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The Leaders Who Inspire

Every day on Governing.com and every month in the magazine, we document the challenges facing America’s states and localities and the ways in which public officials are working to meet them and seize opportunities. Then, once a year, we step back and look at what we’ve witnessed across the country, consider the hundreds of remarkable people we’ve come across in public life and choose a few who, through innovation and courage, have managed to stand out just a little bit more than the others. These individuals we honor as our Public Officials of the Year.

Mark Funkhouser, Publisher

If there is a dominant theme in the profiles of this year’s honorees, it is captured in the title of Mark Friedman’s book about results-based accountability: *Trying Hard Is Not Good Enough*. These public leaders have tackled big problems—problems so large that in some cases they simply seemed intractable. In doing so, the 2016 Public Officials of the Year didn’t just try hard but managed to achieve results that had seemed unimaginable.

At last year’s awards dinner here in Washington, D.C., honoree Rick Snyder, the governor of Michigan, was the final speaker. When he got up to give his remarks, he said that he and his staff had been sitting there all evening taking notes. There were lessons to be learned from the stories of the other Public Officials of the Year, Snyder said. That was certainly true then and it is true now.

I wish that each of you reading this could be in the room when this year’s honorees are recognized. I think that you would be, as I am every year, inspired and filled with hope. The atmosphere is often electric—there is laughter, passion and, frequently, a few tears—and as I meet and listen to these remarkable people, I am buoyed by two truths. For each of the leaders we have found and recognized, there are hundreds more we haven’t yet discovered who are doing equally amazing things, and we contain among us huge differences in culture and governance, as chaotic, fragmented and jerry-rigged as it often seems to be, is built ultimately on a solid foundation: the basic decency of the American people.

We are a big, sprawling, cantankerous country with lots of challenges, and we contain among us huge differences in culture and political vision, but despite this we can still find outstanding leaders and govern ourselves effectively. That is something that ought to give us and our friends in the rest of the world great comfort.
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**LETTERS**

**A Second Chance**
In the October feature “Parole Models,” J.B. Wogan detailed a new parole and probation model being used in Multnomah County, Ore., called Effective Practices in Community Supervision, or EPICS. Under the approach, probation officers focus on developing a more supportive relationship with offenders—the goal being to avoid re-incarceration. The idea was well-received by readers.

I like the sound of EPICS. The “old system” definitely doesn’t work, so it is worth a try. Community buy-in and involvement are necessary because getting a job is a critical component of any rehab program. And, [as] most probation/parole officers and law enforcement officers will tell you, there are some really bad people that we cannot help, but this could be a gateway to success for millions of good people who just made a bad choice.

—Cactus jack on Governing.com

**We Can’t Build Our Way Out**
In his October Urban Notebook column “Growing Out of Poverty,” William Fulton explored the question of how much urban planners could do to help struggling neighborhoods. Ultimately, he concluded that the answer lies in creating more economic opportunity—not just improvements to the physical environment—in poor areas. “Unless people who live in their neighborhoods have a way up,” he wrote, “all those community development efforts may not do much good.”

So many of today’s problems that plague cities are far, far beyond the control of any city government. No matter how dedicated, progressive or capable, a city can’t address the bifurcation in the labor market, lack of regional coordination in housing policy, massive inequities in the tax code, and on and on. Maybe if we focused on what we can do instead of spending so much energy on spouting rhetoric about the largest issues, we could move the ball a little bit.

—Alex on Governing.com

**Corrections:** In his October Assessments column “Professions of Power,” senior editor Alan Ehrenhalt incorrectly gave the number of state legislators in Arkansas as 150. The correct number is 135. In the November Observer item “Putting the Brakes on Driver’s Ed,” Charlotte Mecklenburg Schools’ Driver Education Specialist Connie Season’s last name was misspelled.
The Baltimore Branch of Johnson Controls Building Efficiency serves the heating, ventilation, air conditioning and refrigeration (HVACR) needs of customers throughout Maryland. This broad and varied territory makes for a variety of interesting projects, including the installation of a cogeneration plant for the Back River Wastewater Treatment Plant that has helped save Baltimore $1.8 million in annual energy and operational savings.

BALTIMORE BRANCH TAKES LOCAL APPROACH TO STATEWIDE CHALLENGES

Meeting the HVACR needs of the state of Maryland has its challenges. Rural communities are often sparsely populated, isolated, difficult to access and, as a result, hard to service. At the other extreme, the City of Baltimore is densely populated and easy to access, but teeming with aging structures in need of efficiency upgrades. The challenge both communities share is a lack of funding to pay for HVACR improvements that can conserve resources, reduce operating expenses and support sustainability initiatives. What they’re learning is that the Baltimore Branch, led by Branch General Manager John Prusak, can provide innovative self-funding solutions to their challenges that incorporate Johnson Control energy-efficient systems and performance contracts that guarantee costs savings, operational, environmental and infrastructure improvements.

Wastewater treatment plant converts gas to savings

To help one Baltimore facility improve its energy performance, Prusak and his team installed a cogeneration plant at Back River Wastewater Treatment Plant that uses excess methane gas to generate electricity. This process, along with other energy conservation and facility improvement measures, is saving the city $1.8 million in annual energy and operational savings. The Baltimore Branch is also easing pressure on city officials to introduce air conditioning to city schools. Through performance contracts, the branch has provided an affordable cooling solution that benefits children, teaching staffs and the City of Baltimore.

Plant values community focus and involvement

Prusak appreciates the resources that a multi-million-dollar corporation like Johnson Controls delivers: “But our number one goal is to be perceived by our customers as a local business rather than an international corporation. We accomplish this by building relationships, providing service that exceeds our customers’ expectations and supporting the communities in which we live and work. We want to be visible in our communities, not just because we’re a business, but also because we’re good stewards, engaging in community service that helps communities prosper.”

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**2016**

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Washington, DC / February 2-3

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March 10

**Massachusetts Leadership Forum**  
April

**Summit on Infrastructure and Public/Private Partnerships**  
Santa Monica, CA / May 12

**Texas Leadership Forum**  
May 19

**Virginia Leadership Forum**  
May

**Summit on Government Performance & Innovation**  
Louisville, KY / June 15

**Illinois Leadership Forum**  
August 24

**Summit on the Cost of Government**  
Washington, DC / September

**Governing/Government Technology Health & Human Services Summit**  
Washington, DC / October

**Pennsylvania Leadership Forum**  
October 18

**Public Officials of the Year**  
Washington, DC / November 30

**California Leadership Forum**  
December 6

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PROBABLY FOR AS LONG as there have been campaign accounts, there have been politicians tempted to dip into them for their own use. Lately, this particular type of greed has been getting people into trouble.

In October, New Mexico Secretary of State Dianna Duran resigned and pleaded guilty to charges stemming from her habit of siphoning thousands from her campaign fund to underwrite her gambling addiction.

In South Carolina, an investigation by the Center for Public Integrity and the Charleston Post and Courier found that state politicians had spent an eye-popping $100 million since 2009 on dubious personal expenses, including payments to their own businesses and for spousal artwork.

That investigation, among others, spun off from the conviction of former state House Speaker Bobby Harrell last year for misusing campaign funds. Earlier this year, former state Sen. Robert Ford received a suspended sentence for turning his campaign treasury into his own ATM, spending money on items such as car payments, a gym membership and male enhancement pills.

This may seem like small stuff at a time when billionaires are routinely writing seven-figure political checks. And to some extent, campaign donors already know their money is going to be devoted to the candidate’s betterment. They may not care that their money is paying for GoPro cameras or camping equipment—actual examples from South Carolina—rather than yard signs or robocalls.

But from a policy standpoint, it’s better to keep politicians from walking off with the dough. Otherwise, we’re talking about bribes. “The reason we limit campaign contributions is we worry that people are going to use them to get favors from government,” says Daniel Weiner, senior counsel at the Brennan Center for Justice. “Obviously, that risk increases when politicians can use that money to buy the things they want.”

Of course, innocent mistakes are often made, and it’s human nature to cut corners in one’s own favor. There’s no field of endeavor, after all, where people don’t cheat a little when it comes to things like claiming mileage reimbursement. That’s why most states, as well as the federal government, seek to offer clarity by walling off certain expenses as inherently personal and not to be paid for out of campaign funds, such as mortgages and medical bills.

If it’s something you’d have to pay for even if you weren’t an officeholder or candidate, you’re not supposed to use money out of the campaign kitty. But sometimes that gets into gray areas, especially when it comes to things like travel. There may well be a legitimate reason for a trip. On the other hand, a legislator might just have tacked on a meeting to justify getting a free ride.

It certainly looks bad when a politician gets caught. That doesn’t always happen, though. Ethics enforcement is not always a top priority—especially in places like South Carolina where lawmakers are left to police themselves. Not all states, in fact, forbid personal use of campaign funds. Virginia Gov. Terry McAuliffe convened an “integrity commission” following the conviction of his predecessor, Robert McDonnell, on corruption charges. In October, the panel recommended that the state impose a new ban on personal use of campaign dollars.

One of its other recommendations was a big raise for state lawmakers. Part-time legislators, in particular, can easily feel undercompensated. That’s one reason why it’s so tempting for them to dip into the office or campaign accounts. “Most people aren’t setting out to commit fraud,” Weiner says, “but if there’s a vague standard and you’re feeling strapped for cash, then the temptation is there.”

—Alan Greenblatt

December 2015 | GOVERNING 9

Former South Carolina House Speaker Bobby Harrell was convicted last year of misusing campaign funds.
THE FRONT PAGE of the Philadelphia City Paper’s final issue, which came out in early October, showed a typewriter sitting on a desk and a simple message: “Goodbye, Philadelphia.”

The old-school image carried both sentimental and symbolic value. The black Royal typewriter in the picture originally belonged to the alternative newswEEKLY’S first publisher when he helped found the paper in 1981. Somehow it stayed with the staff, even through four office moves, as new technologies rendered it completely obsolete, and as the weekly’s circulation climbed to 300,000 in the mid 1990s and then dwindled to 56,000 by the time it ceased publishing.

City Paper joins a number of high-profile alternative weeklies that have succumbed to changing media trends in recent years. The Boston Phoenix and San Francisco Bay Guardian, both venerable publications, closed. The Village Voice in New York City let go of most of its best-known writers in 2013. Indeed, layoffs have been common throughout the industry, thanks to declining circulation among the biggest alternative weeklies. The country’s top 20 alternative weeklies lost an aggregated 6 percent of their audience just within one year, 2014, according to the Pew Research Center. Only three of the 20 papers increased their circulation.

Everybody knows times have been tough for local journalism, and there’s been plenty of attention anytime a mainstream daily newspaper has shut down (the Rocky Mountain News, The Cincinnati Post), ceased daily printing (New Orleans’ Times-Picayune, the Seattle Post-Intelligence) or scaled back staff (basically everyone). These events have tremendous implications for how government is covered. Often it means readers get less information about far-off places, whether they be foreign cities or state capitals.

But there’s a particular void that’s left when alt-weeklies go away. One of their staple coverage areas, along with art and music coverage, is an intense focus on city government and local leaders. It’s rare to find another home for 5,000-word stories on how business owners impact neighborhood zoning decisions, how bureaucrats dole out favors using tax increment finance districts or why city council members are squabbling with one another. “When you have less competition, it becomes easier for people in city hall,” says Dan Kennedy, a journalism professor at Northeastern University and a former media critic for the now-defunct Boston Phoenix. “Anytime you don’t have to worry about a reporter from one news organization trying to beat the competition at your expense, that means less scrutiny.”

But the news isn’t all bad. Alternative weeklies are actually faring better financially than other media outlets. “We have not been immune to the trials of the media business,” says Tiffany Shackelford, executive director at the Association of Alternative Newsmedia. “But because our papers tend to be a little
alternative weeklies in mid-level and small markets have fared better than their big-city counterparts. Papers in cities such as Charleston, S.C.; Colorado Springs, Colo.; Reno, Nev.; Sacramento, Calif.; and Syracuse, N.Y., have actually increased their print circulations. As daily newspapers cut back their coverage, smaller weeklies have become increasingly important in shaping issues, whether it’s gay rights in Salt Lake City, the legalization of marijuana in Colorado and Washington, or the rise of U.S. Sen. Bernie Sanders in Vermont. The Arkansas Times has doubled down on covering state government, and demand for those stories is big enough that the paper has a paywall for its digital content. In Oregon, reporting from the Willamette Week in Portland helped lead to the resignation of Gov. John Kitzhaber in February. Meanwhile, other news organizations are filling in some of the gaps left by shuttered alternative weeklies. The New Haven Independent, founded by a reporter from a now-closed alternative weekly there, is a nonprofit online news site and low-power FM station with the feel of an alternative weekly. Other players including public radio, neighborhood bloggers and sites like Gothamist are also claiming territory that once seemed reserved for alt-weeklies.

Shackelford says alternative weeklies welcome the company. “While once we might have felt fierce competition with dailies,” she says, “I think at this point most of our papers think that more coverage is good coverage.”

—Daniel C. Vock

Can You Find Me Now?

When you check movie times on your cellphone, search for a restaurant or hail a ride, the device automatically knows exactly where you are and can suggest things nearby. So it’s understandable that many people assume the same holds true when they call 911 for emergency assistance.

But the fact is, 911 call centers frequently receive imprecise locations of callers from wireless carriers—and some don’t get any location information at all. Calls from landline phones are linked to addresses. But today more than 70 percent of all 911 calls originate from cellphones, a number only expected to increase.

more reliable location information could save lives, and earlier this year an order from the Federal Communications Commission (FCC) set targets for companies to improve both the availability and accuracy of location information. But those upgrades remain a long way off.

Under the new rules, carriers will have to provide caller location information within 50 meters 80 percent of the time by 2021, along with vertical location information—i.e., the caller’s floor in a building or on the 22nd floor—that would have to be in place in top markets by 2023.

Critics have denied the rules, calling for shorter timelines and targets specific to calls placed indoors, which lack location information much more frequently than calls placed outdoors with a clear view of the sky. Originally, the FCC had proposed rules with a much more aggressive timeline. But telecom companies succeeded in killing the proposals, arguing they relied on expensive and unproven technology. The revised rules were developed in agreement with the nation’s four largest wireless carriers, along with the Association of Public-Safety Communications Officials and the National Emergency Number Association (NENA), which represents dispatchers, supervisors and private-sector service providers.

“We would have liked to have seen a more compressed timetable,” says NENA CEO Brian Fontes, “but really isn’t going to allow for it.”

Of course, 911 dispatchers do ask callers for their location. But sometimes callers hang up. Other times, they might not know exactly where they are if they are traveling in unfamiliar places. For this reason, it’s crucial that communities maintain signs and posted mile markers, says Gary McCarrar, who chairs the International Association of Fire Chiefs’ communications committee. “It’s really low-tech systems that have been the mainstay of emergency location for centuries,” he says, “and they’re still important.”

Meanwhile, minutes matter when responding to a call, and communicating more precise location information is critical, says McCarrar. “For every passing second, we push up the numbers of deaths, injuries and dollar loss to the public.”

—Mike Macaig
How Many Homeless Youth? No One Knows.

NOBODY KNOWS how many young people are homeless in the United States. The Department of Housing and Urban Development (HUD) last year pegged the number of unaccompanied homeless youth at 45,000, but that’s widely acknowledged to be an underestimate. The Department of Education says it’s more like 90,000, based on the number of students who self-identified as homeless during the 2013-2014 school year. Because there’s no universal definition for “youth” or “homelessness,” the actual number is anybody’s guess.

This isn’t a new issue. Seven years ago, Congress called for periodic national estimates of runaway and homeless youth between the ages of 13 and 26. The first count should have occurred in 2010. In fact, the Obama administration requested funding for a national count, but Congress never appropriated the money.

The lack of data is a huge problem, says Bryan Samuels, who served as the commissioner of Children, Youth and Families under President Obama. “We weren’t in a position to judge whether the federal government programs [on youth homelessness] were working.”

Information on homeless veterans and adults has helped the federal government and its local partners establish realistic reduction goals. Several cities have reduced homelessness among those populations, and some localities, including Houston and Salt Lake City, have claimed victory in eliminating chronic veteran homelessness. But the problem among youths remains a big question mark. “We need a baseline,” says Mary Cunningham, who researches homelessness at the Urban Institute. “We still need a lot more information before we can really progress.”

To set that baseline, Samuels, now the director of Chapin Hall, an applied research center at the University of Chicago, is raising private funds—more than $2.6 million so far—to conduct a two-year count of youth homelessness in 25 communities. The effort launched in July; final results won’t be available until 2017.

Why is it so hard to get a good count of youth homelessness? For one thing, HUD’s estimate depends heavily on the number of people using emergency shelters during winter months. That makes sense for adults, but younger people are more likely to steer clear of shelters. Many youths become homeless because they’re trying to avoid the police or the foster care system. They may not want to raise a red flag by self-identifying as homeless.

So researchers at Chapin Hall are rethinking the methodology. Their counts will take place in warmer months. They’ll consider new locations, such as malls and transit stations, and they may include counts during the day and night. They’ll also conduct in-depth interviews to understand why young people become homeless and what services they need. The goal is to get much more than an accurate count of the nation’s homeless youth. “If we just ended up with a count, then everybody funding this initiative would be disappointed,” Samuels says. The final report will also include promising and proven interventions that can help policymakers reduce youth homelessness.

—J.B. Wogan

THE BREAKDOWN

22

The number of cities, out of the nation’s 25 largest, that will now be controlled by a Democratic mayor, after last month’s elections (assuming Sylvester Turner wins the run-off in Houston on Dec. 12).

1:14

Ratio of children in the United States, a total of more than 5 million, who have had at least one parent in prison.

30%

Estimated portion of U.S. traffic in downtown areas that’s generated by people searching for parking spots.

99.9%

The likelihood that a magnitude-5 or larger earthquake will hit Los Angeles by April 2018, according to a recent report by NASA’s Jet Propulsion Laboratory. Numerous experts, including the U.S. Geological Survey, have criticized the prediction as unreasonable based on available seismic technology.
Meaningful Engagement Matters.

Five cities – Albuquerque, Atlanta, Baltimore, New Orleans, and Seattle – are developing new practices that better engage low-income residents in civic life and public decision-making.

Follow their progress at www.governing.com/cityaccelerator
When North Carolina became a state, upon ratification of the U.S. Constitution in 1788, it was far and away the nation’s biggest backwater. Virtually alone among the original 13 colonies, it had nothing remotely resembling a city. The inhabitants didn’t do much except raise tobacco; most of the modest population centers were sleepy market towns scattered along the rivers in the eastern part of the state. Coastal Wilmington, the largest place in 1850, had only 7,000 people.

After the Civil War, medium-sized cities began to emerge: Raleigh and Durham in the center; Charlotte, Greensboro and Winston-Salem in the Piedmont farther west; and Asheville in the shadow of the Smoky Mountains.

But it’s fair to say that North Carolina never thought of itself as an urban state. It didn’t have a monstrous capital city, as its neighbor Georgia did, and it had almost nothing in common with the thoroughly civilized states farther north along the Eastern Seaboard. Its political leaders tended to come from little towns that nobody outside the state’s borders had heard of.

It doesn’t seem a coincidence that the fictional Mayberry was in North Carolina, or that its sheriff was played by Andy Griffith, who came from Mount Airy, a town at the northern end of the state that was home to barely 5,000 people at the time he was growing up there.

But in the past generation, and especially in the past decade, North Carolina’s image as an old-fashioned small-town state has been increasingly difficult to maintain. Barack Obama carried it in 2008, and he came within about 2 percentage points of doing the same four years later, separating North Carolina from virtually the entire rest of the South.

Between 2000 and 2010, North Carolina had one of the fastest-growing immigrant populations of any state. Its total number of immigrants is still less than 10 percent, but to many traditional North Carolinians that seems like an inundation.

In any case, the old pretensions no longer apply. Charlotte crossed the line into undeniable big-city status in the 1980s and 1990s as Bank of America and Wachovia Bank (now Wells Fargo) competed with each other to erect imposing clusters of skyscrapers a few blocks from each other in what had been a fairly modest southern downtown. Earlier, Raleigh, Durham and Chapel Hill had combined forces to host the Research Triangle, an emblem not so much of urbanism per se but of northern-style academic sophistication unrelated to anything in the state’s economic past history. Meanwhile, Asheville was acquiring a bohemian downtown that attracted artists and aspirants to the counterculture from all over America.

So one way or another, almost all of North Carolina’s larger cities are now confronting questions not about whether to pursue an urbanist future, but about what sort of urbanist future theirs is likely to be.

Charlotte is getting ready to embark on a total rewrite of its zoning code, even though the current one dates back only to 1992, not an unusually long time in the zoning game. City planners are promoting what would be very largely a New Urbanist master plan, one that would call for walkable neighborhoods, mixed-use projects and dense development in the center.

The new document is expected to feature the “form-based codes” that are becoming fashionable in large Northern cities. This means that building plans will be accepted or rejected according to the nature and quality of their design, not the use for which the structure is intended, as has been true for the past 100 years all over America. “Charlotte is behind the curve,” city planner David Walters told a local newspaper reporter a few weeks ago.
ago. “Our zoning codes are hopeless about urban design.”

So far, the city government and the real estate development community seem equally favorable to all this; the opposition has come from neighborhood groups that fear drastic changes to places they grew up in. “Then the voices were older, somewhat less ambitious community. A protest petition to stop the rezoning failed earlier this year to attract the votes it needed on the city council.

Raleigh is ahead of Charlotte. Two years ago, the capital city adopted a new Unified Development Ordinance to serve as a guide to future planning. As a result of that approval, 30 percent of the city is currently being rezoned—more than 35,000 properties altogether. As in Charlotte, the focus is on mixed uses, walkability and denser development. And as in Charlotte, there is concerted opposition from neighborhood groups that don’t want this much urbanism this fast. “Growth whirls non-stop,” Raleigh News & Observer columnist Ned Barnett explained this summer, “and people accustomed to a smaller, quieter, and more predictable city yearn for a way to stop their worlds from spinning.”

Half an hour down the road from Raleigh, the city of Durham has embarked on an even more ambitious reinvention of its downtown, wooing businesses with the conversion of a cluster of old warehouses into more than a million square feet of office space for tech companies and other entrepreneurs. Durham County is investing millions of dollars in public transit to bolster the central district renewal.

And the downtowns of both Durham and Raleigh, essentially lifeless two decades ago, are starting to poach businesses away from the suburban Research Triangle office park, whose campus-like design was touted as an economic development showplace barely a decade ago but whose leaders now admit that they have slipped behind the curve of 21st-century change. The Triangle is embarking on its own massive modernizing project to create a more urban character.

It isn’t just the cities. Driving across the state, you find something oddly urban in the unlikeliest places. The small town of Goldsboro, where Andy Griffith once taught high school drama, dug up its downtown streets this summer in hopes of creating a compact urban district comfortable to pedestrians and welcoming to visitors. Just 25 miles away, struggling Winston, where many of the storefronts remain empty, boasts in its downtown a gourmet restaurant whose tables have to be booked weeks in advance.

So many things are happening all at once in North Carolina. And most residents, if somewhat bewildered, seem to be accepting them. But there is at least one important place in the state where the shift to urbanism is not going over very well. That one place is the legislature.

In 2010, the North Carolina House and Senate both went majority Republi- can after nearly a century and a half of Democratic control. In 2012, Pat McCrory won the governorship, giving the GOP full control of state government for the first time since Reconstruction. Within a few weeks, the legislature embarked on what can only be described as an anti-Charlotte vendetta. It debated bills to limit the city’s annexation and environmental enforcement powers. It moved to curtail funding for expansion of Charlotte’s light rail transit system. And it passed legislation to strip the city of control over its airport and give that power to a new regional authority. These things happened even though McCrory was himself a former Charlotte mayor. He had no choice but to go along with many of them.

Some of it was partisan politics. Charlotte and surrounding Mecklenburg County had voted decisively for President Obama in 2012 even as the state tilted narrowly for Republican Mitt Romney. Now they were being punished. But these legislative adventures were in fact something more. They were a blow by newly empowered rural and small-town lawmakers on behalf of conservative values that seemed to have gone out of fashion amid the demographic change and urban experiment that was taking place in diverse parts of the state. “There are folks that still look back really nostalgically at our past and think through government action they can restore that past,” Julie White, executive director of the North Carolina Metropolitan Mayors Coalition, told me recently.

Not all of the bills became law in the form in which they were introduced. But the GOP legislative majority was nowhere near finished. When it returned for work this year, buoyed by a strong showing at the polls in 2014, it started in on a whole new agenda of anti-city legislation. This time, it wasn’t just Charlotte. The legislature redistricted the county commis- sion in Wake County, where Raleigh is located, to give more power to rural areas. It redrew the city council map in Greens- boro to force several African-American members to run against one another.

And at the very end of the session, the Republican majority unveiled its most ambitious project of all: Senate Bill 279, which would have limited the powers of every local government in the state. It died in a House committee on the last day of the session, but it served notice that in the conflict between urban and rural values, the anti-city forces had some powerful cards to play.

In the end, though, no matter how effective rural and small-town hardlin- ers may be in calling upon images of a fondly remembered past, the reality is that urbanization will only gain more momentum as time goes on. Downtown warehouses will become condominiums, young people will move there, and busi- nesses will settle in city centers because that’s where the young people are. That’s as true in North Carolina as it is in the more liberal north. Minorities will be the largest population cohort in many of the state’s cities, as they will eventually be in much of the country. These aren’t things that the legislature can ultimately do much about.

For many people in North Carolina and elsewhere, Mayberry will remain a nice place to think about. But it exists only in the past, our past and think through government action they can restore that past,” Julie White, executive director of the North Carolina Metropolitan Mayors Coalition, told me recently.

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Eclipse of the Pragmatists
The last thing voters seem to want in a presidential candidate is experience.

When the 2016 presidential campaign began, no one expected that the big collection of current and former governors would slide to the back of the pack. Governors once had an inside track to the White House. Is that a thing of the past? It’s hard to say for sure yet—but the current governor-candidates have all had trouble. The ones with the most experience in governing have had the hardest time exciting citizens, while those with the least experience have created the most buzz.

Among Republicans with experience, Louisiana’s Bobby Jindal, Texas’ Rick Perry and Wisconsin’s Scott Walker have dropped out. George Pataki (New York) hasn’t escaped the second-string debate squad, while Chris Christie (New Jersey), Mike Huckabee (Arkansas) and John Kasich (Ohio) have also been mired in the bottom tier. The heir presumptive, Jeb Bush (Florida), found himself hemmed in from his first steps out of the gate.

It hasn’t been much different for the Democrats. Former Maryland Gov. Martin O’Malley has gasped for oxygen, and Lincoln Chafee of Rhode Island couldn’t survive a disastrous debate performance.

What’s going on here? After all, governors have been winning presidential elections pretty consistently in recent times and in the nation’s history. In all, 17 presidents—nearly 40 percent of the total—have first served as governor. From 1901 (Theodore Roosevelt) through 2009 (George W. Bush), governors held the White House for 62 years, nearly three-fifths of the time.

This year, though, there’s something very different about the campaign. Voters are searching for authenticity, and governors have been unable to project it successfully. But that in itself is ironic.

The truth is that there’s no more authentic elected post in American government than the job of governor—except, perhaps, that of mayor. State-level executives work in the harsh spotlight of government’s front lines, where mistakes are hard to hide. One misstep creates an instant black eye, as Chris Christie discovered when aides purposely created a traffic jam on lanes leading to the George Washington Bridge on a busy holiday weekend in 2013.

Governors nearly always have to be pragmatists. So when they launch presidential campaigns, they have no choice but to run on their records. Senators only have to stake out positions, not carry them out. Outsiders have the easiest time of all, since they don’t possess a government record to run on.

But underneath the quest for authenticity is an even deeper puzzle, because Americans profess to want a government that works, as a July poll by the Global Strategy Group found. It’s not that they think government is “too big.” Just 24 percent of potential voters believed that. Rather, they pointed to problems with a government that was “inefficient” (55 percent) and “wasteful” (49 percent).
That might seem to play right into the hands of governors-as-presidential-candidates, since every one of them has tried to point to success in turning around inefficient and wasteful state bureaucracies. But buried deeper in that same Global Strategy Group poll is an even bigger issue: Voters think that big money feeds self-interested politicians. That’s the trap for governors. Candidates who point to their experience risk sounding like officials already caught in government’s honey pot, out of touch with the needs of regular folks. Voters just don’t seem to believe that pragmatic government works—or that it works for them.

Scott Walker sensed that. He campaigned by telling audiences that he wasn’t popular with special interests because he broke Wisconsin’s public employee unions in what he said was an effort to help ordinary taxpayers. Similarly, Kasich argued that he had inherited a state government in deep fiscal trouble and balanced the budget by standing up to special interests. But Walker couldn’t excite voters, and neither has Kasich or any of the other governors in the race.

Outside candidates, saying the most outrageous things, surged to early leads in the Republican race. The more outside-the-box the statement, the clearer it was that they weren’t part of business-as-usual. So it may well be that experience in governing a state has lost its electoral edge. Voters don’t seem to crave results. They’re looking for leaders who connect to them directly, without being filtered through insider politics. On the Democratic side, Hillary Clinton has had her own problems trying to build on her experience to make a case for competence. No policy puzzle these days is very underlying the 2016 presidential campaign. No one likes the amount of money sloshing into politics. Yet, as the Brennan Center for Justice concludes in a recent report, “organized parties plainly are more transparent than the shadow parties and other outside groups competing with them for resources.”

The Waning Power of Parties

Financing laws have recast their political influence.

State parties matter less than they used to. They enjoy no monopoly on recruiting or training candidates. They face more restrictions when it comes to raising funds than super PACs and other outside groups do. Sometimes those groups can have more foot soldiers in place during a campaign than the parties themselves. And, at least in off years, many state parties barely even have anyone around to answer the phone. “State parties have become really a shadow of what they used to be,” says GOP consultant David Carney. “It’s kind of tragic.”

Still, they’re far from irrelevant. Advertising can be outsourced to super PACs, but some efforts can’t. State parties do the often unglamorous work of building and maintaining a base, year in and year out, whether there’s an election or not. They mobilize loyal supporters and have a standing knowledge of voter behavior and concerns. Parties also play a unique role in coordinating activity and messaging between candidates at all levels, from legislators to the presidency. “A super PAC can fill the airwaves and Internet with effective, targeted negative messaging, but it cannot activate party supporters, who rely on local elected officials for guidance, support and patronage,” says Matt Hennessey, a Democratic consultant.

But state parties can’t really compete with super PACs when it comes to raising funds. Thanks to the federal McCain-Feingold law, which abolished soft money—unlimited funds donated to parties from wealthy individuals, corporations and unions—they’re lost out in the contemporary money race. It’s instead being poured into super PACs or so-called dark money groups that don’t have to disclose the identity of their donors. Some politicians and commentators argue it would be better to lift restrictions on party fundraising. Parties are more accountable due both to federal reporting requirements and the fact that they have to worry about their reputations in future election years—something not always true of super PACs.

The U.S. Supreme Court’s decision last year in the McCutcheon v. Federal Election Commission case is making it easier for parties to raise money. Individual donors who previously could give no more than $14,600 to all parties in a given cycle can now offer well over $1 million. Congress also softened rules on donations to parties, which will make a big difference in a presidential year. Parties will be able to argue that giving money to them will help favored candidates to whom big donors have already maxed out their contributions. Already, Hillary Clinton has entered into joint fundraising agreements with a majority of state Democratic parties. Increased funds coming to state parties will boost turnout and advertising efforts that assist down-ballot candidates even more than the standard bearers. No one likes the amount of money sloshing into politics. Yet, as the Brennan Center for Justice concludes in a recent report, “organized parties plainly are more transparent than the shadow parties and other outside groups competing with them for resources.”
You’d Better Shop Around

California is seeing big savings when beneficiaries comparison-shop for health care.

Go shopping. That’s essentially the message the California Public Employees’ Retirement System is delivering to the 1.3 million people covered by the giant public pension plan’s health insurance. Whether it’s for something as hip replacement surgery or as clinic-centered as imaging tests, CalPERS wants its beneficiaries to shop around. A routine hip replacement, for instance, can cost anywhere from $12,000 to $75,000.

CalPERS is amenable to having its members choose any doctor, hospital or other provider they want, with one hitch. The group has a price list for charges that it considers fair—that is, within the range of the average price tag in a particular region of the state. If a patient chooses a provider who bills more than the number on CalPERS’ list, the patient pays the difference.

This experiment in taming health-care bills is called “reference pricing,” and it’s used mainly for prescription drugs, imaging tests and elective procedures where providers are widely available and there’s little variation in quality. Where some insurers cap costs through a narrow-network strategy that offers patients full coverage at some providers and no coverage at others, reference pricing pays full coverage for providers that meet the cost-effective line and partial coverage for more expensive providers.

The theory is that price-conscious patients will make better, more reasonable decisions. The usual insurer’s approach is “hobbled if individual consumers are indifferent to the price of the care they select,” Ann Boynton, deputy executive officer of benefit programs policy and planning at CalPERS, noted in a recent article in Health Affairs.

CalPERS has been offering reference pricing for about four years now, long enough to gauge real-world impact. In the first two years after implementation, reference pricing saved CalPERS—which pays $7.5 billion a year for retiree health care—$2.8 million for joint replacement surgeries, $1.3 million for cataract surgeries, $7 million for colonoscopies and $2.3 million for knee arthroscopies.

In addition to actual savings, the program has had a wider and more disruptive effect. There have been actual price reductions, not merely slowdowns in the rate of price growth. In 2011, for instance, only 46 California hospitals were charging prices below the CalPERS reference price of $30,000 for inpatient orthopedic surgery. By this year, that number had risen to 72.

As to quality—that is, successful outcomes—Boynton noted that studies of reference pricing for orthopedic surgery have shown that patient experience, clinical symptoms, functional ability and quality of life have stayed the same or improved after the implementation of reference pricing. That said, she also noted that “it goes without saying that the quality measures available to reference pricing initiatives are incomplete, but this applies to quality measures available for any public or private strategy to moderate costs.”

To be sure, not all health-cost reformers are on board with reference pricing. Critics see the approach as a diversion from deeper, more encompassing price reforms—strategies that might include antitrust enforcement, “price bundling” (a single payment for all of the treatment of a given condition) and outright price regulation. In addition, reference pricing addresses only a limited number of procedures and services and does not touch the costliest of services, those at the end of life or for a life-threatening illness.

But while reference pricing is hardly a complete solution, CalPERS is finding that turning patients into price-conscious consumers is a relatively simple and effective approach to taming at least some health-care costs.

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By Elizabeth Daigneau

When Los Angeles Mayor Eric Garcetti, standing alongside several workers from the Department of Water and Power (LADWP), was photographed emptying a bag of “shade balls” into the Los Angeles Reservoir in August, he couldn’t have imagined how fast and how far the image would travel.

Within hours, it was everywhere: The Los Angeles Times wrote that a professor from the University of Southern California had reported seeing it on a Russian newscast in her hotel room in Moscow. It had its own hashtag, with one Twitter user quipping, “If you ever doubted that LA was the home to everything plastic ... #shadeballs.”

Indeed, there aren’t many people who haven’t already seen a video or photograph of the four-inch black plastic balls covering the Los Angeles Reservoir. The deployment in August marked the final phase of a unique and innovative in-house solution to covering the city’s open-air reservoirs. The project started in 2008, and today all four of the city’s reservoirs use shade balls, which protect L.A.’s drinking water by preventing sunlight-triggered chemical reactions, deterring birds and other wildlife, and protecting water from rain and wind-blown dust. The shade balls also reduce evaporation by 85 to 90 percent.

But now they’re coming off the surface of all but one of the reservoirs. The shade balls will be removed not only at Ivanhoe Reservoir, which is being taken out of service, but also from Elysian and Upper Stone Canyon reservoirs. Instead, they’re receiving floating covers, says Richard Harasick, LADWP’s director of water operations.

Federal rules mandate that all bodies of drinking water open to the air be covered. Floating covers provide more of a complete barrier from both sunlight and airborne contaminants, says Harasick. The shade balls will be removed not only at Ivanhoe Reservoir, which is being taken out of service, but also from Elysian and Upper Stone Canyon reservoirs. Instead, they’re receiving floating covers, says Richard Harasick, LADWP’s director of water operations.

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Freedom of Information/Public Records Request

Part I: I hereby request to: ☑ Inspect  ☑ Copy  the following records:
(please be specific and include names, dates, keywords, and name of record type where possible).

Please provide all records relating to the gun buyback event sponsored by the Santa Barbara Police Department, including all social media posts and comments.

Part II: What format do you request? ☑ Electronic  ☑ Paper

Part III: Name of individual(s) requesting information:  John A. Citizen
Address: 1076 Freedom Way  City: Everton  State: TX  Zip: 78906
Phone: (210) 867-5309  Email: jpublic1@gmail.com

For Internal Office Use Only
Date Request Received: July 1, 2014  Request Status: Pending
Notes: Staff has invested more than ten hours scrolling through social media pages and collecting stored screenshots from department hard drives. Citizen comments no longer available, City Attorney issued subpoena to social network – response still pending after four weeks.

HOW WILL YOU RESPOND?

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An Old Idea for a New Economy

With Uber and Airbnb, money flows out of a community. Co-ops could counter that.

Propelled by the idea of “the Uber of everything,” many people are predicting that ever-proliferating “network companies” will radically change the older ways of doing business in all sorts of new fields.

Something like that certainly seems to be happening. Just as Uber and Lyft are taking on traditional taxi companies, Airbnb, TaskRabbit and dozens of other app-centered companies are taking on local companies in their industries. “When you can connect and share assets, people and ideas, everything changes, not just how you rent a car,” writes Robin Chase, co-founder of Zipcar, in her new book Peers Inc. This new world, she adds, “redefines our understanding of assets—proprietary versus in-common, private versus public, commercial use versus personal use—and requires a rethinking of regulations, insurance and governance.”

All true. But amid the enthusiasm for this new economy, we should remember that, as in the old economy, we risk putting ourselves, our dollars and our communities in the service of big companies that typically are based far, far away.

Cities, after seeing banks and factories decamp to distant parts, now watch as local businesses are undercut by outside app-based companies. Workers struggled for decades to get employer-backed pensions, health care, vacation time, sick days, family leave and other traditional benefits. Employment through an app doesn’t appear to be a route to important benefits like these.

Clearly, someone is getting very rich on this new model. Uber, which takes a 20 to 30 percent commission on ride-sharing fares all over the world, is valued at $50 billion. That’s a torrent of money for a company that doesn’t have to supply cars, radio dispatchers or mechanics. “What’s remarkable about this new generation of platform-based companies is that beyond the initial creation of software, what are they really providing?” asks Stacy Mitchell, author of Big Box Swindle and co-director of the Institute for Local Self-Reliance in Minneapolis. “Yet they take an enormous cut of the revenue stream.”

Is there a way for local communities to take advantage of these new technologies while keeping control of them? Is there a way for workers to produce new jobs and new income while also retaining control over their working lives and, not incidentally, keeping a greater share of the revenue for themselves?

There is. It’s a very old way, begun in the mid-19th century by weavers in England’s mills, an industry then on the cutting edge of technology and social disruption. Now this way includes both small businesses such as grocery stores and huge companies like Land O’Lakes. It’s called the co-op.

As I wrote in my last book, The Surprising Design of Market Economies, cooperative businesses, owned and operated by their members, tend to produce quality goods and services and divide the profits and wages more fairly while being less vulnerable to booms and busts, hostile takeovers, or government dependence and overregulation. They are a mechanism that both liberals and conservatives can embrace. And the time may be ripe for a new wave of them built around new technologies. “Co-ops have always been produced by people banding together to do something,” said Bill Oemichen, former president of the Cooperative Network, a national co-op industry group. And with the Internet, he points out, that can happen more easily than ever.

Let’s use ride-sharing as an example. Taxi drivers in, say, Cincinnati (perhaps...
Parking an Old Notion

Sometimes the problem isn’t supply, but management.

I don’t usually tell stories from my day job in this column, but I’m making an exception this time. Rice University’s Kinder Institute for Urban Research, of which I am the director, recently did a parking study of a neighborhood business district near our office in Houston. Known as Rice Village, it’s a place where city residents have been complaining about parking for 35 years.

To find out if the district indeed needed more parking, we counted the parked cars at different times of the day and on different days of the week. We found that even at the busiest times, there were more than 1,000 vacant parking spaces within a quarter-mile of the area, concluding that the problem wasn’t parking supply but parking management.

That wasn’t the surprising part, however. The surprising part was that everybody believed us. Just a few years ago, cities seemed stuck in an endless debate about needing more parking. But as it turned out, that was a political argument, not a market argument. There’s plenty of parking in most places—though sometimes it’s not priced correctly or may not be available to everyone.

This change in attitude is largely the result of the work of one man: Donald Shoup, who 10 years ago published a book called The High Cost of Free Parking. Shoup, who just retired, made the case convincingly that if motorists are made to bear the real cost of parking—just like any other commodity—then they will use it more efficiently. These days, you see city after city using Shoup’s ideas to implement a comprehensive parking strategy for major commercial districts.

One of his ideas—the notion that motorists should pay for on-street parking where it has historically been free—is controversial. But Shoup’s strategy involves more than just parking meters. He argues that if you have a coordinated parking strategy that generates revenue, property owners and companies will be more inclined to make private parking spaces available to the public, thus alleviating parking problems that exist in areas with lots of money. As the wry Shoup likes to say, “You’ll be surprised how often people will let you use their assets if you offer them a lot of money.”

I admit I’m a “Shoupista,” of sorts. Shoup was my professor at the University of California, Los Angeles, and later the inspiration for the parking management strategy we implemented in Ventura, Calif., when I was mayor. But there’s a bigger point here: Solutions to urban problems don’t always require more regulation. Sometimes they require less regulation, especially if you can harness the power of market economics.

By William Fulton

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These are some of the toughest, most entrenched problems in the country. And they’re precisely the situations that have been faced by Governing’s 2015 Public Officials of the Year. These nine outstanding leaders looked at the challenges in their communities and took decisive action.

Their collective efforts are a lesson in transformation. Today California is once again thriving, and New Orleans is rebounding in ways that were unimaginable just five years ago. Prince George’s County, Md., has stamped out corruption and regained the public’s trust. In New York, officials are pioneering new ways to deliver better health care, and in the Kentucky statehouse, bipartisan cooperation has become the norm. An innovative transit system has remade Cleveland; decades-old criminal cases are being brought to justice in Detroit; and in one of the toughest neighborhoods in Los Angeles, police and residents have learned to trust one another, resulting in a historic drop in crime.

Their stories are inspiring. And their tireless dedication to public service is truly remarkable. It’s with great appreciation that we honor these men and women as Public Officials of the Year.
fifteen years ago, when Joe Calabrese moved from central New York to become the transit director in Cleveland, one of the first pieces of advice he heard was, “In Cleveland, suits don’t ride buses.”

Calabrese has changed that—big time—by wholeheartedly embracing the mode of public transportation known as “bus rapid transit.” BRT lines have transformed cities across the globe. But American cities’ BRT efforts have tended to be half-hearted, watered-down versions. When Calabrese came to Cleveland, the business community along the Euclid Avenue corridor was clamoring for better transit options. Light rail was too expensive, so Calabrese focused on BRT. But he insisted from the start that his agency would “do it right or not at all.”

Thanks to his efforts, Cleveland today has one of the best bus rapid transit systems in the nation. The first line—a nine-mile route known as the Health Line—opened eight years ago. It feels more like a light rail line than a traditional bus route. The vehicles are 63 feet long, with five sets of doors on each side. They pull up to elevated platforms like rail cars. Passengers pay their fares before they board. The route has less frequent stops than most bus lines, and the buses travel in their own lanes, with higher speed limits than other vehicles and signals that speed the buses along. All told, Health Line buses go three times as fast as normal city buses.

It’s had a big impact on the city. Annual ridership on the Health Line is now 60 percent higher than it was on the route it replaced, which was already the busiest in the city. It has spurred some $6 billion in economic development along the route. Encouraged by its success, the city opened a second BRT line a year ago.

Of course, the BRT system isn’t the only thing that Calabrese oversees. As head of the Cleveland area’s transit system, Calabrese is also responsible for buses, heavy and light rail lines, and even a system of downtown trolleys. Riders seem happy with all the transit options: One of Calabrese’s first moves at the agency was to guarantee passengers would “ride happy or ride free,” a policy that still remains. Only six or seven passengers claim free rides a day, which comes out to once every 32,000 trips.

What Calabrese brings is “patience, stability, leadership and an incredible ability to stay out of the political mishegas,” says former Cleveland Mayor Jane Campbell, who served on the transit agency’s board after leaving the mayor’s office. “That,” she says, “you cannot overestimate. Nobody gets more credit for getting BRT operational than Joe Calabrese.” —Daniel C. Vock
1) Moving from Planning to Implementation
   - KPMG
   - MAX
   - MIX
   - Learn from each

2) VBP Pilots -- We will

3) Network Additions
   - PPS Network

4) Midpoint
   - Start
   - Complete
Any states and localities are trying to change the model for delivering health care, to improve quality of care while keeping costs in check. But the boldest of those efforts taking place is in New York state, which earlier this year unveiled an $8 billion plan to rebuild its Medicaid system around outpatient care and community-based services. It's an audacious plan, but one reason for optimism is the strong leadership of the state's Medicaid director, Jason Helgerson.

Helgerson has now headed up Medicaid programs in two states, New York and Wisconsin. But early on in his career, he never imagined working on health-care policy. Back in 2005, Helgerson was at the Wisconsin Department of Revenue when Gov. Jim Doyle recruited him to work on his Medicaid reform agenda. Helgerson tried to turn him down, but Doyle insisted. “I knew his ability to see the big picture,” Doyle says. “He kept saying he didn’t want to take the job, and eventually I had to order him to do it.”

Helgerson ended up becoming the state’s Medicaid director in 2007, and for four years he helped Doyle expand the state program prior to passage of the Affordable Care Act. His success garnered attention and job offers from other places, including the White House. But ultimately it was New York that needed him most.

New York’s Medicaid program was in dire straits. At $50 billion a year, the state’s spending on Medicaid in 2011 was the highest in the nation. Expenditures were rising 13 percent a year. Gov. Andrew Cuomo wanted a redesign, and he wanted Helgerson to lead it. Helgerson instituted a global cap on spending, and he worked to get patients into models of care led by teams of doctors accountable for whole groups. The state also began focusing more intently on social determinants of health, such as supportive housing. Since 2009, spending per patient has fallen steadily, to 2003 levels, and overall spending has actually declined.

Those results are remarkable on their own. But now Helgerson is taking on the even bigger challenge of completely remaking the state system in what is arguably the largest Medicaid overhaul ever, in any state. “Major restructuring was necessary in order to close the budget deficit,” he says. “Nothing was off the table, except taking insurance away from people.”

In crafting the reform plan, Helgerson deftly brought together various stakeholders. “His ability to garner support is gifted,” says Kenneth Raske, president of the Greater New York Hospital Association. “I think the reason for that comes from his core values. At the end of the day, his main objective is to be as responsive as possible to the Medicaid recipient.”

It will be years, or even decades, before the New York effort can claim success. But at a time when out-of-control health-care costs demand bold ideas and new thinking, Helgerson is leading the way. —Mattie Quinn

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PUBLIC OFFICIALS OF THE YEAR

Jason Helgerson
State Medicaid Director, New York

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Ask Rushern Baker III what his best and worst qualities are and you’ll get one answer: “impatience.” It’s a trait that has worked to the county executive’s advantage over the past five years as he has quickly and purposefully guided Prince George’s County, Md., from the grips of economic recession and political corruption to its most promising point in recent memory.

Prince George’s, which borders Washington, D.C., is the wealthiest majority-black county in the nation. But over the past few decades, it fell further and further behind other parts of the region. December 2010, when Baker took office, was a particularly tumultuous time. Just weeks earlier, his predecessor had been arrested on federal corruption and bribery charges. The county was experiencing a crime wave that included 13 homicides in as many days. Officials were fighting over how to fix a $77 million budget deficit. Meanwhile at home, Baker was staying up late with his wife, who had recently been diagnosed with early onset dementia and was having trouble sleeping.

Determined to fix something, he began driving her around the county all hours of the night to help her fall asleep. It ended up being a lightbulb moment. “Those drives were really therapeutic,” he says. “I saw every part of the county. I was thinking about what I was looking at and what I wanted to see. And that impatience set in.”

Equal parts headstrong and charming, Baker has systematically attacked the county’s problems. In five years, he has brought in more than $6 billion in development to a jurisdiction that developers had avoided for years because of shakedowns and pay-to-play politics. Crime has fallen dramatically, thanks largely to a neighborhood initiative the administration launched that focuses on reducing crime in targeted areas. Homicides dropped 40 percent in four years, and violent crime fell 36 percent. Under Baker’s watch, the county has regained the population it lost during the housing crisis, and in the past few years, Prince George’s has drawn more new residents than all but one other jurisdiction in the fast-growing Washington, D.C., area. “He has restored a sense of confidence in government,” says University of Maryland public policy professor David Crocker. “Of all his achievements, that’s the greatest one.”

With three years left before he’s term-limited out of office, Baker wants to make good on his promise to fix county schools. In his first term, he engineered a controversial takeover and installed a nationally recognized superintendent. It’s a promising start, but Prince George’s schools still rank near the bottom of the state. He’s fighting for a property tax increase that would generate millions more in school funding. For Baker, it would be a lasting legacy. “Everything in this county hinges on K-12,” he says. “We can do all the other things, but we’re never going to be the county we should be without a first-rate education system.” – Liz Farmer

Rushern Baker III
County Executive, Prince George’s County, Md.

—Liz Farmer

PUBLIC OFFICIALS OF THE YEAR

Rushern Baker III
County Executive, Prince George’s County, Md.
In the two decades from 1980 to 2000, more than 15,000 young men died violent deaths in Los Angeles. Nowhere was the violence more entrenched than in the public housing developments of Watts, a 20-square-block area seven miles south of downtown. Police likened working Watts to entering a war zone. It was, says Los Angeles Police Department Chief Charlie Beck, who served as a gang officer in Watts in the late 1970s, “an amazingly, surreally brutal time.” Residents in turn saw the police force as an occupying army.

Today, Watts is attracting attention for a very different reason: It’s become a model for how police and minority communities can work together to improve relations and reduce crime. Community residents and gang intervention workers have played a critical role in this process, but it wouldn’t have happened without the skill and commitment of two married LAPD officers, Commander Phil Tingirides and Sergeant Emada Tingirides.

Phil Tingirides was appointed senior area captain for Watts in 2007. He immediately set out to build strong relations with the Watts Gang Task Force, a group created after a series of gang shootings in 2005. He started weekly meetings with the task force, developing trust and relationships that eventually allowed the LAPD to police Watts in a different way, one that would dramatically reduce the rate of violent crime.

In 2011, the Community Safety Partnership was born. A collaboration between the LAPD and the city Housing Authority, the program placed an additional 30 officers in public housing developments in Watts. To head up the initiative, the police turned to Emada Tingirides. Together, Emada and Phil Tingirides looked for officers who were interested in relationship building, not suppression. More than 300 applied. Over the course of the following year, the police started a football team, the Watts Bears, as well as a Girl Scout troop. They sponsored dances and raised money for scholarships.

The results over the next few years were staggering. Shootings by young men and women fell by two-thirds. Homicides dropped nearly to zero in the housing developments where the program was in place. Watts is still a poor, high-crime community. But while South Los Angeles as a whole has seen violent crime rise this year, Watts has seen it fall even further.

Across the country, the police profession is grappling with what some call a crisis of legitimacy. It’s a crucial time for cities to get it right on building relationships between police and the communities they serve. The Tingirideses have consulted with other cities, including Chicago and New York, on implementing an approach similar to the one in Watts. But it’s not easy, says Emada: “They need to get community support in putting together programs. And they need to have patience. It takes patience.”

Phil agrees. “You are changing the culture of communities and the police department,” he says, “and real culture change takes time.”

It’s time worth investing. Phil and Emada Tingirides’ work in Watts—together with the work of community residents, gang interventionists and many others—has become a model of reform and a symbol of hope. —John Buntin
Mitchell J. Landrieu
Mayor, New Orleans

Mitch Landrieu inherited a mess. When he took over as mayor of New Orleans in 2010, recovery from Hurricane Katrina was still painfully slow. But as Landrieu himself notes, the city’s problems didn’t start with the storm. New Orleans had long been bleeding population, and mismanagement and corruption were commonplace at City Hall.

Adding to the list of problems, the city faced a shortfall of $100 million, or about 20 percent of the budget. Landrieu got rid of boards and commissions, and he professionalized the city’s staff, so people were hired because of what they know, rather than whom they know.

Similarly, one of Landrieu’s first acts was to remove himself from the contracting process. It was a strong signal about his style of management, which has helped New Orleans attract some $100 million worth of help from the federal government and national philanthropic groups. “I don’t think those kind of relationships would happen if people didn’t believe he had brought change to the city,” says Amy Liu of the Brookings Metropolitan Policy Program.

The city has done particularly well on his watch. According to a Brookings study, the number of businesses being started is about two-thirds greater than in most cities as measured on a per capita basis, and well over double the rate in New Orleans prior to Katrina. The city has a thriving tech startup scene and has become a major magnet for young people with college degrees.

Equity remains a concern; Landrieu himself recognizes the city still needs to do a better job connecting struggling residents with opportunities concentrated in the downtown core and tourist sections. And New Orleans has plenty of other serious problems. Blight, crime and poverty all remain unacceptably common. But polling shows most residents believe the city is moving in the right direction, with clear improvements in school performance and access to health care.

It’s easy to look back and think New Orleans had nowhere to go but up. But when Landrieu took office, conditions were ripe for a spiral into bankruptcy and despair. Instead, the city has been one of the nation’s fastest-growing since the recession. “New Orleans has the best mayor in America,” Norman Ornstein, a political expert at the American Enterprise Institute, tweeted in October.

Being mayor is the one job that Landrieu, a former lieutenant governor, always wanted. (His dad, Moon Landrieu, was mayor of New Orleans for most of the 1970s.) He has been a strong leader at a time when his city needed it the most, helping New Orleans rebuild in ways people can be proud of. Now, he said in a commemoration of Katrina’s 10th anniversary in August, it’s time for members of the New Orleans diaspora to come home. “We’re not even close to finished,” Landrieu says today, “but you’re beginning to see the product of really good governance.” —Alan Greenblatt
Back in 2009, Wayne County, Mich., Prosecutor Kym Worthy got word of a shocking discovery. Collecting dust in an old Detroit police storage facility were thousands of rape kits containing untested DNA evidence submitted by victims of sexual assault. The kits—which ultimately numbered more than 11,000—each represented a case that had not been brought to justice. “I immediately started thinking of all the women who reported rapes to law enforcement,” Worthy says, “and how their lives were sitting on shelves on hold.”

Worthy set about clearing the backlog, but she soon learned there was no easy way forward. Other large cities were unearthing their own backlogs of untested rape kits, but no blueprint for addressing the problem existed. With funding from the state and federal governments, her office developed new protocols and procedures to begin investigating the cases, many of which had gone ignored for decades.

Approximately 10,000 of the Detroit kits have now been tested, yielding 549 suspected serial offenders and 25 convictions. Staffing cuts have accompanied the increased workload, so Worthy has aggressively lobbied a variety of sources for funding. Earlier this fall, she partnered with a foundation on a fundraising campaign to pay for testing of the remaining kits.

In addition to addressing the backlog, Worthy has worked to make sure these kits never again go unnoticed. Nurses, police and lab technicians now monitor the progress of rape kits throughout the chain of custody using an innovative tracking system her office implemented with help from UPS. Worthy also successfully lobbied the state legislature to pass a bill setting time limits for kits to be submitted for lab testing and analyzed for forensic evidence. Her efforts have become a model for other cities struggling to resolve their own cache of untested kits.

Worthy, who began her career in the Wayne County Prosecutor’s Office, returned in 2004 to become its first female and first African-American top prosecutor. She’s earned a reputation as a tough attorney. But more than merely being tough, she knows when to be a strong force at the right times, says Wayne County Commissioner Ilona Varga. One such time came in 2008, when Worthy’s office was investigating former Detroit Mayor Kwame Kilpatrick and his chief of staff for corruption charges. Worthy says she received calls from government officials and community leaders pleading with her to drop the case against the then-popular mayor. But she never let down, instead following the evidence that led to Kilpatrick’s eventual conviction. “She didn’t blink an eye, she just did it,” Varga says. “She doesn’t do things because they’re popular, but because they’re the right things to do.” —Mike Maciag
Like many states with split-party legislatures, Kentucky had grown accustomed in recent years to partisan gridlock that ground most lawmaking to a halt. But since Robert Stivers took over as state Senate president in 2013, he's played a key role in guiding the legislature to multiple productive sessions, addressing a range of issues important to Kentuckians.

One problem that's plagued the state in recent years is a severe heroin epidemic. Lawmakers had tried and failed to pass legislation before, and disagreements over sentencing reforms and a needle exchange program stalled talks earlier this year. So Stivers, a Republican, took on the role of lead negotiator as details of the bill were hammered out in a conference committee, a rare move in the state for a leader of a legislative chamber. The resulting bill included a comprehensive set of measures aimed at curbing heroin overdoses, earning wide praise from all corners of the commonwealth. Kentucky also faced a shortage of funding for much-needed infrastructure improvements, as its gas tax is tied to the declining wholesale price of fuel. Although Stivers says he generally favors lower taxes, he worked to gain support from his Senate colleagues for a measure that sets a floor on the tax, staving off future cuts.

Brokering agreements has meant working both with Democrats controlling the House and members of his own party in the Senate who often have vastly different priorities mirroring their suburban or rural constituencies. Stivers says he's established a dialogue by being inclusive and working to educate his members on the policy implications of legislation. “You have to open the communications line,” he says, “and have an ability to have frank discussions that don’t play out in the paper.”

Stivers’ dedication to fairness and pragmatism overrides personal politics: Early this year, a longtime friend and Senate Republican colleague was charged with driving under the influence. An attorney argued for the charge to be dropped, citing a state provision that allows members of the General Assembly to be shielded from arrest. Stivers issued a statement criticizing legislative immunity. “I felt that my overriding job of protecting the institution of the Senate had to be my priority that day,” he says.

Plenty of unfinished business still remains. Lawmakers haven’t found a fix for the large shortfall facing the state’s teacher retirement system, for example, and Stivers says his top priority is growing the state’s economy.

Republican Matt Bevin was elected last month to succeed term-limited Democratic Gov. Steve Beshear. But the House and Senate will remain split until at least 2017. Still, with Stivers leading the Senate, there’s reason to be optimistic. “We obviously don’t always agree,” says Beshear. “But he is a person who is willing to sit down and discuss any issue, using some common sense and trying to find a path forward.”

—Mike Maciag
Not that long ago, people were questioning whether California could be governed. The state faced multibillion-dollar shortfalls every year, leading to questions about whether California would go broke before Greece. In terms of dysfunction, Sacramento appeared to have beaten even Washington.

Then Jerry Brown returned as governor. When he took office in 2011, the state was $26 billion short. This year, lawmakers were fighting about what to do with a surplus. Much of that had to do with the state’s rising economy, but Brown also helped put the state back on a sustainable course.

In 2012, he convinced voters to raise sales and income taxes. Since then, he has managed to curb the impulse legislators have to spend money as fast or faster than it’s coming in, using his veto power freely and instead diverting the money to the state’s rainy day fund. “His ability to follow through on his promise to voters that he was going to stabilize the financial situation, which every year had been a problem, has made all the difference in the world,” says Mark Baldassare, president of the Public Policy Institute of California.

Brown was a young governor when he served two terms back in the 1970s and 1980s. During his long hiatus, Brown served tours as mayor of Oakland and state attorney general, among other pursuits (including making his third presidential bid in 1992).

At the same time Brown was elected as governor in 2010, voters approved a measure allowing state budgets to be passed by a simple majority, saving him all the headaches that accrued when a two-thirds vote was required. Brown, now 77, had no problem winning a fourth term as governor last year.

With the financial house in order, Brown has helped California lead the way on progressive legislation. The state has expanded benefits as well as rights for undocumented immigrants. This year, Brown increased state spending on higher education in exchange for a two-year tuition freeze at the University of California.

In October, Brown signed a climate change law that, among other things, will require utilities to get half their power from renewable sources by 2030. The New York Times called it “the most significant act of energy and climate policy leadership in any state” since California’s last landmark law, back in 2006.

Brown has taken tough steps to address the state’s historic drought; his package of penalties convinced residents to reduce their water use this year by more than 25 percent. Last year, he convinced voters to approve a $7.5 billion water infrastructure bond. His intention to build a pair of 30-mile-long tunnels to move water south, however, has run into serious opposition. Similarly, his plans for high-speed rail have also been slow in moving off the drawing board.

Brown is not invincible, but he’s clearly the dominant political force in the nation’s largest state. “When he came into office, it was fashionable to say that California was broken and could not be repaired,” says Ethan Rarick, associate director of the Institute of Governmental Studies at the University of California, Berkeley. “Nobody says that now.” — Alan Greenblatt
RESTRAINING ORDERS

Patients with mental illness are being detained in emergency rooms, often for weeks at a time. Now some states are rethinking the entire psychiatric care system.

BY J.B. WOGAN
A couple of years ago, in Pierce County, Wash., 10 mental patients spent extended periods in hospital emergency rooms after suffering psychotic episodes. This was against the rules: Washington state law requires that such patients see a psychiatrist and then move to a mental health facility or psychiatric unit within a larger hospital. But in each case, the hospital staff simply couldn’t find a place that had any room. So the patients stayed in the ER—some for as long as two weeks.

This practice is called psychiatric boarding, and it happens all over the country. It’s often the only option for emergency room staff; they can’t turn away mentally ill patients, even though they’re not trained to deal with them. Essentially, all they can do is stabilize the patients and keep them in bed, often in seclusion or strapped down for days or weeks at a time.

Psychiatric boarding is an ugly reality that patients and physicians reluctantly accept. But that wasn’t the case with the 10 patients in Pierce County. Their families sued the state.

Last year, the Pierce County case made its way up to the Washington state Supreme Court, where the justices ruled unanimously that psychiatric boarding was unlawful. Washington is still the only state with a law banning the practice, but in the wake of the court decision a surprisingly diverse coalition of physicians, mental health advocates and government health-care officials have begun calling for solutions to boarding. They say the practice is unethical and warrants a nationwide effort to provide more humane and medically effective alternatives to long, unnecessary ER stays. “Evidence all around us demonstrates the mental health care system is in crisis,” said Dr. LaMarr Edgerson, director of the American Mental Health Counselors Association, at a U.S. House committee hearing last year. The broken system, Edgerson explained, “is generating increased demand for inpatient psychiatric beds while simultaneously decreasing their supply.”

What the Pierce County patients experienced is the rule, not the exception. In a survey last year, the American College of Emergency Physicians found that 84 percent of emergency rooms said they board psychiatric patients, and it’s getting worse. More than 50 percent said they spend increasing time and energy trying to transfer those patients to appropriate psychiatric facilities.

In Washington state, emergency room physicians joined an amicus brief in support of the Pierce County patients, agreeing that psychiatric boarding resembled warehousing more than it did medical care. They painted a picture of hurried, chaotic emergency rooms that were adding to the patients’ agitation and anxiety. The physicians laid blame on the Washington Legislature, which cut mental health funding by more than $90 million between 2009 and 2012.

Physicians don’t want psychiatric patients waiting for weeks in the emergency room, and they’re searching for other options, says Stephen Anderson, who lives in Pierce County and sits on the board of directors of the American College of Emergency Physicians. So far, no court outside Washington state has weighed in on the issue, but emergency room physicians in half a dozen states have invited Anderson to talk to them about the Pierce County case: “Everybody is looking at it and saying, ‘Do we need to get to this point?’” Anderson says. “I don’t know a colleague anywhere in the nation who doesn’t have psychiatric boarding in their ER.”

The fundamental reason boarding occurs is that there are more people with severe mental illness than there are psychiatric beds to house them. The gap is widening. Over a period of 50 years, starting in the mid-1950s, the per capita number of psychiatric beds in the United States decreased by 95 percent, from 680 beds per million residents in 1955 to 34 per million in 2005. Much of that decline is due to the closing of state asylums. In 1985, state psychiatric facilities cared for 560,000 patients. Today, they care for 45,000.

The bed shortage is also the result of a provision in the 1965 federal Medicaid law that allows Medicaid reimbursements for psychiatric care only in small facilities. Up until that law took effect, states bore the responsibility of paying for psychiatric care, usually offered at large public mental hospitals. But those hospitals had earned a negative reputation as poorly maintained warehouses that made patients worse. So the law excluded psy-
chiatric hospitals with more than 16 beds. The expectation was that smaller community-based facilities would take over much of the job of mental health treatment, and that these would be able to tap into Medicaid funding.

The exclusion of funds for large mental institutions was a political victory for a bipartisan coalition of fiscal conservatives who wanted to cut mental health spending and liberals who saw state hospitals as sites of human rights abuses. But the exclusion had an unintended consequence: For the first time, states could collect partial reimbursements from the federal government for psychiatric care as long as they shifted treatment away from the old public mental hospitals. What followed was the natural consequence of that financial incentive: a national movement not just to de-emphasize large state psychiatric hospitals but to close them altogether, a process better known today as deinstitutionalization.

The theory was that fewer patients would need the state hospitals because of advances in psychotropic drugs that could stabilize their conditions; any care they still required could be met by the smaller outpatient clinics and other community-based facilities. But very few of these smaller facilities were actually created. When states closed the older hospitals, they simply cut back mental health funding rather than switching to the new model. The minimum ratio of psychiatric beds to patients should be about 50 beds per 100,000 residents, according to the Treatment Advocacy Center, a national nonprofit dedicated to helping patients with severe mental illness. No state meets that standard.

Today, because there aren’t enough beds, a majority of the nation’s mentally ill end up homeless, incarcerated or as chronic visitors to emergency rooms. An estimated 16 percent of the prisoners in jails and state prisons have a serious mental illness. Anyone who has such an illness is about three times more likely to be in a jail or in a state prison than in a psychiatric facility. That’s why the Treatment Advocacy Center calls deinstitutionalization “the greatest social disaster of the 20th century.”
Federal health officials have been trying to undo some of the damage that the defunding of large mental hospitals has caused. In fact, a section of the Affordable Care Act calls for research to see what would happen if Medicaid went back to reimbursing these institutions for treating patients. In 2012, 11 states and the District of Columbia agreed to participate in a demonstration project to test whether a change in the Medicaid payment model would result in better access to psychiatric care while also lowering Medicaid costs. If the demonstration worked as proposed, mentally ill patients would spend less time in emergency rooms and psychiatric boarding might begin to fade away.

Both state Medicaid officials and their federal counterparts have reason to believe the experiment will be a success. In Maryland, for example, the Department of Health and Mental Hygiene reported that the daily cost of care for a mental patient at an acute care hospital is $2,965. At a private psychiatric facility, the cost is $864. “Not only do we know that it is cost-effective, but we know that this is what they do: It’s their specialty,” says Shannon McMahon, Maryland’s deputy secretary of health-care financing. While a general hospital might have staff with behavioral health expertise, she says, “you want to go to the place that does it the most—a center of excellence.”

Up until now, in many states, these centers of excellence have primarily been available to people with private health insurance through their employer. Thus, the demonstration is also testing what would happen if low-income patients covered by public health insurance had better access to private facilities that specialize in psychiatric care. Would their health outcomes be better? Would they spend less time in emergency rooms? Medicaid patients have a right to find out, says Andrew Sperling, director of federal affairs for the National Alliance on Mental Illness.
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“We ought not to say that just because you’re on Medicaid and poor, you can’t go to those places.” The demonstration finished last summer, but a third-party evaluation by Mathematica Policy Research, a private contractor, won’t be completed until September of next year. That didn’t stop U.S. Sen. Ben Cardin of Maryland from ushering a bill through the Senate that would extend the project for an additional year and expand it to large public psychiatric facilities in the 11 states, so long as it didn’t increase net spending in the overall Medicaid program. (The Congressional Budget Office scored the bill as costing $80 million in direct spending over the next 10 years.) As of November, a companion bill in the House was in committee but hadn’t received a hearing.

A parallel effort with similar goals is also garnering attention. Earlier this year, the Centers for Medicare and Medicaid Services released a proposed rule that would affect more private hospitals and could open access to more beds. The rule would grant a waiver for large private psychiatric facilities to receive Medicaid managed care payments for short-term stays of less than 15 days. Unlike the demonstration, it would apply nationwide.

But the demonstration project and the federal waiver in no way constitute a solution to the problem. Under the demonstration, Medicaid reimbursements are available to only a subset of patients with serious mental illness: adults between the ages of 21 and 65 who have expressed suicidal or homicidal thoughts or gestures, or patients deemed dangerous to themselves or others. In its interim report, Mathematica notes that children under 21, adults older than 65 and patients with many common mental illnesses, such as schizophrenia, don’t qualify.

The same interim report notes that the average length of stay for a patient was 8.2 days. At first blush, that seems like good news, since it suggests that making Medicaid payments available for 15-day stays would cover the average patient. But the demonstration only looked at a narrow subset of potential patients. Other data suggest the median length of stay for all psychiatric patients will exceed 30 days. Even with high-quality specialty care, many aren’t ready to return to the community in two weeks.

And even if the federal government unlocked Medicaid as an insurer for private psychiatric care, the overall system would still have far too few beds to meet demand. The Treatment Advocacy Center estimates that to reach a minimum level of psychiatric care, as many as 95,000 new beds would be necessary.

Given all these problems, some health-care advocates have proposed a remedy that would have been unthinkable just a few years ago: returning to the traditional mental hospital, the very institution that reformers fought so hard to abolish in the 1960s. Last January, Dominic Sisti and two co-authors from the University of Pennsylvania medical school called for the return of long-term psychiatric care in a journal article titled, “Bring Back the Asylum.” They wrote that “for persons with severe and treatment-resistant psychotic disorders, who are too unstable or dangerous to be treated involuntarily, it needs beds, and they will remain hard to come by for the foreseeable future, despite the court decision and its aftermath. “The state moved it from the back burner to the front burner and it has helped us,” Anderson says. “It’s a whole lot further than we were two years ago, but the need for inpatient psychiatric care is not going away.”

L ast year, when the Washington Supreme Court ruled that psychiatric boarding was unlawful, it didn’t spell out a remedy. In practice, that meant people could still end up in the emergency room during a psychotic episode. The court directed that hospitals have a psychiatrist available to screen the patients and then return every day to make evaluations and prescribe medication. “It was not an unreasonable thing to have asked for,” says Anderson, the emergency room physician in Pierce County. But smaller general hospitals don’t have the personnel to comply with the decision. As Anderson puts it, “you had to turn them loose after 72 hours, or you had to hope that nobody was going to arrest you.”

The court put a four-month stay on its ruling, giving Gov. Jay Inslee and the legislature time to make changes that would relieve some of the pressure on emergency rooms. He found $30 million for new mental health funding, and he prevented the elimination of almost 40 state psychiatric beds across the state. Inslee also converted 140 psychiatric beds previously set aside for voluntary-commitment patients and repurposed them for patients committed involuntarily.

In addition, the legislature passed a law this year that allows emergency rooms to use telepsychiatry to conduct an initial patient evaluation. Staff bring a screen to the patient’s bed and a psychiatrist consults remotely. Because the consultation is taking place in an emergency room, not a large psychiatric facility, Medicaid pays for it.

Telemedicine is a modest fix for some of the smaller general hospitals in rural and small-town Washington, where too few psychiatrists are available to work in emergency rooms. With telemedicine, a psychiatrist anywhere in the country can reach a patient evaluation. Staff bring a screen to the patient’s bed and a psychiatrist consults remotely. Because the consultation is taking place in an emergency room, not a large psychiatric facility, Medicaid pays for it.
RUSHERN L. BAKER III
COUNTY EXECUTIVE, PRINCE GEORGE’S COUNTY, MARYLAND

EDMUND G. BROWN JR.
GOVERNOR, CALIFORNIA

JOSEPH CALABRESE
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STATE MEDICAID DIRECTOR, NEW YORK

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PHILLIP TINGIRIDES
COMMANDER, LOS ANGELES POLICE DEPARTMENT

EMADA TINGIRIDES
SERGEANT II, LOS ANGELES POLICE DEPARTMENT

KYM L. WORTHY
PROSECUTOR, WAYNE COUNTY, MICHIGAN

THE GALA AWARDS DINNER WILL BE HELD AT THE HISTORIC WILLARD INTERCONTINENTAL HOTEL IN WASHINGTON, D.C., ON DECEMBER 2, 2015.
Demolition

Old houses are being torn down and replaced in suburbs a
But not everyone is happy seeing the past obliterated.
Dilemma

s all over the country.

Story and Photos by Alan Greenblatt

Housing stock from the 1950s and ’60s in Edina, Minn., is rapidly being replaced with homes that appeal to 21st-century tastes.
Erica Hamilton's street was a wreck this summer. All the asphalt was removed, leaving vehicles to churn up mud, as if the street were an off-road racetrack. Construction has become a given on Hamilton's block in Edina, Minn., a suburb of Minneapolis. Modest homes constantly are being torn down and replaced with newer, larger, swankier houses.

Hamilton thinks it's great. She views the hammering and mess as a short-term hassle well worth enduring in exchange for increased property values and a new set of neighbors. Hamilton has had two children since moving onto Halifax Avenue five years ago, and she loves the fact that other young families are buying here. “I’m seriously all for it,” she says. “I don’t think you could have this experience of families with young children, unless you drive far out.”

Residents of her block can easily walk to a shopping area called 50th and France, where there’s an arthouse movie theater, a cupcake boutique, a store selling “fresh handmade cosmetics” and a French bistro that has bestowed multiple fake awards on itself, including a jury prize for “most attractive frog legs.”

People may love the location, but they won’t settle for any old house. If Edina isn’t the teardown capital of the country, it’s certainly one of them. In a city of just under 50,000 residents, more than 550 homes were torn down and rebuilt between 2008 and 2014. A far greater number of homes have been remodeled, with new rooms added on. There are contractor trucks all over town. Much of Edina’s housing stock was built during its first population boom in the 1950s and 1960s, and it isn’t large enough or designed in an appealing way for prosperous 21st-century buyers. They tend to prefer a newer house with modern amenities, such as a bigger kitchen, more bathrooms and an open floor plan. If they have to rebuild in order to get what they want near the metropolitan center, they’re willing to do that.

It’s been a financial boon for the city, arguably Edina’s greatest windfall since the Southdale Center mall was built back in the 1950s. The average value of homes that have been torn down and replaced has spiked from $377,000 before reconstruction to more than $1 million afterward. In fact, the city collects three times as much property tax revenue just from recently rebuilt homes as it does from the shopping mall. “Our choice is to get denser or allow tax rates to go up,” says Scott Neal, Edina’s city manager. By allowing the former, “we’re able to keep the cost of running the city at a reasonable rate.”

Around the country, other suburban communities are see-

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**DEMOLITION DILEMMA**

“I’m seriously all for it,” says Edina resident Erica Hamilton. The new construction is “awesome for property values.”

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ing similar types of infill development. Many close-in suburbs are struggling, with poverty increasing and the housing stock and schools caught in a downward spiral. But some are thriving. Young city dwellers still often make the choice to move to the suburbs when they have kids, but many of them would like an updated house and don’t want a commute that’s 40 minutes long on a good day. So they look for a close-in suburb, buy an old house there, tear it down and build what they want.

It’s not quite the return of 1990s-style McMansions. But in the close-in suburbs of such cities as Atlanta, Boston and Washington, D.C., as well as Minnesota’s Twin Cities, old ramblers and bungalows and other post-war suburban homes are being taken down and replaced with something new, whether they’re big-footprint homes or townhouses. “The houses that are going out are shabbier, the houses that are going in are nicer,” says Robert Denk, senior economist with the National Association of Home Builders. “That’s good for the tax base, it’s good for the job market, it’s bringing money in.”

Edina has a lot going for it. It borders Minneapolis and is an easy jump to that city’s thriving downtown, as well as to the airport. Edina High School is frequently rated the best in Minnesota. A National Research Center survey of 500 Edina households this summer found that an astonishing 96 percent rated the community’s quality of life as “good” or “excellent,” with no one—no one—calling it “poor.”

The downside of Edina’s excellent “location attributes” (as real estate agents like to call them) is that they’re causing people to be priced out. Development always comes at a cost. Every time a 1950s bungalow is replaced by something much larger, that’s one less starter home for young people who can’t count on hefty financial support from their parents. And even though the survey found that quality of life is good, it also showed that Edina residents consider housing, including the wave of teardowns, to be the city’s most pressing problem.

But what can be done? Over the past five years, Edina has revamped its building code, adopting stricter rules regarding height limitations and setback requirements. But that hasn’t brought development to a halt. That was tried in neighboring Minneapolis last year, when the city council passed a moratorium on new construction in five hot neighborhoods (near Edina, in fact). They had to pull the plug on the idea less than a month later in the face of widespread complaints.

It’s a difficult issue, as Edina Mayor James Hovland concedes. The level of investment that new residents are willing to make in Edina is a very valuable thing, but it’s hard to maintain a balance so that people who can’t afford a million-dollar home can still find a place to live. “You’ve got to have affordable housing, which means the smaller houses,” says Joyce Mellom, an attorney who lives in Edina. “We are losing that mix and that’s a concern for a lot of people here.”

And not everyone has Erica Hamilton’s forbearance when it comes to construction noise and port-a-potties. People who have lived in Edina for 30 years or more feel the character of the town is being changed, and not necessarily for the better. People like

“Nobody likes change,” says Dave Fisher, Edina’s chief building official, “but there’s all kinds of positives to this.”

Actually, Aaker fields fewer complaint calls than she used to. It’s not that the calls don’t come in, but Edina has come up with a novel way to handle them. Back in 2012, seeing that construction was starting to pick up again in a big way, the city increased the cost of a demolition permit from $250 to $1,500. It devoted the extra money to hiring a full-time teardown specialist—perhaps the only one in the nation.

Cindy Larson’s title is “residential redevelopment coordinator,” but she’s really the 311 call center for complaints. Builders are constantly seeking loopholes. Even when they do their jobs
properly, there’s almost inevitably grumbling from neighbors worried about drainage issues or damage to trees or just the volume level on a contractor’s radio.

Previously people wouldn’t know which department to call. Now everyone in town seems to know to call Larson, who offers a counselor’s ear to those who are upset. “I don’t hear so often from the people who are happy about it,” she says. “It just makes good sense to try to streamline the process so that people calling in, who are already frustrated, aren’t becoming further frustrated because they don’t know who to talk to about their situation.”

Of course, the new single point of contact for complaints hasn’t magically made the problems go away. It doesn’t matter how closely building crews follow the rules or how respectful they are about parking and noise. Residents in the parts of town where it always seems to be construction season are fed up. Traffic has gotten worse, with hundreds of homes that used to be filled with 1.9 occupants (on average) now housing 3.2 people.

And lots of people don’t like watching their city morph into something else. What used to be front-porch neighborhood streets, with kids running around outside, have turned into rows of mini-fortresses. The interiors of many of the new homes are cut off from the street by multicar garages. Maria, a resident of Minneapolis who preferred only to be identified by her first name, says she decided not to buy in Edina because of the “inflated prices” caused by the wave of teardowns. Her sister, she says, sold her house in Edina to a physician who tore it down and replaced it with a “monstrosity.” “It was already a gorgeous home worth many hundreds of thousands of dollars, and they tore it down,” Maria says. “You’re really affecting the character of the neighborhood.”

It seems to happen block by block. A builder comes in, makes a deal with a homeowner, then tears down the house and looks for another opportunity next door or across the street. In some parts of town, any home that’s still reasonably priced is more likely than not to be torn down. The lot is worth more than the house. Neighbors in the remaining three-bedroom, one-bathroom ramblers and bungalows wonder if they should just go ahead and sell.

They receive a steady stream of fliers encouraging them to do so. Until recently, builders generally went ahead with the teardown and put up a new house without even having a commitment from a buyer. They mostly built homes with open interiors, lots of bedrooms and big gables out front. Lately, though, the process has been changing: Builders are waiting to tear down and rebuild until they have a buyer in hand.

they’d previously had on them. “It did totally change the character of the neighborhood.” Aaker says. “All these years later, do I hear anything more about it? Absolutely not.”

Scoott Busyn can stand in front of a perfectly sturdy, attractive old house and tell you everything that’s wrong with it. It lacks a mud room or a place to set up an office. The kitchen’s too small and the stairs are too narrow. The living room is wasted space and there aren’t enough closets. Nowadays, it seems, people simply cannot live without granite countertops. “There’s really nothing in these older homes that today’s families want or are looking for,” he says.

Busyn owns a construction company modestly called Great Neighborhood Homes. He mostly remodels existing structures, but he fought a five-year battle to tear down a home in Edina’s Country Club District. The foundation was in bad shape, but the house was in a neighborhood where preservation rules strictly apply. “A neighborhood that has been touted by the city of Edina...
as historic should have been preserved, and it wasn’t,” complains Mellom, the attorney who lives across the street from Busyn’s project. The house that Busyn is putting up will have an exterior essentially identical to what was there before.

A house in the Country Club District will set you back at least $1.5 million, even though the lots are so small that Skip Thomas, a local real estate agent, quips that you can shake hands with your neighbor while you go to the bathroom. If you head farther to the south and west, where the lots are bigger, the remaining 1950s homes are intermingled with sprawling houses that seem to hug the hills forever. One has a 12-car garage, which turned out to be too much even for its owner. (Possession reverted to the bank.)

“Change is going to happen, but I never dreamed it would be like this,” Thomas says.

Thomas, a lifelong resident, recalls delivering Meals on Wheels to older folks in neighborhoods that now have lots of new homes and new residents. Along Drew Avenue, one longtime resident recalls the days when apple orchards grew nearby. “It makes me a little sad to see the older homes going,” she says. “It’s ruining the neighborhood.”

As almost anyone at Edina City Hall will tell you, no one likes change. The reality, however, is that most suburbs would love to have Edina’s problems. Inner-ring suburbs have to make their housing stock more attractive to people who want more space. In Edina, the newcomers are able to afford a great deal more space.

Since its farmland days, the suburb has drawn affluent residents. A local history published in 1988 explains that the town’s “hilly, lake-dotted terrain was more suited to lower density, higher value development.” There was a time when Edina’s high school athletes got taunted by rivals as “cake eaters.” Now, Edina attracts doctors, professional hockey players and tech wizards who are glad to have a quick drive to the corporate headquarters of Target or Best Buy.

Not everyone can afford to live in Edina, but those who can are benefiting substantially from the rising property values. In May, residents easily approved a $125 million plan to renovate all the schools and expand the high school. Minnesota is a “tax capacity” state, so when the city of Edina decides how much to tax, it spreads the cost among homeowners on a prorated basis. If your neighbor’s property goes up in value due to reconstruction, that can sometimes bring your tax bill down. “Redevelopment benefits everybody in town,” says Neal, the city manager.

And the neighborhood, while altered, is fresher, if maybe less charming, for having a brand-new house in place of a 70-year-old bungalow. “I mean,” Aaker says, “I would love to live in one of those homes.”

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“We’re just trying to keep the housing stock viable for the next century,” says builder Scott Busyn.
Black and Out of Work

The economic downturn hurt public employees in all categories. But it hurt minorities worst.

State and local governments have historically provided a pathway to stable, middle-class employment for those without many opportunities in the private sector. Following World War II and the civil rights movement, large numbers of minorities found jobs with states, cities and counties as those workforces were expanding. More recently, though, the upward mobility once offered by those jobs appears to have diminished. States and localities currently employ roughly a half-million fewer workers than in the years leading up to the Great Recession. Not only are there fewer opportunities to be hired, but recent research suggests African-Americans have been disproportionately burdened by the public sector's downsizing.

A study published earlier this year by the University of Washington's Jennifer Laird uncovered stark differences in how public-sector workers fared in the aftermath of the recession. An analysis of U.S. Labor Department data found that the odds of losing a job had climbed much faster for black government workers than for their white colleagues. Disparities were most severe for black women in government, who were more than twice as likely to experience unemployment as were white women. Unmarried women living with children were also found to have higher unemployment rates.

Part of the reason public-sector layoffs hit blacks particularly hard is that they are a disproportionate presence on government payrolls. About 18 percent of all employed blacks work in government, compared to 13 percent for the rest of the population, according to 2014 Labor Department annual averages. Current Population Survey data further indicates black women are about twice as likely to work in public administration as Hispanics and Asian men.

Many black women working in government hold administrative and secretarial positions. Those jobs, according to Laird’s research, were among the most likely to fall victim to recession-fueled budget cuts. Large numbers of women identified in the study, which considered all areas of public employment, also likely work in education.

Another possible explanation for the demographic disparity lies in the way job cuts are applied. In government, workforce reductions are often tied to seniority, so African-American women may be disproportionately affected if there are more of them with less tenure, says Neil Reichenberg, who heads the International Public Management Association for Human Resources.

All of this raises concerns for the long-term job prospects for black public-sector employees. Steven Pitts, who has researched government employment at the Labor Center at the University of California, Berkeley, says there just isn’t the same stability there once was. In the past, he says, “manufacturing, self employment and the public sector were the three pillars of good jobs for blacks. Now, that is changing.”

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Race, Recession and Public Jobs

All major demographic groups experienced job losses in the public sector after the onset of the Great Recession. But the probability of African-American women keeping their jobs saw the sharpest declines.

The above data represents individuals in the current population survey ages 16 to 64 and currently or recently employed in the public sector. The model controls for age, education, marital status and occupation.
Data Points
Local officials offer ideas that would help them use data more effectively.

When it comes to delivering services, the proverbial rubber meets the road at the local level. So what do local government practitioners struggle with when trying to use data to deliver services? And when a locality uses data to improve efficiency and effectiveness, what kinds of problems stand in its way?

In August, the Governing Exchange, a research arm of Governing, sent out a survey to executives and senior managers in cities, counties and special districts. Unlike our July cover story, “Bad Data,” which focused on information gathered from state officials, this survey concentrated on locals. The July article targeted oversight and performance officials who routinely work with data. Not surprisingly, then, data quality issues loomed large in their minds.

With a wider range of local officials included in the follow-up survey—city managers, division heads, department heads, agency directors, program heads, and some auditors and controllers—the data concerns were more varied. On data quality, however, 70 percent of the 160 respondents reported problems (sometimes, frequently or often) with the accuracy and usefulness of the documentation, as well as timeliness.

The most interesting results from the survey came from a question designed to create a wish list for data: If you could do one thing with your data that you’re not doing, what would it be?

Here are some of the frequent points the respondents, who were promised anonymity, made:

Integrate and/or share data. This has proven to be the biggest hobgoblin in preventing the effective use of data in government. There is a mindset among many department heads or managers that the data they collect belongs to their team—not to the city or county as a whole. Yet the utility of data grows dramatically the more it’s shared. Consider social services and the benefits that can come when the departments of mental health, education and corrections can easily share information about individual clients.

As one city manager noted, it is important to “integrate the various data sources into an overall platform to consolidate it and make it easier to access.”

Make data more understandable. A number of respondents called for better graphic presentations of data in order to communicate it more easily to both managers and policymakers. As one department head wrote, “Making data visual often makes it more useful and easier to see relationships and outcomes.” This also helps in getting everyone who can utilize the information to understand it similarly. One department head reported that it’s important to “visualize it more easily from disparate points of view—policy community, manager, etc.”

Do more data analysis. A number of respondents thought more analysis of the data would make the information more useful in decision-making. It seems to us that this is particularly crucial when it comes to using data to measure performance. Hooping piles of spreadsheets on city council and county commission desks, without any idea what they’re sup-
posed to prove, is a route to a bunch of very messy inboxes. Sadly, thanks to the recession and its pressure on budgets, the analytic capacity of many cities and counties has been diminished or cut from the brains of organizations rather than from direct services.

Have access to better training. An adjunct to the above admonition was the need for more sophisticated training of existing staff. Once again, one of the big cuts in recent years has been in training local government staff. This means that a growing number of men and women who are using data have less capacity to use it well, and that can easily lead to problems with accuracy.

Define terms for greater comparability. One business manager recommended that his city “mandate that the organization develop a comprehensive data dictionary that must be adhered to by all departments, and which clearly defines all data fields and values.” This ties back to the first of the wish list items: sharing data. When individual pieces of data have different meanings from place to place in a city, it’s extremely difficult to share it across agency and department borders. To expand on the cliché, when you can’t compare apples to oranges, but mix them nonetheless, you wind up with a bunch of soggy, acidic apples.

Improve quality. This category included improving current problems with both the accuracy and timeliness of data. Respondents called for the need to devote more resources to quality control. One department head wished they “would have the manpower needed to scrutinize the data closer and more often.”

Get with the digital era. One surprise for us was that a fair number of respondents commented on the need to stop using so many old-fashioned systems. There’s “still too much paper,” said one respondent who classified himself as “auditor or comptroller.” Clearly just getting things into digital form leaves local governments with a fair amount of work to be done.

The Real Purpose of Higher Ed

Faculties need to remember why we have public universities.

The sharp decline in state funding for higher education in recent years may have brought tuition increases and rising student debt, but it also has been accompanied by a reexamination of what the role of our publicly funded colleges and universities should be. Not everybody is happy about that, but this is a conversation we need to have.

Some governors and legislators have been rightly criticized for what seems like a short-sighted and anti-intellectual assault on higher education, but I think a significant portion of the blame for this new and critical scrutiny of public higher education falls on the institutions’ faculty and administrations. To many elected officials and members of the public, they seem arrogant and out of touch.

What happened a few months ago at the University of Iowa brings this conflict into focus. The school’s board of regents interviewed several candidates for the university’s presidency, including J. Bruce Harreld, a former IBM executive. There was loud protest from the faculty and staff of the university because Harreld, unlike the other candidates, had no experience in higher education administration. When the regents nevertheless chose Harreld, the faculty senate approved a vote of no confidence in him and called on Gov. Terry Branstad to dismiss the board of regents, an idea the governor rejected.

At its heart, this is a dispute about who owns the university and how it should be governed. This a public institution controlled by the citizens of the state through the governor, the legislature and the board of regents. This sort of faculty resistance to public control is contributing to a decline in public support for these important institutions.

The lands granted by the federal Morrill Act of 1862 created many of today’s most prestigious public universities “in order to promote the liberal and practical education of the industrial classes.” As that suggests, public colleges and universities should be judged not on how well they emulate the Harvards of the world, but on how well they further the mission of providing access to higher education for people of ordinary means and achieve the public purpose of contributing to the economic development of a state and the prosperity of its residents. Universities need to be more responsive to the public, and they need transparency, accountability and good stewardship of public funds. A good university administrator has much in common with a good politician, and indeed many have come to their university posts from successful careers as public servants.

Providing higher education for people who could not gain access to or afford elite private institutions was a good idea in the middle of the 19th century, and it is a good idea today. States that will best compete economically over the long run will be those whose public universities are not only well funded but also have embraced their most important public mission.

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Problem Solver | TECH TALK

By Tod Newcombe

Transparent Service
For some governments, public records requests are a burden. That’s changing.

Public records requests have surged in recent years, thanks in large part to the transparency and open data movements. The U.S. Public Interest Research Group, which has been evaluating transparency in state spending for six years, reported that 2015 saw dramatic improvements in how and how much information was provided online. The same goes for cities, where the number of open data sets accessible to the public has climbed since the Open Knowledge Foundation began tracking them in 2013.

But not everyone is riding the transparency wave, especially when it comes to the handling of public records requests. Take Massachusetts. In many ways, the state is a leader in transparency and open data efforts, but when it comes to its public records law, it’s another story. Massachusetts hasn’t updated its law in more than 40 years, making it one of the weakest in the nation, according to MuckRock, a media site that tracks Freedom of Information Act requests. In some instances, state agencies have taken months to provide documents or have demanded thousands, even millions of dollars for them. Part of the problem is that each state agency has its own procedures, resulting in widely different responses.

Of course, Massachusetts is not alone. Other state and local governments treat requests for public records as a burden and not as part of the job of government. But that’s slowly changing. Some governments are taking steps to make it easier, faster, and less costly to request and receive government information. A small but growing number of cities and counties are going even further and starting to share the responses to requests for public records by posting them online. The first to do this was Montgomery County, Md., which passed legislation in 2012 mandating the publishing of public records requests. The county’s website lists the person or organization who made the request, the date of the request, a description of the document and a link to the information.

Hans Riemer, the county councilmember who wrote Montgomery’s 2012 law, says the requests have public value and should be shared publicly. “It takes the process away from insiders and makes it public,” he says. Another benefit: It’s a way to lower costs by reducing the amount of staff time spent answering multiple requests for the same information. Riemer adds that public sharing could also dissuade people who make spurious requests, “because now the whole world knows what they are doing.”

Meanwhile, Riemer has watched for nearly three years how the law has impacted Montgomery County. He thinks the publishing of public records requests has made a difference in one vital way. “I think it generates a positive feeling among the public that government is listening and responding.”

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Putting the ‘Fair’ in Fair Value

The practice is loved by accountants and scorned by bankers and investors.

On Oct. 8, 2008, investors were desperate to understand why stocks were cratering and banks had quit lending. It was the height of the financial crisis. That day, William Isaac, a former chair of the Federal Deposit Insurance Corporation, went on television and blamed an unlikely culprit: bankers’ accountants. “The Securities and Exchange Commission has destroyed $500 billion of bank capital by its senseless marking to market of these assets for which there is no marking to market,” he said. “That has destroyed $5 trillion of bank lending.” In other words, accounting rules enforced by the federal government were at the heart of the then-unfolding financial catastrophe. Many bankers and investors shared Isaac’s view.

By contrast, government accountants, led by the Governmental Accounting Standards Board (GASB), have embraced these same rules—known as “fair value” accounting—with the same enthusiasm that bankers’ and investors’ accountants have scorned them. In fact, during the past three years the people who write accounting standards for states and localities have made fair value a key factor in how governments manage their pensions, investments and retiree health care. Strange as it might sound, that’s a good thing.

How could fair value be deemed unfair by some and fair by others? It’s all in the eye of the beholder. If you ask an accountant what something is worth, you’ll get one of two answers. The usual one is “whatever you paid for it.” If a local government purchased a piece of land 10 years ago for $1 million, the fair value of that land is $1 million. Accountants call this “historical cost.”

But what if a developer really wants that land and is willing to pay three times the original purchase price? Is that a fair market value? The accountant’s answer would be no. Until someone actually pays that price, it’s just a guess. That’s why accountants are credible. They deal in real numbers.

Of course, sometimes the real and the hypothetical converge. For instance, the prices of stocks offered on the New York Stock Exchange are updated every second. Those prices are technically estimates, but they’re based on millions of real transactions. That’s why accountants are comfortable equating a stock’s offered price to its fair value. The same applies to other types of investments that can be “marked to market” because they’re bought and sold in an active market.

Banks and other financial institutions mark their investments to market constantly. That’s great when market prices are up. If markets run dry, however, as they did during the financial crisis, the damage is obvious and immediate. That can shake investor confidence. That’s also why in the throes of the crisis, the finance industry put enormous pressure on the Securities and Exchange Commission to suspend mark to market accounting. The better approach, they argued, was to report fair market values averaged over time to better reflect “normal” market conditions. Regulators almost capitulated then—but didn’t. Now they’re reconsidering.

GASB, by contrast, has upped its own fair value ante. In its new standards on pension liabilities, it restricted governments’ ability to “smooth” the fair value of their investments. That is, to report the average value of pension investments over time, rather than a specific point in time. With interest rates low and the stock market volatile, those investments have not performed well, and that could mean higher pension funding costs and less certainty when budgeting for those costs. GASB’s new standards on other post-employment benefits like retiree health care could have the same effect. The accounting group also broadened its own fair value framework for governments.

Many of GASB’s most important stakeholders have disagreed with its interpretation of fair value. That said, there’s no question that they’ve applied that definition clearly and consistently. Put differently, they have resisted the temptation to politicize this arcane but crucial corner of accounting. That’s bringing some badly needed fairness to fair value.

By Justin Marlowe

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The best value in procurement has a new name.

WSCA-NASPO purchasing cooperative is now NASPO ValuePoint

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Detroit's Michigan Central Station is a lot like its hometown: It was once a glorious, ornate place; then it fell on hard times; and now it's fighting its way back. Opened in 1913, the Beaux-Arts edifice was designed by the same firms responsible for New York's Grand Central Terminal. The station served the Motor City until the last train pulled out in 1988, and then promptly began to fall into disarray as vandals, scrappers and graffiti artists raided the abandoned building. But now Michigan Central Station is getting a long-awaited makeover. A cleanup of the interior has been going on for years, but recently electricity was reintroduced, an elevator installed and now the windows are being replaced. Even though workers are busy filling the 1,000-plus cavities with new glass, the fate of the building is unclear. Proposals over the years have ranged from a new police headquarters to vertical farming to a casino.

—David Kidd
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