any case, the goal of expanded community-based treatment never came close to being fulfilled, in Chicago or anywhere else. The nonprofit Community Counseling Centers of Chicago (C4) was seen as the primary partner to absorb patients dismissed from hospitals, but by 2015 C4 was on the verge of closing. An 11th-hour deal with Cook County allowed its centers to remain open, but at less than full capability.

There isn't data showing where patients went after the Chicago clinics closed in 2012—whether they were able to find care elsewhere or simply fell off the radar. Mental health advocates in Chicago insist many of them stopped receiving care entirely. "No one has been able to argue that they reinvested comparable dollars into a better system," says Paul Gionfriddo, CEO of Mental Health America, a nonprofit focused on community-based mental health care. "Illinois usually ranks around middle of the pack for mental health access, and I believe what's pulling it down is Chicago."

The Chicago chapter of the National Alliance on Mental Illness (NAMI) reported in 2015 that the use of hospital emergency rooms for mental health needs had already been increasing in the city prior to the 2012 cutbacks. Chicago Public Radio reported that from 2009 to 2013, there was a 37 percent jump in the number of people discharged from emergency rooms who had gone there for psychiatric treatment. The biggest jump came in 2012. "These cuts," NAMI has claimed, "have made it impossible for service providers to build the infrastructure required to support the need of those living with mental health conditions."

NAMI Chicago's executive director, Alexa James, puts things a little more bluntly. "We are a very sick city," she says. "We are in an absolute crisis. The people we're interfacing with today are sicker than we've ever seen, and younger."

All over the United States, mental health providers are struggling to find new ways to make treatment more accessible. The Affordable Care Act made a commitment to cover mental health on par with other forms of care, but the provision has not been enforced. Still, with more Americans insured than ever before—and more stakeholders shifting from a fee-for-service model to one that incentivizes healthy behavior—the health-care industry is moving toward a system that treats people more holistically, taking social determinants of health into account. But it is far from achieving that goal. And money continues to be an intractable problem.

These strains are present in Chicago. In addition to the cuts from the city, Illinois has recently emerged from a two-year-long budget impasse, in which state-funded Medicaid mental health services were a primary casualty, with some mental health services going unfunded for months. At the height of the state's budget crisis, Screening, Assessment and Support Services (SASS), a state-funded crisis response program, was able to offer its services only one day a week. Thresholds, a nonprofit institution that is one of the largest mental health providers in the state, found in 2013, before the worst of the budget impasse, that emergency mental health hospitalizations due to state spending budget cuts had already cost Illinois $18 million.

This year, Carrillo of Saint Anthony was the lead researcher on a report by the Collaborative for Community Wellness, a group of 22 community organizations that came together to mine mental health data for Chicago's Southwest Side. The report paints a picture of great need and seriously inadequate resources. Half of the respondents to the group's survey reported depressive symptoms. Thirty-six percent showed symptoms of anxiety, and nearly that many were diagnosed with trauma. Eighty percent of respondents said they were interested in some form of counseling. To serve those populations, there are currently 63 mental health clinicians on the entire Southwest Side of Chicago, which works out to 0.17 therapists per 1,000 residents. On the Gold Coast, an affluent Near North Side neighborhood, there are 381 mental health care providers, or 4.45 per 1,000 residents.

It is not easy to compare mental health access in different cities, but some available data suggests Chicago has a worse-than-average problem. There are 15 publicly funded mental health clinics in East Los Angeles, a low-income area of that city. The state of New York lists 73 mental health programs in the Bronx alone.

"People look to those [six clinic] closures to have a reason to blame Chicago's problems on," says Health Commissioner Julie Morita, "but it's a bit of a scapegoat."

ROBERTA DUPUIS-DEVLIN/UIC PHOTO

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Saint Anthony Hospital on Chicago's West Side has a yearlong waiting list for mental health services.

The only consistently funded mental health center in the Chicago area is the Cook County Jail. Sheriff Tom Dart has implemented numerous measures making it easier for people in the jail to get mental health care. Dart believes about half of the women who enter the jail are mentally ill, as are about a third of the men. Inmates diagnosed with mental illness are separated out and offered care on par with what they'd get in a hospital. When those with mental illnesses are released from the jail, a nearby clinic run by the University of Chicago offers them a soft landing for a few days before they return to outside life.

Though mental health advocates in the city are grateful for Dart's efforts, there is a sense of frustration that so much of the responsibility for taking care of Chicago's most vulnerable has fallen to a jail. "We should never accept the premise that a jail is a mental health facility," says Heather O'Donnell, senior vice president of advocacy and public policy at Thresholds.

Despite the budget turmoil throughout the city and state, Thresholds has been able to grow in recent years, in part because of an increase in federal funding, as well as private donors. Still, says CEO Mark Ishaug, "there are not many other places harder than Illinois to do this work." During the worst of the budget impasse, the organization had to depend on a local bank to provide a line of credit so it wouldn't miss its payroll. "There is all of this lost opportunity to serve people before they become so sick," he says. "It's not just the state, because it feels like the private insurance system has colluded on this. They do not provide coverage for the kinds of services that the people who we serve need."

Surprisingly, though, Ishaug insists he's optimistic. He points to recent wins in the statehouse that may show a changing attitude in policy. There's a newly created mental health committee in the legislature. During the last session, Gov. Bruce Rauner signed several mental health bills, including one that would seek federal approval for Medicaid to cover community-based screenings and interventions for youth and adolescents.

Earlier this year, the federal Centers for Medicare and Medicaid Services approved a waiver for Illinois that gives the state authority to use $2 billion over five years for 10 pilot programs. The waiver is meant to treat opioid addiction, but there will be a large behavioral health component as well.

It is not easy to compare mental health access in different cities, but some available data suggests Chicago has a worse-than-average problem.

In the meantime, Health Commissioner Morita says the city has been working and is continuing to work with other health-care providers to expand care where it's needed. "By not just focusing on the delivery of care," she says, "we're able to work as gap-fillers in the city," by which she means that they now focus on helping clinics expand care where it is lacking. "I want to go to a clinic that offers comprehensive, whole person health."

Though there is a bit of momentum, particularly on the state level, advocates worry that the staying power necessary to create genuine change does not exist. "I'm hopeful that we're fed up with current systems," NAMI's James says. "But what I'm frustrated with is that it's not meaningful reform and it's mostly sparkly press conferences. Creating reform within mental health has to get messy. It really stems from reimbursement issues and capacity building and non-sexy things like that." **G**

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The Battle of 5

DAVID KIDD

The newest internet technology has a diverse cast of characters hoping to control it.

By Mike Maciag

Back in 2016, several major phone carriers approached the city of McAllen, Texas, about building state-of-the-art 5G wireless networks. With the promise of ultra-fast internet connection speeds and an array of potential commercial and public applications, city officials eagerly entered into discussions about amending local ordinances to accommodate the necessary infrastructure. Months later, they were close to reaching an agreement on establishing a large-scale pilot program.

It all started to unravel, though, when McAllen and other Texas cities heard about a proposal in the legislature setting statewide rules for 5G installation and prohibiting local governments from negotiating their own deals. McAllen City Attorney Kevin Pagan says the wireless providers initially assured him they weren't interested in asking for state legislative help. But then the bill started gaining traction. Company representatives stopped responding to Pagan's emails about the licensing agreement, and he says he hasn't heard from them since.

The legislation sailed through both chambers and was signed into law last spring. McAllen has joined other Texas cities as lead

One of the most common complaints concerns the aesthetics of 5G small cells.

DAVID KIDD

plaintiff in suing the state over the bill. "I'd like to say it was a fight, but when the score has already been determined in advance before the starting gun goes off, it's difficult to call it a fight," Pagan says. "Nothing that we suggested of any substance was [included] in S.B. 1004."

Across the country, telecom companies are beginning to lay the groundwork for 5G wireless networks. The buildout often pits states against cities, as in Texas. But a proposal that the Federal Communications Commission (FCC) was set to vote on in late September would not only upend future local agreements, but also preempt states. If approved, localities across the country would have drastically less authority over 5G infrastructure.

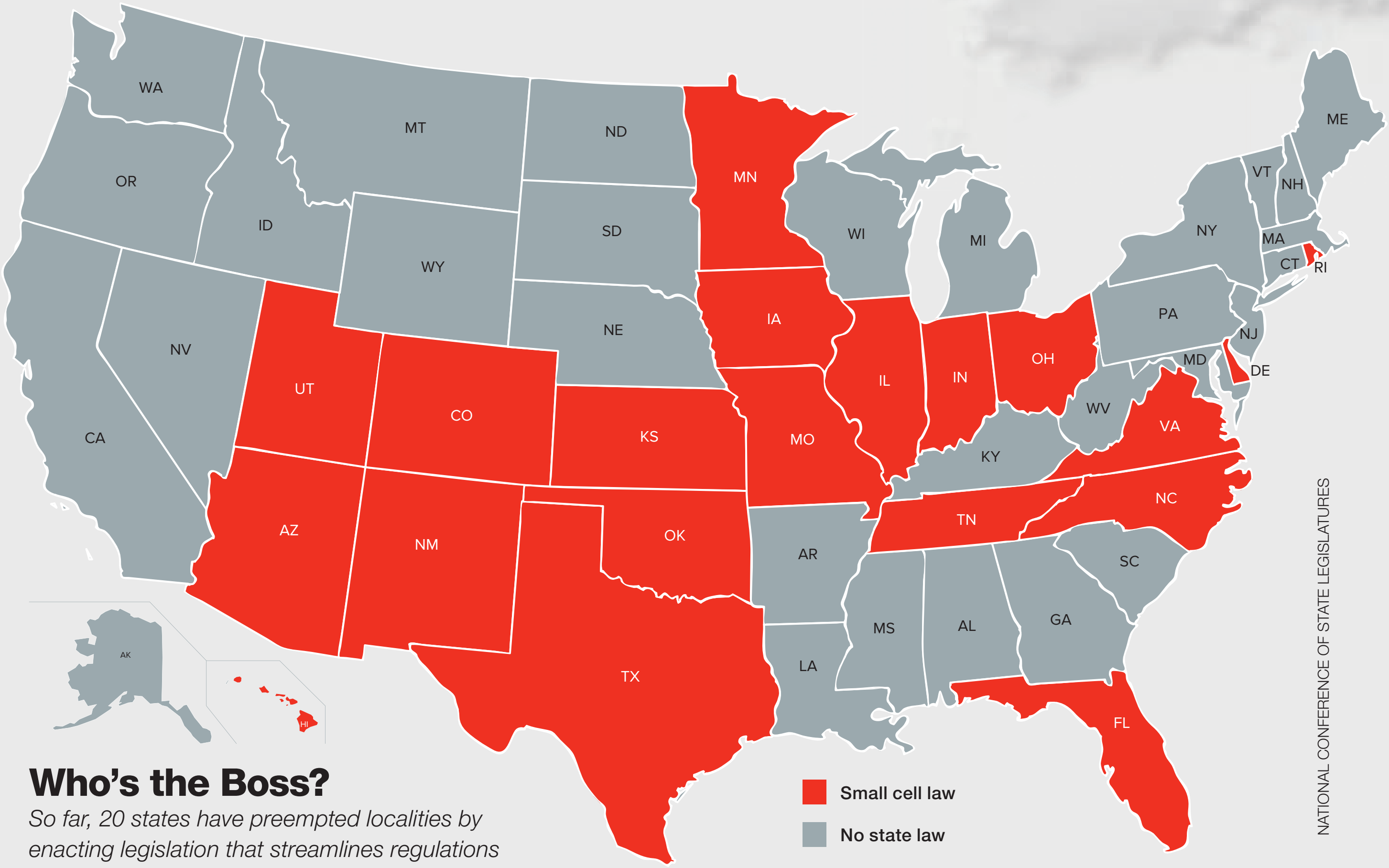
The arrival of 5G represents a major advancement in wireless technology. It's expected to provide speeds at least 10 times faster than the typical 4G connection that many places now have. Testing is underway in select cities, and the FCC will start auctioning licenses for 5G spectrum in November. The first 5G-compatible smartphones are expected to follow next year.

Some localities are already looking to use the technology in ways that go well beyond improving internet speeds. Kansas City, Mo., partnered with Cisco and Sprint on building a public Wi-Fi network covering part of the city's downtown. It supports pedestrian sensors and interactive kiosks along a streetcar line. Bob Bennett, Kansas City's chief innovation officer, envisions a litany of potential future applications once 5G is enabled. Air quality and temperature sensors detecting pollution, he says, could play a role in determining where kids wait for buses. Others have hailed 5G as crucial for transmitting data to autonomous vehicles.

The key building blocks of 5G networks are small-cell antennas interwoven throughout city infrastructure, affixed to streetlights, utility poles or buildings. Providers typically describe them as the size of pizza boxes. But in actuality some of the antennas are much larger, while others are hardly noticeable at all. They generally need to physically connect to fiber-optic wires, so the first places expected to get 5G are densely populated urban areas with high consumer demand and existing fiber networks. One study conducted by the broadband advocacy group Next Century Cities, of jurisdictions considered to be leaders in technology, reported that 60 percent of communities with a wireline fiber connection to residences had small cells in place, while the same was true of only a third of those without existing fiber.

Unlike cellphone towers, small-cell nodes have limited range and poor ability to send signals through physical barriers. So telecoms may need to install hundreds of small cells to cover a relatively small area—an undertaking that becomes cost-prohibitive in less urbanized areas. For this reason, Blair Levin, a former FCC official who oversaw the National Broadband Plan, says 5G is likely to further widen the digital divide that has disadvantaged parts of rural America.

Supporters of the FCC proposal and state laws governing 5G frequently maintain that the laws will speed up construction, as well as potentially facilitate its use in currently unserved areas. In their pitches to Nebraska state lawmakers last year, lobbyists argued that a statewide rule would accelerate rural deployment. Citing comments provided by telecom providers, the FCC proposal



Who's the Boss?

So far, 20 states have preempted localities by enacting legislation that streamlines regulations to facilitate the deployment of 5G small cells.

similarly concluded that "resources consumed in serving one geographic area are likely to deplete the resources available for serving other areas."

But local officials contend that carriers won't bring their 5G networks to outlying areas absent market demand. "There is not a shred of evidence that suggests a penny saved in New York immediately gets invested in Montana," Levin says. McAllen's Pagan adds that his city offered companies a "healthy subsidy" to deploy internet service in unserved areas, but they weren't interested.

What's certain is that the FCC wants to lower the cost of deployment. As of early this summer, 20 states had enacted legislation aimed at facilitating 5G small-cell deployment, according to the National Conference of State Legislatures. FCC Commissioner Brendan Carr has stated that the order wouldn't alter nearly any provisions of the 20 existing state laws. But any that do not satisfy the proposed federal rules would be preempted.

One major point of contention is the fees localities charge providers to mount small cells on poles and other public infrastructure. Cities argue that they should be able to charge carriers market rate fees based on land values or the value of nearby private property. State legislatures usually set much lower caps on the annual fees that localities can charge telecoms for each pole.

Texas state Sen. Paul Bettencourt, a Houston-area Republican who co-sponsored the Texas bill, believes local governments should levy only limited administrative fees. "We just don't need to make this a major revenue source," he says. "We should keep government out of the way of technology and let technology get us all there."

Before the state law passed in Texas, Houston was charging $2,500 per small-cell node annually, while San Antonio was charging $1,500. The state law sets the maximum right-of-way rate at $250 per network node. For a large city with potentially thousands of nodes once the technology is fully implemented, the difference amounts to millions of dollars a year. Nationally, jurisdictions surveyed for the Next Century Cities study reported a median lease rate of $1,200 per pole, with areas of high-priced real estate levying much higher fees.

Separately, video and cable companies pay Texas localities franchise fees based on their gross revenues for using public rights-of-way. Under the new state legislation, the Texas Municipal League fears that lower fee caps will incentivize cable companies to convert to 5G or wireless internet, meaning franchise fee revenues could one day disappear. Dallas, for instance, would lose up to $40 million annually under such a scenario. "We have to treat it like it's private property and the taxpayer has to be reimbursed on the market basis," says Bennett Sandlin, the municipal league's executive director.

Nearly 40 local governments in Texas are participating in the lawsuit against the state, arguing that the law violates the state constitution. The suit largely hinges on a provision in the constitution prohibiting the legislature from authorizing localities to grant public money or a "thing of value" to corporations. The cities

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FCC Chairman Ajit Pai has repeatedly hinted that he would scale back state and local authority over small cells.

say that a fee limitation of $250 per pole essentially represents a gift. In the past, the Texas Supreme Court has upheld laws if they can be said to accomplish a public purpose and provide localities a return benefit. Most other states do not maintain a "thing of value" prohibition.

The FCC proposal, modeled after laws in Texas and other states, calls for all recurring fees not to exceed $270 per small cell. Localities could levy higher fees, but would need to show they represented "reasonable approximation" of maintenance and other costs incurred. Fees also must be nondiscriminatory, in that one company can't be required to pay more for similar uses than another.

Levin, who advises nonprofits and tech companies, thinks cities shouldn't charge more than their cost burden, but also says local officials are in the best position to evaluate what those costs are. Cities incur construction management and permitting expenses for the installation of network nodes, along with potential liability expenses. Degradation costs result if mounted small cells lower the lifespan of infrastructure. Then there are opportunity costs representing what a pole might otherwise be used for. It's likely to become more relevant once smart sensors, public safety gunshot locators and other technologies command more real estate.

Cities have further expressed concerns over the way state laws pare their ability to regulate where and how small cells are installed. Wilton Manors, Fla., Mayor Gary Resnick, who testified before a U.S. Senate committee earlier this year, points out that individual localities possess their own unique construction challenges, such as Florida's islands and coastal areas. "By preempting, you take away the ability to work through some of these issues with the carriers," he says. "The ability to come to a win-win [scenario] is becoming harder and harder."

Some localities prone to severe storms, for instance, require that utility lines be buried. For cities, one of the more concerning provisions of the FCC proposal is that it considers such a mandate an effective prohibition of wireless service if required of all installations, a violation of the order.

There's a lot of prep work cities need to do before considering applications from 5G providers. Lincoln, Neb., has entered into agreements with multiple providers wanting to mount antennas and other equipment on public infrastructure. So they've introduced an electronic permitting system enabling multiple departments to review applications

simultaneously. Staff must also draft local rules. The Tampa City Council, for example, approved a 120-day moratorium on new small-cell applications last year in order to do so, prompting a lawsuit from the wireless industry trade group CTIA.

To speed up deployment, the FCC order sets time limits for cities to process small-cell permit applications: 60 days for those where other equipment is affixed to existing poles and 90 days for new construction. Observers are concerned that cities might not be able to handle the workload if they're flooded with hundreds of applications at once. The FCC guidelines allows for batch permitting if proposed installations meet certain criteria, meaning cities might need to review several hundred applications within the 60-day window. Seattle reports it increased staffing in several departments to review requests.

Network installations pose technical hurdles as well. Some poles are unable to handle the extra weight and electricity of a network node, says David Young, Lincoln's right-of-way manager. Additionally, the proliferation of small cells has prompted worries over potential health risks, particularly given how close some pole-mounted antennas are to homes. The FCC last updated its radiation exposure guidelines more than two decades ago, based mostly on existing cellphone towers. Citizens in several communities have protested installations, and the agency is in the process of updating its standards.

One of the most common complaints from residents and officials concerns the aesthetics of small cells, which sometimes take the form of unsightly large boxes and wires hanging from poles. Crown Castle, a wireless infrastructure provider, has worked with several jurisdictions on designing small cells to blend in with the individual neighborhoods, such as white decorative light poles constructed along a boardwalk in Ocean City, Md. Crown Castle's Richard Rothrock says many of the most successful deployments have occurred when the company has been left to work with city staff.

Several local governments have already reached agreements with telecom providers to achieve various policy objectives, but their fate may now depend on the FCC order. When wireless providers approached the city of San Jose, Calif., about deploying 5G nodes, officials made improved access to areas with low internet participation a precondition for reducing fees. The eventual agreement, announced this summer, set tiered costs per network node installation, with lower fees for companies deploying more nodes. Along with this incentive, three companies pledged to contribute a total of $24 million over the next decade to a digital inclusion fund. The agreement is proof, says San Jose Mayor Sam Liccardo, that cities can work with the industry to bridge the digital divide.

San Jose's agreement, covering what is thought to be the largest small-cell deployment so far, has been widely cited as a model by government associations. The wireless industry, though, feels otherwise. "It would ... be a mistake to take such an arrangement—negotiated by a locality with significant leverage and particular unrelated needs and challenges—and treat it as a model nationwide," Verizon's Will Johnson wrote on the company's website.

But it might not matter, as the FCC order includes no carve-out exempting any existing local agreements. The order was based largely on recommendations developed by the FCC's Broadband Deployment Advisory Committee last year and earlier this year. State, local and tribal officials made up only four of 25 members of a committee on state and local regulatory barriers. One of those members, San Jose's Liccardo, says it quickly became apparent that the industry was dominating the outcome, and he resigned his position in January. "What we're seeing through the FCC, Congress and many state legislatures," Liccardo says, "is a willingness of those public officials who have been co-opted by private industry to impose on local taxpayers the obligation to subsidize big telecom."

FCC Chairman Ajit Pai has repeatedly hinted that state and local authority over small cells would be scaled back. "The more difficult government makes it for companies to build a business case for deployment, the less likely it is that broadband providers—big and small—will invest the billions of dollars that are necessary to connect consumers with digital opportunity," he said last year.

The FCC order, scheduled for a vote on Sept. 26, was expected to be approved at time of publication. Industry observers anticipate litigation will follow. A Senate bill, the STREAMLINE Small Cell Deployment Act, outlines similar rules for states and localities. The legislation, while unlikely to pass this year, already has attracted some bipartisan support. **G**

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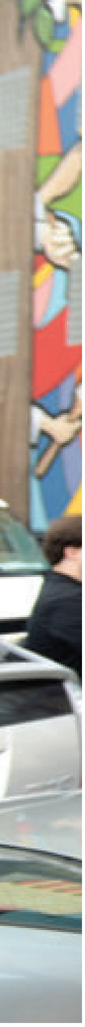

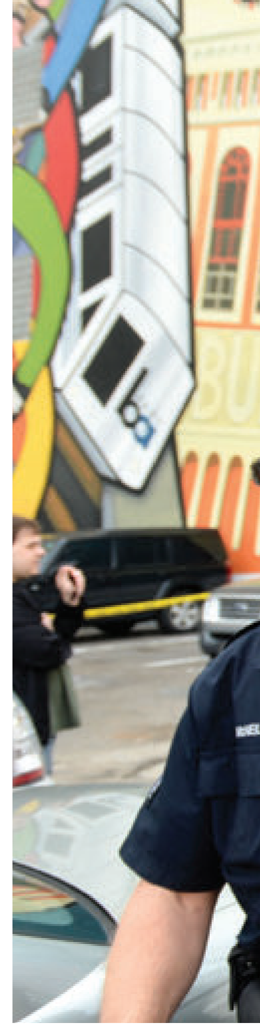

Police arrest a pro-marijuana protester in Oakland, Calif., in 2012.

Clearing Cannabis Convictions

There's a growing movement to automatically expunge marijuana-related criminal records in states where the drug is legal. By Candice Norwood

Nine states have legalized recreational use of marijuana. Despite that, people in those states are still serving jail time or facing professional and financial consequences for low-level, nonviolent marijuana arrests and convictions.

Generally, people with criminal records are about half as likely to receive a call back from a prospective employer, according to the Urban Institute. The numbers are worse for applicants of color. And a person's eligibility for public housing or student and bank loans can also be hurt.

But there's a small, growing movement among cities in the states where marijuana is legal to either reduce sentences or expunge marijuana-related charges from before the laws changed. "We've shifted public opinion so broadly on marijuana," says Chris Alexander, New York policy coordinator for the Drug Policy Alliance, "but we've got to also do something about those who have been arrested, incarcerated or otherwise penalized for possession, or use or sale."

This push comes as voters next month could legalize marijuana in two more states—Michigan and North Dakota—and New Jersey lawmakers are moving closer to legalization after Vermont became the first state earlier this year to legalize it through the legislature. North Dakota's measure would create an automatic expungement system, and bills have been introduced in New Jersey that would allow people to apply to expunge records.

About half of legal marijuana states have such processes in place. But the majority of these systems rely on those with convictions to initiate the process, which can be time-consuming and costly, says Kate Bell, general counsel for the Marijuana Policy Project. Many may also be unaware of the option.

In California, for instance, voters in 2016 approved Proposition 64, which legalized recreational marijuana and permitted the reduction of sentences and expunging of records for marijuana convictions. While the Drug Policy Alliance estimates that nearly 1 million people qualify to have their records reclassified or cleared by Prop. 64, just under 6,000 people petitioned for it between November 2016 and March 2018.

This gap between the number of eligible people and those applying for relief highlights one of the challenges of marijuana policy reform. "There could be myriad reasons why individuals aren't applying. It could be simply [because] they don't know or don't have the ability to access this," says Justin Strekal, policy director for the National Organization for the Reform of Marijuana Laws. "The better public policy is to have the jurisdictions go through and expunge those records [automatically] without putting the burden on the individual."

Some cities are doing just that. In January, San Francisco announced it will retroactively dismiss around 3,000 misdemeanor marijuana convictions and review about 5,000 felonies dating back to 1975. A month later, Seattle announced similar plans to vacate between 500 and 600 convictions dating back to 1997. "We want to address the wrongs that were caused by the failures of the war on drugs for many years in this country and begin to fix the harm

that was done not only to the entire nation but specifically to communities of color," San Francisco District Attorney George Gascón wrote in an email.

After the passage of Prop. 64, San Diego County worked with the public defender to petition on behalf of eligible residents to receive marijuana sentence reductions, according to Tanya Sierra, a public affairs officer for the county's District Attorney's Office. So far, 1,131 sentences have been reduced or dismissed. The initial focus was for people on probation or in custody, but Sierra says the public defender may consider relief for more than 14,000 defendants going back to 2005.

Some marijuana advocates, however, want to see states step up. Bell of the Marijuana Policy Project hopes states will develop automatic expungement systems that benefit people in both urban and rural areas. "I certainly commend the prosecutors that have taken this into their own hands to do the right thing," she says. "But it should be uniform across the state, and the only way that's going to happen is if the state provides resources."

California Gov. Jerry Brown is expected to sign into law a bill that does just that. The law will require the state Department of Justice to prepare a list by July 2019 of those convicted of marijuana crimes who are eligible for reductions or expungements, and to provide those names to the county prosecutors who handled the original cases. Unless challenged by those prosecutors, the law would then require the court to reduce or dismiss the convictions, with priority given to those currently serving jail sentences.

For some, full legalization isn't a necessary step to achieve the same goal as San Francisco and Seattle. Kevin Sabet, president and CEO of the anti-legalization group Smart Approaches to Marijuana, argues that decriminalization addresses criminal justice issues more directly than legalization. The latter, he says, is only focused on profit and commercialization. "Just because it's legal doesn't mean you don't get arrested," he says. "It's not legal if you're under 21, it's not legal to use in public housing, it's not legal to use it in schools."

According to a Prison Policy Initiative report, 235,000 people were locked up in state prisons or local jails for drug offenses in 2016. Currently, 13 states have decriminalized but not legalized marijuana. In Rhode Island, for instance, marijuana possession can result in a fine rather than criminal charges, and the state's governor signed a bill in July that allows people to petition for record expungement even though recreational use is still illegal there.

While legal marijuana states have seen steep drops in marijuana arrests, blacks and Latinos are still much more likely to be arrested for marijuana-related offenses than whites within those states. Legalization does not "fix" racial bias, says Alexander of the Drug Policy Alliance. Those are problems that need to be addressed within the policing and justice system as a whole. But, he says, legalization and record expungement are important starting points. **G**

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FLICKR/ZACH WILT

The Mouse Drops Its Demands

In August, the Walt Disney Company made an unusual request: It asked Anaheim, Calif., to terminate two agreements that provide the company with hundreds of millions of dollars in economic assistance.

The city council agreed and voted unanimously to revoke them. Critics, led by Mayor Tom Tait, a libertarian-leaning Republican businessman, had criticized the city for agreeing to a 45-year moratorium on a gate tax and a $267 million assistance package for a new luxury hotel.

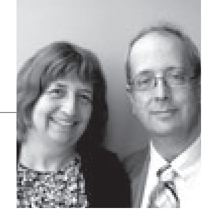
In a letter to the city explaining the request, Disneyland Resort President Josh D'Amaro acknowledged "an unprecedented and counterproductive" level of animus between the company and the city.

Tait described the vote as one that would boost city finances and serve as an example for other corporations to follow.

But Greg LeRoy, who heads Good Jobs First, an organization that monitors corporate subsidies and has been critical of them, is skeptical. He says there has been a reduction in the number of deals approved by state and local governments over the past 10 years. But that's because there are fewer to be had overall. What is on the rise are extremely expensive "mega-deals," such as Wisconsin's $4.7 billion assistance package to Foxconn or the current competition for Amazon's second headquarters. "Even at a time when unemployment is really low," LeRoy says, "state and local governments appear desperate to spend to get jobs." *–John Buntin*

Smart Management

BY KATHERINE BARRETT AND RICHARD GREENE



Is Your Dashboard Clickbait?

For years we've been asking people in state and local government how they let people know about useful data-based information they've collected. We wanted to get an idea of what they considered the most effective way to communicate key findings that can impact constituents and inform decisionmakers.

Most of them answered by referring us to the wonders of their online dashboards, which are basically a graphic approach to displaying data in a way that helps policymakers and the general public easily grasp the information. There are dashboards that show road conditions, citizen health measures, air quality, crime data, and on and on. But on closer examination, we've found that pride in dashboards is not necessarily warranted.

In the best of all cases, dashboards can be updated in real time or close to it. The California Correctional Health Care Services Dashboard, one of the best in its field in the country, is refreshed daily for internal use. State leaders can see when rates in any one of a multiplicity of efforts have either leapt forward or fallen behind.

But the simple act of putting up a dashboard doesn't mean it's going to find an audience, either among decisionmakers or citizens. Consider the comments of Guenevere Knowles, associate director for performance management at the New York City Mayor's Office of Operations: "We thought dashboards were going to help inform decisions. But I know that the tons of data that we put out doesn't get that many views."

Underuse is also an issue in Tennessee, which has about 30 dashboards and was listed this August by Results for America as one of the five states that does the best job in disseminating data. That conclusion was validated by the two of us as we scanned other states' dashboards.

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Yet, the many dashboards in Tennessee only get about 120,000 hits a year—in a state of some 6.7 million people. It's addressing this shortcoming on a number of fronts. One is an attempt "to get an understanding of who our viewers are," says Terry Cowles, director of Tennessee's Office of Customer Focused Government.

Graphic displays of informative data are useful only if they're seen.

One of the problems confronting a number of state and local dashboards is that they don't deliver the information their audience covets. "When we see dashboards that aren't as successful as they should be," says Jennifer Horne, senior digital marketing coordinator for iDashboards, a data visualization company, "the problem is that the creators don't have a clear sense of what the audience wants."

There are, of course, sensible ways to making any graphic display useful and well-visited. Stephen Few, the author of *Information Dashboard Design*, has recommendations for graphic presentations. These include supplying a framework or context for the data; choosing the appropriate media display as the brain responds better to certain ways of illustrating information graphically, such as using lines to show patterns of change through time; avoiding the proclivity to jazz up graphics and risk adding confusion; and arranging gathered facts sensibly as some bits of knowledge are more important than others.

Will managing dashboards this way guarantee that citizens and state officials turn to them on a regular basis? Probably not. But at least it heightens the chance that they might. The important point is to make sure that people who could benefit from the dashboards know the data exists. That's called marketing. Many states and localities don't have that skill in abundance, but it's worth acquiring. **G**

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On Leadership

BY MARK FUNKHOUSER

Becoming System Rich

To make a difference on big community challenges like homelessness, drug addiction and economic development, disparate agencies and programs in government, business and the nonprofit sector have to work in concert with each other. If these individual entities do not work across sector and governmental lines—that is, if they do not form a system—then their collective impact will be greatly diminished.

This problem and its potential consequences are explored by Ben Hecht, president and CEO of Living Cities, in his recent book *Reclaiming the American Dream: Proven Solutions for Creating Economic Opportunity for All*. Hecht quotes Cincinnati's coroner, who articulates the issue in a powerful way: "We are program rich and system poor ... and until we become system rich, we will not only continue to see low college graduation rates, but we will also keep seeing youth who have lost their lives on my tables." How to become "system rich," by bringing disparate entities together across sectors to focus on a collective goal, is one of the most profound challenges facing communities.

Communities can't address the big issues without collaboration.

It seems to me that there are two things that could help both public officials and civic leaders move toward coherent systems capable of creating the community conditions they want. The first is an organizing principle employing the "loose-tight" concept as explained by Tom Peters and Robert Waterman in their 1982 management classic *In Search of Excellence*. That is, individual units operate autonomously but with a common goal and tight accountability for reporting progress toward it.

Second, there has to be a clear understanding of roles and capacities. Government officials have legitimacy and convening power but little or no discretionary money. Corporate and philanthropic leaders have financial resources and connections to powerful people but less legitimacy. I could have used a better understanding of roles and capacities in my first campaign for mayor of Kansas City, Mo. I promised that if elected I would convene a community gathering to set a vision for the city's troubled schools. That resonated with the voters, but to bring together a large, demographically representative sample of the city's population for a daylong meeting required money for food, transportation, child care, professional facilitators, language translators and more. Finding the money in the city budget proved impossible, and the community conversation never happened.

But for a community seeking to become system rich, these kinds of conversations must take place. When a common vision does not exist, the political leadership has the responsibility to start the dialogue that will bring it about. Gaining agreement on outcomes—the community conditions we would like to see, such as every child reading at grade level—is the easiest part of the process. Setting priorities is a bit harder, and agreeing on methods of achieving those outcomes is the hardest of all. As Hecht makes clear, the communities that are having the most success at working through this process are those that have met the challenge posed by that coroner in Cincinnati. G

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Public Money

BY JUSTIN MARLOWE

Attack of the Accounting Bots

Financial reporting is changing. But we'll still need humans in charge.

Not long ago one of my millennial graduate students asked me, "What exactly do accountants do?"

"They track and report financial activity," I replied.

"But isn't there an app for that?" he asked. "Or an algo? Or a bot?"

"Absolutely not," I said. "There's no substitute for an accountant's expert professional judgment."

But the truth is more complicated.

Apps, bots and other tech are already replacing several professions, including marriage counselors, foreign language instructors and paralegals. They're also making their way into government accounting, and may mean big changes in how states and localities tell their financial stories.

Think for a moment about what government accountants actually do. A typical city or county performs millions of transactions each year—from paying employees to collecting taxes to selling old fleet vehicles. Accountants apply a standardized set of principles to determine how each transaction will affect that government's cash, investments, debt liabilities and other key components of its finances. At the end of the fiscal year, they prepare financial statements that summarize the financial activity according to those same principles.

In other words, accountants are interpreters. They translate a mountain of financial information into accessible, uniform reports. Ideally, those reports are uniform enough to allow comparisons across governments. So if financial reports are based on predictable principles, why can't a computer do the interpreting for us?

In a way, that's already happening. For about a decade the Securities and Exchange Commission (SEC) has required publicly traded companies to do financial reporting through extensible business reporting language (XBRL), a standardized, digital way to represent a company's finances. Every time a company reports a piece of financial information, the computers that run its accounting system "tag" it with a series of markers. Those markers define that information and describe how it interacts with other financial information according to a standardized set of concepts maintained by a nonprofit, third-party moderator.

The end result is a uniform, XBRL-tagged, computer-readable body of financial information that publicly traded companies can submit to the SEC. Investors, analysts and others can then take that information and produce customized digital financial reports that meet their unique needs. XBRL is not as cool as an app or a bot, but it has ushered along a transformational change in corporate financial reporting.

That transformation is taking root in state and local government. Earlier this year, Florida Gov. Rick Scott signed legislation allowing the state to establish an XBRL framework for local government financial reporting. Instead of preparing independent financial statements and then shoehorning them into the state reporting system, localities will instead submit XBRL-tagged information directly from their computers to the state. That could save millions of hours and produce much more uniform and transparent financial reports. Several other states are exploring similar legislation, which could lead to standardized information useful to the U.S. Census Bureau, credit rating agencies, bond investors and other stakeholders.

To that end, the State and Local Disclosure Modernization working group, comprising government CFOs, accounting academics and technology leaders, has convened to promote XBRL take-up in governments. This is against the backdrop of the Digital Accounting and Transparency Act, passed in 2014, which encourages a similar transformation for federal financial reporting.

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Does this mean the end of government accountants? Not at all. XBRL makes such accountants more valuable than ever. Every government will need someone to build XBRL into its existing financial systems and to help elected officials understand and respond to the barrage of questions that new stakeholders will inevitably ask once they slice and dice the new numbers. Critics also point out that XBRL will be far too expensive and complex for many small jurisdictions.

So there's no bot to replace government accountants. But there's a few that might make them more valuable. **G**

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IF YOUR CITY USES THESE

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Transportation + Infrastructure

BY ALEX MARSHALL

Arts in the Airport

Public facilities don't have to be dreary, utilitarian places.

"Flight Paths" appears between Terminals A and B in the Atlanta airport.

FLICKR/TESS DIXON

When I'm inching beltless and shoeless through a long security line at an airport, or searching to buy an expensive, stale sandwich for an otherwise meal-less ride through the sky, or sprinting between distant gates to make a tight connection to my next flight, I am, like most air travelers, pretty stressed. But passing through the Minneapolis-St. Paul airport on a recent trip, I found a bit of something one rarely associates with the modern air travel experience: peace.

The mechanism for this stress reliever was something called the See 18 Film Screening Room. Just off the main walkway of Concourse C, I saw people quietly watching local art videos or just sitting and resting. They lounged on seating units that are essentially slabs set at an angle in symmetry, making the whole room a giant piece of art. Calm pervaded the space.

Where did this come from? And who paid for this lovely space, which could have been prime retail square footage? I learned that the film room was made possible by the airport's "1 percent for the arts" program. It's part of a larger movement across the country, with cities, states and independent facilities such as airports requiring or encouraging that construction or renovation contracts for public facilities set aside funds for artworks. It's a good thing, helping to weave color, space and creativity into the fabric of our lives.

The state-led Metropolitan Airport Commission operates the Minneapolis-St. Paul airport, with board members appointed by the governor and the mayors of the two cities. In 2006, it approved the 1 percent for the arts program in its capital budget. The nonprofit Airport Foundation runs the arts program and makes recommendations, with the board approving all major art installations.

Other airports, including those in Atlanta, Baltimore, Denver, Phoenix and San Francisco, have similar programs. But I have not seen one as nice as the Twin Cities'. The program not only created the film room, but also provided the guitar-playing singer my wife enjoyed on one trip, as well as art-filled display cases here and there. It will pay for an "arts park" in front of a new hotel that recently opened, art in the new parking garage and a sculpture that will fill the two-level space between the ticketing and baggage claim areas.

The notion of having government directly paying for arts is a red flag for some, of course. "I had board members who didn't think government should be supporting the arts, pure and simple," says Dan Boivin, chair of the airport commission board. Despite that, the board unanimously approved the 1 percent program.

To Boivin, the notion always seemed like a good one for the Twin Cities, which is unusually strong in music, dance, theater and museums. "We have a vibrant community of the arts, and I wanted to bring that into the airport," he says. After all, it's the gateway to the region and, with 40 percent of its traffic due to connector flights, it made sense to give travelers who have a choice a reason to connect through Minneapolis-St. Paul.

If managed well and creatively, such programs are good policy options for enhancing livability. They help convert art from a rarified, elites-only domain into something enjoyed and discussed by everyone. I'd like to see governments expand these programs to new areas, such as roadways. How about giant sculptures in the grassy medians? Why not make more of our journeys efficient as well as colorful, engaging and thought-provoking? **G**

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Energy + Environment

BY ELIZABETH DAIGNEAU

Green Roofs Are on the Rise

After a slow start, many cities are making them mandatory.

Rooftops aren't just for shingles and solar panels anymore. Increasingly, they're for the birds, the bees and the trees. Green roofs, which have been common in Europe for more than 40 years, are slowly catching on in the U.S. Since the mid-aughts, there's been a small but growing effort—particularly in the last two years—to turn rooftops over to all kinds of vegetation.

The focus comes as cities are setting ever more ambitious energy efficiency and renewable energy goals. Green or living roofs are an obvious solution because they've been found to reduce energy costs and absorb stormwater. What's more, green roofs improve air quality and help reduce the urban heat island effect, a condition in which cities absorb and trap heat at higher rates than rural areas. A study commissioned by the Washington state Department of Energy and Environment found that every dollar invested in green roofs generated $2 in benefits. "There is more of a mindset today that the roofs of buildings are an infrastructure asset," says Steven Peck, founder and president of Green Roofs for Healthy Cities. "It makes sense then to use those assets to reduce stormwater, filter the air and reduce the urban heat effect."

That's why several cities have begun implementing policies to promote green roofs, starting with San Francisco's Better Roofs Ordinance, which launched in January 2017. The ordinance made San Francisco the first major U.S. city to mandate solar and living roofs on between 15 percent and 30 percent of most new construction. "We should treat real estate on the top of our buildings as valuable," says Barry Hooper, green building specialist for the city's Department of the Environment.

More recently, voters in Denver approved a green roof initiative that requires newly built buildings larger than 25,000 square feet to dedicate a portion of their rooftops to vegetation or solar panels. The green roofs are intended to help reduce Denver's urban heat island effect, which is the third worst in the nation.

And this July, the so-called ecoroof requirement went into effect in Portland, Ore. It mandates that vegetation must cover 100 percent of the roofs on buildings in the central city over 20,000 square feet (with some exceptions). Roughly 25 cities in North America have some sort of program to encourage green roofs, but, says Peck, "lately we're seeing more of a move to make them mandatory."

Part of the reason green roofs have been slow to take root is cost. A study by the University of Michigan found that a 21,000-square-foot green roof, for example, cost about $100,000 more to install than a conventional roof. Of course, the same study found that over its lifetime, the green roof would save about $200,000 thanks mostly to reduced energy needs. To help with the upfront costs, the firm Counterpointe Sustainable Real Estate announced last year that it will start offering property assessed clean energy financing. Through the PACE program, loans are repaid with long-term, fixed rates through an additional line item on the property tax statement. PACE is available in 21 states.

Another reason for their slow adoption is that installing green roofs is complicated. Peck's organization has developed a toolkit to help. The Living Architecture Performance Tool (LAPT) is a rating system and best practice guide. While its ultimate goal is to certify that green roofs and walls are planned to achieve certain measurable and replicable performance benefits, its more immediate focus is offering guidance. The tool is free to policymakers in particular, who can use it to maximize public benefits and create effective policies. "Not everyone can be an expert," says Peck, "but with LAPT you don't have to be. This can help policymakers incentivize green roofs." **G**

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HELPING STATES REINVENT CHILD WELFARE SYSTEMS

The new Comprehensive Child Welfare Information Systems rule provides states an opportunity to modernize child welfare systems and enhance outcomes. The Accenture Case Insight Solution can help them get there.

The statistics surrounding child welfare are alarming. More than 400,000 children are currently in foster care, and there are four million reports of child abuse and neglect each year.

Caseworkers often exhaust themselves completing administrative tasks, resulting in less time to spend with children and families. When working with families, caseworkers are often faced with making child safety decisions using limited information and very little time. Clearly, new methods are needed to ensure better outcomes and enhance caseworker support.

Fortunately, the federal government published the Comprehensive Child Welfare Information Systems (CCWIS) rule in 2016, replacing the 25-year-old Statewide Automated Child Welfare Information System (SACWIS) rule.

"CCWIS opens the door for innovation and fit-for-purpose use of technology," says Valerie Armbrust, Child Services Lead at Accenture, "CCWIS is a unique opportunity to look at child welfare and ask ourselves how we might use technology to increase the likelihood of keeping more kids safe. To ask ourselves how might we use technology to keep compliance as the mandatory baseline but look for ways to also pivot to using technology for better outcomes for the children and families we serve."

CCWIS gives states the flexibility to design and implement a child welfare information system that meets their unique needs and to rethink and redesign the processes and technology supporting child welfare to accelerate outcomes for children. To help states get there, Accenture worked closely with child welfare industry leaders to develop the Accenture Case Insight Solution (ACIS), a Salesforce-based solution that leverages cloud app adoption technology from Vlocity.

ACIS is an empowered case management system that is CCWIS-enabled and insights-focused. The result is an intuitive, easily configurable system that puts crucial information at the fingertips of front-line staff and is engineered to promote positive outcomes for children and families.

HIGHLIGHTS OF THE ACIS SOLUTION INCLUDE:

- **Extensive Child Welfare Case Management Model —** Captures even the most complex scenarios and situations
- **Flexible Alignment with Multiple Practice Models —** Freedom to update workflows, pages, fields and forms without writing any code
- **Dynamic Workflows, Forms and Reports —** Easily adapted to specific scenarios, making data entry faster and more efficient
- **External-Facing Portals —** Allows for always-on access
- **Artificial Intelligence —** Supplies staff with critical insights to help them make better and faster decisions
- **Secure Cloud Hosting —** Federally compliant storage solutions
- **Electronic Signature and Document Management —** Shift toward paperless processes with integrated eSignature and document management features

CCWIS provides child welfare agencies an opportunity to dramatically change how they engage and serve families, reimagine the "art of the possible" and deliver life-changing results. To find out how the ACIS solution can help you get there, visit **www.accenture.com/outcomes**

To hear a panel of child welfare thought leaders unpack the new CCWIS rule, discuss what the next generation of child welfare systems should look like and highlight the evolving demands these systems must address, view the Taking a Fresh Look at Child Welfare Systems to Accelerate Child Safety and Enhance Outcomes webinar on-demand at **http://www.governing.com/events/webinars/Taking-a-Fresh-Look-at-Child-Welfare-Systems-to-Accelerate-Child-Safety-and-Enhance-Outcomes-102598.html**

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BY MATTIE QUINN

Hooked on Hookah

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The water-pipe lounges are raising a lot of public health concerns.

This summer, the New York City health department embarked on a public awareness campaign that departed from its usual reminders to use sunscreen and stay hydrated. For the first time, the department began warning New Yorkers about the health risks of smoking hookah.

The public service announcements followed a February report by the Centers for Disease Control and Prevention that found hookah use increasing among the city's teenagers, rising from 9 percent who reported smoking hookah at least once in the previous 30 days in 2008 to 13 percent in 2014. The city's ad campaign warns that one hour of hookah use exposes the smoker to as much carbon monoxide and tar as smoking 10 cigarettes.

Hookah bars, where lounging patrons puff on long-stemmed water pipes that burn tobacco or an herbal blend called shisha, have been popping up all over the country, raising increasing concerns in the public health community not only that they foul indoor air with harmful substances but also that they are a gateway to use of cigarettes and other forms of tobacco. "People have this misconception that hookah is healthier, so we saw the need to have greater awareness around it and its risks," says Kim Kessler, New York City's assistant commissioner for chronic disease prevention. "While we've made great progress in cigarette use in recent years, rates of smoking are going up in other areas like e-cigarettes and hookah, particularly among young people."

Hookah bars are often able to circumvent indoor smoking laws because of cities' loopholes allowing tobacco-free shisha. New York City has such a loophole, but when researchers from the New York University School of Medicine visited eight hookah bars in the city in 2014, they found tobacco at all of them.

Other concerns about hookah bars have led to new regulations. In Charlotte, N.C., they faced scrutiny in 2015 after the air in one bar was found to have four times the permissible level of carbon monoxide. In response, the city required better ventilation and had its firefighters start carrying carbon monoxide detectors.

That same year, then-Seattle Mayor Ed Murray went on a campaign against his city's hookah bars, linking them to neighborhood crime and vowing to close all of them. Murray backed off after the East African community that frequents the hookah bars protested, calling the shutdowns racist. But the mayor ordered hookah bars to operate more like members-only private clubs and work with the city to ensure that their hookahs were tobacco-free.

That issue—what is actually being smoked in the pipes—is a big concern just about everywhere. "We rely for the most part on public complaints or public reports," along with "voluntary enforcement and social enforcement," Marcus Plescia, who was Mecklenburg County's health director in 2015, told *The Charlotte Observer*.

Even before this summer's public awareness campaign, New York City was moving far beyond voluntary enforcement. A package of bills passed in 2017 clamping down on tobacco and e-cigarette retailing also carried several regulations aimed at hookah bars, including requiring them to obtain yearly permits, post health warnings and get better ventilation systems; prohibiting them from expanding or moving locations; and ordering them to bar anyone under 21.

More than any other factor, the regulatory moves were motivated by fear of losing ground in the city's campaign against teenage tobacco use. "Hookah," says Kessler, "does pose a threat to the progress we've made in cigarette use in youth." G

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Last Look

THOMAS R. MCLAUGHLIN

Maskell, Neb., bills itself as home to the nation's smallest city hall. The 10-by-12-foot structure has served the tiny town of roughly 70 residents since the 1930s. There's just enough room inside for Maskell's four board members, city clerk and board chairman. If a particularly contentious issue draws more than a few observers, the board picks up and moves across the street to the shelter house in the city park. Minutes from each meeting are posted in the city hall's lone window. The stucco-covered structure was built as a public works project during the Great Depression to protect a well. The pump, unused since the 1950s, is still in the basement, accessible through a trap door and ladder. A recent renovation ensures that the little building will hold on to its claim to fame for the foreseeable future. **—David Kidd**


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