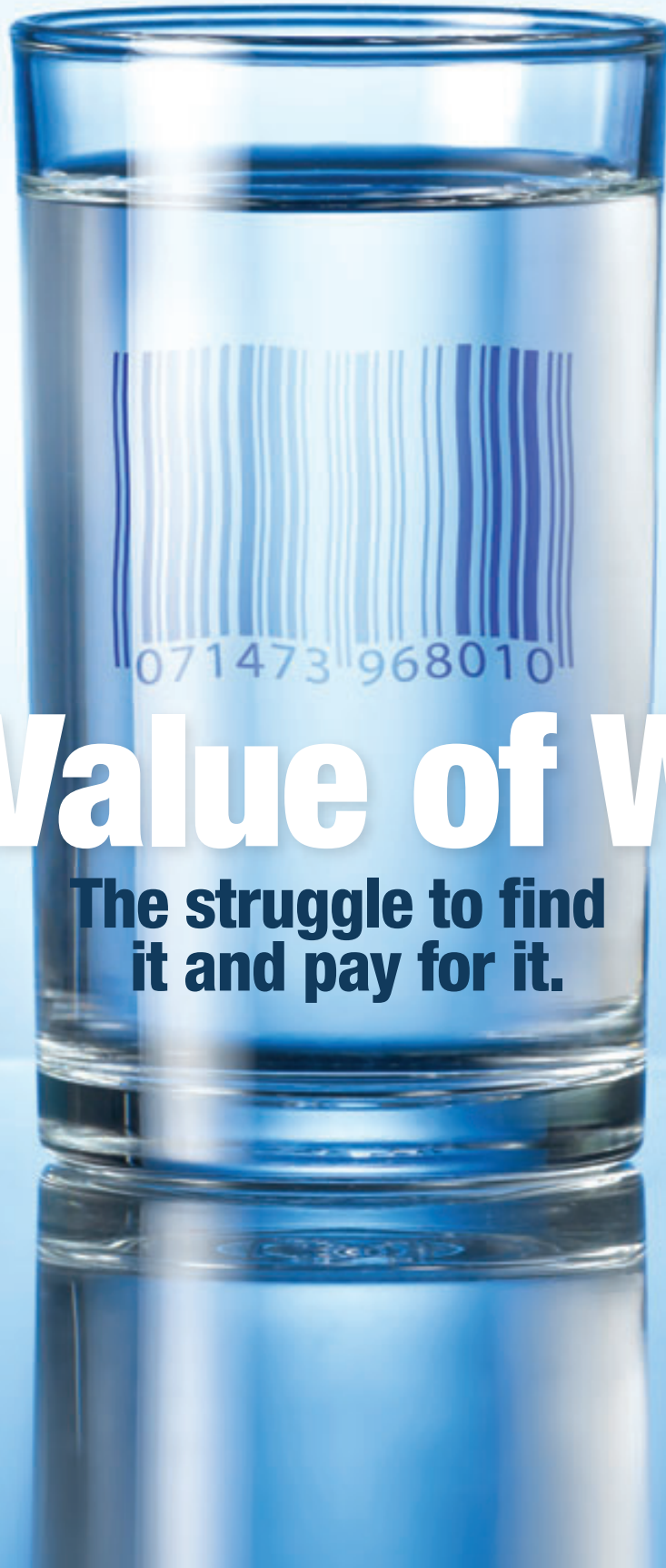


# GOVERNING

THE STATES AND LOCALITIES

July 2014



## The Value of Water

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it and pay for it.**



# 6

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DAVID KIDD

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## The Makings of Change

For many years, I made a living off of the reality that things are frequently not what they seem. As a government auditor, I learned to try to find, understand, and report on the deeper structure of facts and forces influencing events. I approached my work this way because I believed that policymakers and the public could make better decisions when they understood the facts shaping the issues they were confronting.

That approach came to mind as I read the articles in this month's *Governing*. Each of our features seemed to reflect a common thread. That is, each story forecasts a shift in our collective conventional wisdom. There is a good chance that a potent mixture of culture, technology and demographics will reverse trends that have existed for decades.

Union membership, for example, has been declining since the 1950s, and the recent vote by workers at the Chattanooga

Volkswagen plant not to join the United Auto Workers (UAW) was regarded by many as further evidence of the impending demise of organized labor. But maybe that's a premature judgment. As Alan Greenblatt reports, in April 2,100 University of Connecticut graduate students voted to join none other than the UAW. It seems that at least some millennials, who have had a tough time in today's economy, are willing to band together in pursuit of the same goals that motivated their grandfathers and grandmothers:

respect, dignity and a little more money.

Elsewhere in this issue, Chris Kardish describes how North Carolina Republicans, who control both houses of the legislature and the governor's office for the first time in 70 years, have moved swiftly to enact major social and economic changes. But that situation could soon shift again. The state's white population fell about 7 percent between 2000 and 2010; minorities now account for half the state's population under 18.

Of course, technology and social media have added new risks and challenges for public officials. Jonathan Walters notes that when the New York City Police Department asked people to post photos of police in action, what wound up on the NYPD's Twitter page was a flood of unflattering pictures of cops "clubbing, tear gassing, handcuffing and tackling Gotham citizens."

Effective governance requires more than the conventional wisdom. It requires analysis, insight and an understanding of why things are as they are and what might be next. And that is what we aim to deliver for our readers.



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## Water Fundamentals

*During a visit to California in March, Israeli Prime Minister Benjamin Netanyahu offered to help California weather its drought with water conservation and desalination techniques. In her May Green Government article “Cup of Sea-water?,” Elizabeth Daigneau looked at Israel’s desalination plants and asked, “Why aren’t there more desalination plants in the U.S.?”*

Regulatory hurdles result in very long, sometimes five-year-plus periods of discussion [that add more] cost to these projects. By the time that a desalination plant gets permission to be built, the dry years have passed, normal moisture returns, the project cost is several times the initial estimates, and the project is delayed or canceled because the water situation is relieved. Worse yet, it gets built and never used, as noted in the article.

The Middle East lives with a false sense of water security. They have essentially no water storage. If they were to lose these desalination plants, they would have no water within a period of days.

—Mike on *Governing.com*

Can human beings and crops survive without water? California’s agricultural Central Valley has 50 to 60 percent unemployment rates thanks to little water.

Farmers growing considerable quantities of food may go out of business. Reservoirs throughout the state are at a small fraction of their capacity. Maybe the drought ends, maybe it continues, but without a dependable water supply in both wet and dry years, communities shrivel and die. Instead of focusing on high-speed trains to nowhere, [California Gov. Jerry Brown] should have been spending political and economic capital ensuring the state’s water supply. It is tragic how silly initiatives can find funding, but not something as fundamental as water.

—Brent Javanovich on *Governing.com*

## A Group Effort

*Mexico passed a soda tax in October. Our May FedWatch article wondered how it was that the Mexican government was able to get a tax passed when so many American cities have failed.*

Cookie-cutter regulations won’t change behaviors or reduce obesity. Studies reinforce this point and suggest soda taxes could have the exact opposite effect. For instance, research published in the *American Journal of Agricultural Economics* found that the reduced calorie intake from soft drinks would cause an increase in calories consumed from other foods, particularly those containing high sodium and fat.

What can help? Education that takes a holistic approach to balancing all calories with physical activity can make a measurable impact. We believe this kind of progress will be accelerated when

everyone comes together in a concerted way—government, academia, health care and businesses like ours.

—American Beverage Association

## Free-Ride Thoughts

*Tallinn, Estonia, is running a bold experiment in fareless transit. It is an idea that has been tried before on a limited basis in Portland, Ore., and Seattle. In his May Assessments column, Alan Ehrenhalt considered the pros and cons of a free ride.*

Did you come across any indication from the cities that have tried the fareless approach whether it reduces pressure on road widening or the need for new roadways? In that case, there could be considerable cost savings.

—Wayne Senville on *Governing.com*

Denver’s Regional Transportation District did an off-peak free fare throughout its system circa 1978-1979. Ridership did go up, but so did passenger complaints about the buses becoming de facto shelters for the homeless.

—Charles Trainor on *Governing.com*



## Reverberations

Here are the articles from the May issue of *Governing* that drew the largest response. Letters to the editor are always welcomed at [mailbox@governing.com](mailto:mailbox@governing.com).



Most “likes” on Facebook:  
“Forget Me Not”  
by Chris Kardish



Most Tweeted:  
“Sensors & Sensibility”  
by Tod Newcombe



Most online comments:  
“Lessons in Gun Control”  
by J.B. Wogan



Most media coverage:  
“Test Driven”  
by Jonathan Walters



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## Can College Players Unionize? States Huddle Up.

**SINCE THE RECENT RULING** by the National Labor Relations Board that Northwestern University football players receiving athletic scholarships were employees and could organize, there's been a national debate on whether student athletes should be allowed to join unions. On the one hand, many public officials blanch at the idea of treating college players like laborers. They aren't, critics say. On the other hand, some think athletes are currently being shut out of the profits they help their schools earn. As Shabazz Napier, the star senior point guard of the national champion University of Connecticut men's basketball team, told reporters in April, "You feel like you want something in return. There are hungry nights that I go to bed and I am starving."

The labor board ruling only covers private schools, but already two states have taken up the issue. In Ohio, Republican lawmakers have moved against unionization by adding language into a budget bill specifically stating that student athletes do not qualify as public employees.

In Connecticut, meanwhile, state Rep. Matthew Lesser was so moved by Napier's

comments, he said it spurred him and others to investigate how the labor law should be changed so that athletes qualify as state employees. He expects the issue to be resolved during the legislature's 2015 session. "It's a big business in all respects except that athletes have no rights," he says. "There's a general sense that it's an exploitive process. That's not Connecticut's fault, that's not UConn's fault. It's really the NCAA, which is acting like a cartel."

Collective bargaining laws vary by state, and five (Georgia, North Carolina, South Carolina, Texas and Virginia) ban the practice outright for public employees, with the exception of firefighters in Georgia. Steven Malanga, a Manhattan Institute senior fellow, predicts that most states will scurry to address the issue for college athletes in the coming years. There's reason for them to take action: A labor board ruling in 2000, which allowed graduate teaching assistants on college campuses to unionize, spurred organization at public universities in a number of states, including California, Illinois, Massachusetts, Michigan, Oregon and Rhode Island (see "State of the Unions," page 24).

But critics say a system where some schools allow unionization and others do not could be very problematic.

Colleges, mostly, oppose unionization. At a congressional hearing in May on the issue, Stanford University Director of Athletics Bernard Muir said that allowing collective bargaining rights for athletes would destroy the current financial model for the athletics program. Indeed, Moody's ratings agency issued a note this spring warning that the Northwestern ruling threatened the NCAA's standard of "amateurism" and could hurt schools' bottom lines. Muir, along with officials from other schools, also thinks the issue of student-athlete welfare is better addressed by the schools.

But some in Congress have little patience for that. "The list of grievances these players presented is a list that could have been presented five years ago, 10 years ago. And they haven't been addressed," Rep. George Miller said this spring. "We've been over this and over this and over this. ... You can rail against unionization, but you better address the problem."

—Liz Farmer

# The Looming Crisis in Voting Tech

**MORE AND MORE OFTEN** these days, Neal Kelley and his staff find themselves rooting through shelves at used computer stores in Orange County, Calif., looking for something they can't find anywhere else: laptops that run on Windows 2000. Kelley is the registrar of voters in Orange County, and one component of his election equipment still runs on the Microsoft operating system from 14 years ago.

As in most places around the country, Orange County's voting technology is based on federal standards set after Congress passed the Help America Vote Act (HAVA) in 2002. The razor-thin presidential election in 2000 between Al Gore and George W. Bush revealed that outdated technology had left thousands of votes uncounted. With HAVA, Congress encouraged local governments to install electronic voting equipment, resulting in a wave of upgrades across the country. Between 2002 and 2004, Congress allocated more than \$3 billion for some 8,000 local jurisdictions to replace the punch card devices and lever machines they had been using for more than 30 years. But today, a decade later, that upgraded election infrastructure is quickly becoming obsolete.

In a worst-case scenario, current equipment will start to fail in the next couple years, forcing fewer voting booths to process more ballots, a recipe for longer lines and voter frustration. "What you don't want is disenfranchised voters who are deciding not to cast a ballot because of these issues," says Kelley. "We can't let ourselves get to that point. We need to be ahead of this curve."

It's an impending crisis for states and localities. "Jurisdictions do not have the money to purchase new machines," the Presidential Commission on Election Administration reported in January, "and legal and market constraints prevent the development of machines they would want even if they had the



ORANGE COUNTY REGISTRAR OF VOTERS

funds." In other words, the newer technology simply isn't there. And even if it were, localities couldn't afford it.

Although HAVA ushered in significant improvements—along with federal funding to make them a reality—much of the election machinery was never intended to last more than a decade. Now the cost of installing modern equipment is discouraging many localities from addressing the issue. Meanwhile, the U.S. Election Assistance Commission hasn't updated its standards for voting technology since 2005, making vendors skittish about modernizing their products too much without knowing how regulations might change. Even if the regulations were clearer, manufacturers would have to deal with an expensive process for getting new products tested and certified, estimated to cost more than \$1 million per voting machine.

So far, election officials have tried to avoid expensive replacements by extending the life of the equipment with simple process-related changes. Letting citizens vote by mail, for example, reduces the number of people coming to polling booths, placing less strain on the plastic feeder motors that pump out print copies of each completed electronic ballot. Nonetheless, jurisdictions across the country will have to take broader action within the next few years if they want to avoid catastrophe.

System upgrades cost a lot of money. Orange County, for example, sets aside \$250,000 annually for election maintenance. But buying a whole new system—which Kelley says the county will need by 2016—will cost about \$20 million. Kelley says he expects a difficult debate about competing public priorities when he makes his budget request to

county supervisors. “You’re talking about broad tax dollars,” he says. “How do you balance [election equipment] against public safety and health care?”

Some localities want to develop their own upgraded voting tech, rather than rely on what’s available on the market. Travis County, Texas, for instance, has decided to eschew the handful of private companies that usually supply election equipment to local government. Instead, says Dana DeBeauvoir, who oversees elections in the county, Travis will ask for bids to create an entirely new system. “What’s on the marketplace isn’t very good and it’s horrifically expensive,” she says. In general, vendors sell proprietary hardware that is complex and not interchangeable. DeBeauvoir’s main gripe is that even the newest products don’t include modern security features, such as allowing voters to review printouts before ballots are cast. If successful, her election system would rely on open-source software that could be shared, at little cost or no cost, with other jurisdictions.

A similar experiment is under way in Los Angeles County, where the county

clerk is trying to design a system that can accommodate 11 different languages and more than 4 million registered voters. While election officials across the country see both efforts as groundbreaking, they say neither will serve as a solution for the immediate problem of failing machinery. “You’re talking about something that’d be untested,” Kelley says. “There’s just not going to be enough time to adapt to what Travis County and Los Angeles do.”

Besides, most jurisdictions probably won’t want dramatic upgrades in technology. They just need machinery that isn’t at risk of a systemwide failure. “Election equipment does not need to be on the cutting edge, and it probably should not be on the cutting edge,” says Lori Edwards, supervisor of elections in Polk County, Fla. “It just needs to be safe, secure and reliable.”

Just getting to that point, however, could cost billions nationwide over the next few years. “We have a big national problem,” says DeBeauvoir. “And it’s going to be front and center in everybody’s jurisdiction pretty soon.”

—J.B. Wogan



**POLITICIANS ARE LIKE 15-YEAR-OLD GIRLS: WE RESPOND TO MONEY, PEER PRESSURE AND ATTENTION.”**

—Georgia House Minority Leader Rep. Stacey Abrams, at Governing’s recent Georgia Leadership Forum in Atlanta, speaking on the need for city and county leaders to better communicate their needs to state legislators

## THE BREAKDOWN

# 288

Pounds of heroin seized in New York City, not including small-level drug deals, in the first four months of 2014, according to the city’s special narcotics office. That’s more than in all of 2013 and the highest total since 1991.

# \$60<sub>m</sub>

Cost of a 2-year-old, 18,000-seat high school football stadium in Allen, Texas, that is closed for the upcoming season after engineers determined the structure was “not safe for public assembly.” Taxpayers approved a bond issue to pay for the stadium in 2009.

# 44

Percentage of American households that are “middle class,” earning between \$35,000 and \$100,000 annually. In the mid-1970s, 52 percent of U.S. households were earning the equivalent amount.

# 1/2

Portion of inmates held in U.S. prisons who are nonviolent drug offenders.

SOURCES: THE NEW YORK TIMES; DALLAS MORNING NEWS; HARRIS; WASHINGTON POST; IMAGE: SHUTTERSTOCK.COM

# Houston Gets Tough on Hoarding



**THANKS IN PART TO REALITY TV** shows like “Hoarders” and “Hoarding: Buried Alive,” the issue of hoarding—and attendant concerns about anxiety disorder and obsessive-compulsive disorder (OCD)—has gained national prominence. For cities, it can be an extremely complicated problem.

When clutter consumes a living space, it can create health and safety hazards not only for an individual, but for neighbors as well. Addressing residents’ concerns is tricky, though, as public safety agencies must be sensitive to a person’s mental illness, and local laws are often vague.

Houston recently passed what may be the nation’s first big-city ordinance specifically addressing hoarding. After residents and homeowners’ associations there clamored for help, the city council recently passed new regulations allowing police to inspect apartments receiving hoarding complaints. The police may refer hoarders to mental health services and, as a last resort, charge them with a misdemeanor carrying daily fines up to \$500.

Most of Houston’s complaints stemmed from condominiums where residents suffered ill effects of living near hoard-

ers, says Tom Allen, a city attorney who advised the city council on the ordinance. (Right now, the measure only applies to multiunit properties.) Those ill effects have included rats breeding, bedbugs, fleas and other unsanitary conditions.

Determining just what constitutes hoarding, however, presents a challenge. Sgt. Mike Hill, who works in a city police unit responding to nuisance and other code violations, says existing fire and building codes provide a baseline, but police will handle each case individually. Their top priority is to get help for those suffering from mental illnesses. “[Hoarding] needs to be treated with the same level of compassion and concern as some of the other more recognized illnesses,” Hill says.

Multiple city departments are now working through the details of just how the new law will be carried out. Police will enforce the ordinance. The health department might be called in to assess mold or other health concerns. Public works staff may evaluate the structural integrity of units weighed down by piles of junk. The Mental Health and Mental Retardation Authority of Harris County and other outside agencies will also be key players. The city plans to begin enforcement no later than October. Allen says that if the initial law goes well, the city may look to broaden it to include single-family homes if adequate funding exists.

Jeff Szymanski, who directs the Boston-based International OCD Foundation, says some aspects of the law could have been crafted better. “We had no issue with a public safety ordinance, but to call it an anti-hoarding ordinance stigmatizes the issue.” Cleaning out homes or threatening hoarders with hefty fines fails to change their underlying behavioral issues, he says.

Some communities have developed formal hoarding task forces, a coalition of multiple public agencies that respond to hoarding cases and work to improve public education. The OCD Foundation has identified 75 communities nationwide with such task forces in place.

—Mike Maciag

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# Rethinking Regionalism

These days, cities aren't as enthusiastic about suburban annexation.



I was struck by something the mayor of Cincinnati said recently in a conversation on the Urbanophile blog, published by one of our *Governing* columnists, Aaron Renn. The mayor, John Cranley, essentially proclaimed that the time has come for cities to stop dreaming of regional solutions to urban problems, to stop thinking that they would be better off if they could annex the suburban territory that lies just outside their borders. Cincinnati, he said, can get along just fine without any more than the roughly 80 square miles and 300,000 people that it currently comprises. At this point in the 21st century, Cranley argued, taking on suburban territory simply gives cities new problems that they don't need.

The mayor expanded on his ideas with me in a subsequent conversation. In the past, he told me, "You had a sentiment that urban cores need the wealth of the suburbs to have a better budget picture. People in the suburbs escaped the city to flee the problems. But that's changing. You're going to see cities in a better financial situation than a lot of the suburbs."

Cranley's assertions challenge what has been an article of faith among urban

planners and good government advocates for the past hundred years. For all that time, it has been widely assumed that cities suffer in large part because they are geographically too small—they are cut off from the affluent neighborhoods and sizable tax bases that the suburbs contain. Bring city and suburb together, the argument has always gone, and the result would be a diverse, prosperous and efficient consolidated region properly equipped to deal with the challenges of modern metropolitan life.

Yearnings for metropolitan regionalism and consolidation have existed for most of the history of the United States. Throughout the 19th century, cities and suburbs combined through the simple annexation of suburban territory into the city, a move usually agreed to by the suburbs because of their need for the water that the city could provide them. But in the 20th century, suburbs began to develop their own sources of water, and they came to regard nearby big cities as less than ideal partners, saddled with large immigrant populations, neighborhoods of extreme poverty and high-crime rates. So in most of the older metropolitan

areas of the Northeast and Midwest, suburbs began to want as few ties to the larger urban entity as possible.

Despite an enormous amount of literature arguing in their favor, the number of actual urban-suburban consolidations in recent decades has been small. Indianapolis famously did it in the early 1970s, pushing city-county consolidation through without having to subject the idea to a popular vote. Louisville did it in the 1990s, creating one metropolis out of the city and all of surrounding Jefferson County. Louisville's consolidation advocates argued from the standpoint of regional pride rather than efficiency; they pointed out to voters that by undertaking a consolidation, Louisville could advance from being the 65th largest city in the United States to the 23rd largest.

Nashville and Jacksonville also have consolidated city-county governments. Other large cities, such as Charlotte, have adopted many of the features of consolidation without joining suburbs to city in a full legal sense. But the number of cities that have proposed consolidation and failed to win voter approval for it is much larger than the number that have made

the move successfully. Between 1902 and 2010, according to the urban scholar David Rusk, 105 referendums were held in the United States to consider city-county consolidation. Only 27 of these won the approval of the voters.

Still, the issue remains on the table, and the idea for regional cooperation has been prominent among urban policy scholars in the past couple of decades. Among the most effective advocates of consolidation has been Rusk, the former mayor of Albuquerque, N.M., who has argued that cities unable to include suburban territory within their borders have been condemned to deal with painful fiscal stresses and school systems that are segregated in all but the nominal sense. Rusk has touted the virtues of newer cities in the South and West that have annexed large chunks of suburban territory and have achieved higher levels of racial balance in their school systems. In his view, it is these elastic cities—those able to grow by annexation or consolidation—that are best equipped to meet the challenges of modern governance.

But even as this debate has proceeded, it has been propped up by an underlying assumption: that suburbs are the prize in this governmental competition, and cities are the poorly endowed suitors. It is this entrenched idea that Cranley has dared to challenge.

And there is support for Cranley's view in some of the numbers that have been released by the Census and scoured by demographers in the past couple of years. Foremost among the sources of evidence is the book *Confronting Suburban Poverty in America*, published last year by the Brookings Institution.

The authors of that book, Elizabeth Kneebone and Alan Berube, presented some figures that many suburban leaders have been reluctant to confront. Among them were these: In 2011, the suburban poor outnumbered the urban poor by 3 million; in the first decade of the new century, the number of poor people in the suburbs rose by 64 percent.

None of these numbers erase the powerful fact that cities still have a higher percentage of poor people than suburbs do. Nor do they cancel out the depress-

ing reality of dysfunctional, largely abandoned swaths of territory in some of the biggest cities in America, such as Detroit and Philadelphia. But they do suggest that urban policymakers need to think about the suburbs in more nuanced ways than they have in the past.

Just outside the border of every large American city lies inner suburbia. Some of this consists of large homes and leafy streets created before the Second World War. This part of the suburbs is economically healthy and a desirable place to live. But right next to it is a different part of inner suburbia—small jurisdictions built for the industrial working class in the immediate postwar years. This is the suburban territory that has suffered badly in the last five years from unemployment, disinvestment and the deterioration of its housing stock. Most of the homes in this part of inner suburbia are cramped bungalows too small to attract many would-be customers in the current home-buying generation. These suburbs are almost all in fiscal trouble to some degree. When a mayor such as Cranley talks about the era of annexation being over, this is the territory he most clearly would not want to annex.

Beyond these two layers of suburbia are the exurbs, the newest communities, most of them built after about 1980, generally with good-sized homes designed for families looking for safe streets and good schools. These suburbs, like the prewar version of inner suburbia, are generally doing well. But they are far enough from the city limits—30 to 40 miles out, in many cases—to make active collaboration with the central city on many issues impractical. The residents of exurbia are to a great extent people who want as little to do with the city and its problems as possible.

So the mayor of a city like Cincinnati looks out of his window and sees three different suburbias: an older, affluent one that values its long-established independence; a larger, poorer one that has relatively little to offer the city in tangible terms; and a more distant exurban one whose residents wish to leave the city behind them.

He knows that of all the poor people living in Greater Cincinnati, 72 percent of them are in the suburbs outside his immediate jurisdiction. And so it is no surprise that he would conclude that the era of metropolitan regionalism is coming to an end.

If cities do make a sharp turn against consolidation and annexation, what will that do to the more modest forms of cross-border cooperation that have been gathering momentum in much of the country for the past few years? My guess is, not very much. Since the Great Recession began in earnest in America six years ago, many communities have signed on to compacts that have them providing a whole variety of services, most notably routine law enforcement and emergency medical response, on a shared basis. Governors such as Andrew Cuomo in New York and Chris Christie in New Jersey have pushed through legislation giving communities financial incentives to share services as a way of avoiding wasteful administrative duplication. This is nothing new—governors of New Jersey have been pushing local government consolidation of all sorts for the past generation—but in the current climate of local government austerity, the willingness to share has moved further than it had done in the past.

Most of those accomplishments have occurred at a small-town level, however. The past few years have seen no revival of enthusiasm for consolidation or annexation involving big cities and their suburbs. Mayor Cranley offers a simple but compelling reason why: Cities don't feel jealous of suburban affluence at this point in their history; they don't feel that a suburban connection offers them much that they can't achieve better on their own.

In other words, the era of cities scheming to join forces with the suburbs next to them has already come to an end. I haven't heard any other big-city mayors say this directly, but I wouldn't be surprised if quite a few of them are thinking it. And the consequences for urban government in the next generation are likely to be substantial. **G**

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# The Great Water Paradox

There's far too little water in some places, far too much in others.



DAVID KIDD



For me, the problem with water has gotten personal. Along with other fishermen last fall in northwest Michigan (where my wife and I live part of the year), I watched in near-horror as thousands of salmon struggled to swim up the Betsie River to spawn, only to beach themselves on sand bars because the water levels were so low—almost three feet below normal. The state's Department of Natural Resources closed down a number of popular fishing areas and started dredging canals near the mouths of some rivers in an effort to allow the fish to swim upriver.

This fall, the good news is that things should be much better, thanks to a very cold winter that froze over the lake for the first time in decades—reducing evaporation—and a snowfall that was 40 to 50 inches above normal.

In another place I care about, the outlook is not so positive. My brothers and I own a section of our mother's family farm in central Kansas that has provided us with a little extra income, especially as prices for wheat and corn have risen in recent years. But our cousin, who does the farming, is warning that the Ogallala Aquifer underneath our land is running out of water. The aquifer, which runs from South Dakota and Wyoming down to the Texas Panhandle and New Mexico, yields 30 percent of the nation's irrigated groundwater. In 2011, Kansas farms alone pumped 1.3 trillion gallons from the Ogallala, more than enough to fill Lake Okeechobee

in Florida. But unlike Lake Michigan, one season of above-average snowfall isn't enough to replenish the aquifer—it'll take many hundreds of years to recharge itself.

The problem in the Midwest is only now becoming apparent in the wake of a two-year drought. But in the West, lower-than-normal precipitation has been ongoing for 14 years (see "What's the Value of Water?," page 40). The slow-motion collapse of the Colorado River water system dwarfs all other threats to agriculture and population centers: It threatens a fast-growing area of 40 million residents that produces 15 percent of the nation's food, an area stretching from Wyoming, Utah, Colorado and New Mexico to Arizona, Nevada and Southern California.

Water levels in the nation's largest reservoir, Lake Mead, located on the Colorado River in Nevada, have been falling for some time. Similarly, there is a strong chance that this year, for the first time, the water supply from Lake Powell, 180 miles upriver and straddling the border of Utah and Arizona, will be curtailed. That could begin a wave of rationing that would lead to significant political conflict among the states, particularly between Arizona and California.

The great paradox is that as we face these severe shortages of water, an equally dangerous threat is posed by too much of it, mainly from rising sea levels. For a vivid example, just look at what is happening in Key West and Miami right now—knee-high water

in the streets even in pleasant weather. Sea levels in Key West have risen an estimated nine inches during the past century, and the increase is projected to continue. With more than 8,400 miles of coastal shoreline and three-quarters of the state's population living in coastal counties, Florida faces a serious problem.

So does New York City. My brother lives on the Lower West Side of Manhattan, near the Hudson River. During Hurricane Sandy, his building's basement was completely flooded and the entire power system was destroyed. The Union of Concerned Scientists released a report in May listing national landmarks that are at risk from rising water levels and the results of drought. The Statue of Liberty, just down the river from my brother's apartment, was the most eye-catching on the list, but others included the Kennedy Space Center, the Jamestown Colony in Virginia and a number of national parks.

Why is this happening? Clearly, climate plays a major role, as does population growth, increased use of water for irrigation and other more urban uses. If we knew the precise reason, it would be a lot easier to find solutions. But the answer is complicated. To know that we are in trouble, you only have to plod through the list of recent reports from the United Nations' Intergovernmental Panel on Climate Change; the World Bank; the U.S. Environmental Protection Agency; the National Intelligence Estimate; and the U.S. military through the Center for Naval Analyses Military Advisory Board, which reported that the accelerating rate of climate change poses a serious threat to political stability around the world.

They all are saying the same thing: Climate change is one of the major causes of water shortages or excesses, and we no longer can ignore it. What we face is perhaps the greatest of the intergovernmental and international challenges of our lifetimes. Governments—from small towns and counties to states and provinces to national agencies to international forums—are going to have to figure this out, because there's no more time to waste. **G**

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## Going National

Balancing national ambitions with local concerns.

As the 2016 presidential campaign gets under way, there's an interesting dynamic emerging: Several of the governors who are being talked about as potential candidates haven't even completed their first term yet.

Take Mike Pence, Indiana's Republican governor. After serving five terms in the U.S. House, including a stint in the Republican leadership, Pence was elected governor in 2012. Now, after just a year and a half in office, his name is being floated as a possible contender for the White House—someone who might be able to unify the party's establishment and Tea Party wings.

But Pence isn't the only one. While the George Washington Bridge lane closure scandal has since dimmed the presidential hopes of New Jersey Gov. Chris Christie, he was considered a leading Republican presidential candidate—if not the frontrunner—even before he decisively won a second term last November. There's also a trio of Republican governors elected in 2010 included on the list of possible 2016 candidates: New Mexico's Susana Martinez, Ohio's John Kasich and Wisconsin's Scott Walker.

Each potential candidate easily passes the “freshness” test for presidential candidates first outlined by journalist Jonathan Rauch. He discovered that, with one exception since Theodore Roosevelt, every elected president took less than 14 years to climb from his first major elective office to the presidency or vice presidency. So if years of service isn't a big issue, then perhaps the larger barrier for governors with presidential ambitions is remaining focused on their No. 1 responsibility—governing their state.

Mitt Romney of Massachusetts, Sarah Palin of Alaska, Rick Perry of Texas and Minnesota's Tim Pawlenty are just four of the many governors in recent years who have seen their popularity at home tumble once their presidential desires became evident. For them, it proved impossible to keep most voters on board when they were spending time away from the state capital and adjusting their ideological positioning for a national race.

Pence isn't up for re-election this year, but he has chalked up approval ratings of 60 percent or more in recent polls. And there's no sign that his growing national attention is rubbing Indiana voters the wrong way, says Ed Feigenbaum, publisher of *Indiana Daily Insight*. Indiana voters, he adds, “feel proud when they hear Hoosier success stories being touted from coast to coast and contrasted with the gridlock and lack of positive accomplishments in Washington.”

Similarly, Republicans in New Mexico are thrilled at talk about Martinez, says Doug Turner, a Republican strategist. And while Wisconsin's Walker, who presides over a deeply divided state, may have something to worry about, says Jeff Mayers, president of the news website WisPolitics.com, he hasn't suffered yet. But the dual focus “is definitely a mixed bag. The unknown is how this will affect the state's sliver of Independent voters.”

The key to this tightrope walk may be repeated reassurances to the voters that their priority remains at home. Each of these governors has, to one degree or another, publicly splashed cold water on the idea of a presidential run. Pence has the explanation down to a science. “Anytime I'm mentioned or talked to about the highest office in the land is deeply humbling, deeply humbling to me and my family,” he told the Associated Press in May. “But my focus is Indiana.” **G**

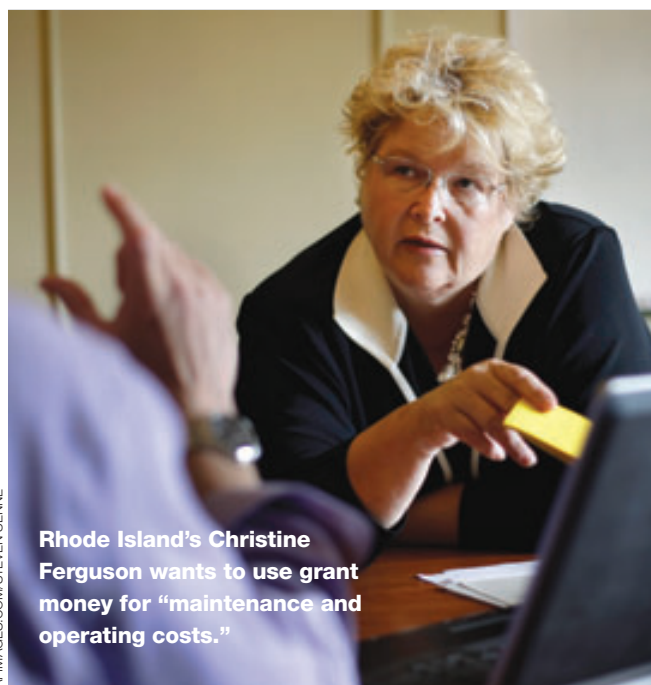
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# Gimme the Money

States want more flexibility with health exchange grants. The feds remain mum.

**F**or a while now, the federal government has been telling the states that created their own health insurance exchanges not to expect any more grant money starting in 2015. But to hear some state officials and policy analysts tell it, the spigot won't run completely dry.

Under the Affordable Care Act, 14 states and the District of Columbia decided to run their own insurance marketplaces. To help build the online portals, the federal government distributed about \$4.7 billion, with \$2.6 billion going to the 14 states and D.C. The Centers for Medicare and Medicaid Services (CMS) reminded states in March that they can use leftover grant money beyond the first year of operations, but only for "design, development and implementation of activities" that were part of the original plan for building exchanges. The agency went on to say that the grant money can't be used to pay for "maintenance and operating costs," which includes rent, software, personnel and other administrative expenses.



**Rhode Island's Christine Ferguson wants to use grant money for "maintenance and operating costs."**

But that's exactly what Rhode Island wants to use the money for. And while the state's health benefits exchange director, Christine Ferguson, has said CMS has agreed to show flexibility, the agency itself remains mum on any such agreement. Christine Hunsinger, a spokeswoman with the exchange, noted that part of the state's 2015 fiscal year is actually in 2014. That, combined with

a "pledge to be cooperative and understanding" with an exchange that worked well from an operational standpoint, helps make the case for flexibility, she says.

Meanwhile, Republicans in the state are pushing a bill that would turn the exchange over to the federal government out of concern that the state's tiny population—28,000 signed up for private insurance—will never be enough to sustain a \$23 million operation. (Hawaii lawmakers face the same issue.) And unlike other states, Rhode Island doesn't yet have a plan to raise revenue through insurer fees on premiums.

In lieu of guaranteed flexibility with leftover grant money, some states are shrinking their exchange budgets. Colorado's budget is going from \$70 million to \$41 million, and the state is considering raising insurer fees to make ends meet. A current 1.4 percent fee on policies sold through the exchange could reach 3 percent by 2017, and there's talk of putting in place a small additional fee that would apply to a host of policies outside the exchange.

Washington state is lowering its health exchange budget by nearly two-thirds, which will touch every aspect of operations in some way, says spokesman Michael Marchand. But he says he sees a strong possibility that the federal government will allow the state to spend more grant money on both outreach and staffing during surge times, especially considering the federal government lengthened open enrollment to Feb. 15. "I think they've left it open to states to come back to the feds with a dollar amount that they'd like to spend from their grants related to whatever needs to be done during open enrollment around outreach and call centers," Marchand says, "but nothing that can be stipulated as operational."

To critics, it's hard to see how meeting enrollment needs isn't an operational cost. But that's a decision for CMS, which has an obvious stake in making sure that exchanges like Rhode Island's and Washington's, widely considered success stories in the roll-out of President Obama's signature domestic achievement, get what they need. Some other influential voices in health policy, though, say federal officials are growing increasingly wary and see an upside to shifting more states to the federal exchange, as Oregon and Nevada have decided to do.

"Forces inside the federal government think the federal government should run this," Joel Ario, a consultant who once ran the U.S. Department of Health and Human Services exchange office, told *Politico*. "I think those folks are now pushing hard, and if the states aren't careful, there may be some ... motion to make it harder for the states to reclaim their role." **G**

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# Target Practice

Under new EPA rules, there's a wide variation in emissions targets among states.

**W**hen the Environmental Protection Agency (EPA) announced last month that it will require states to reduce emissions of carbon dioxide to 30 percent below 2005 levels by 2030, it wasn't applying that target equally to everyone.

In practice, some states will have to lower emissions by more than 30 percent, while others will have to cut well below that. That's because the EPA set up a formula that looks at states' most recent emissions and determines what each can handle in the agency's view.

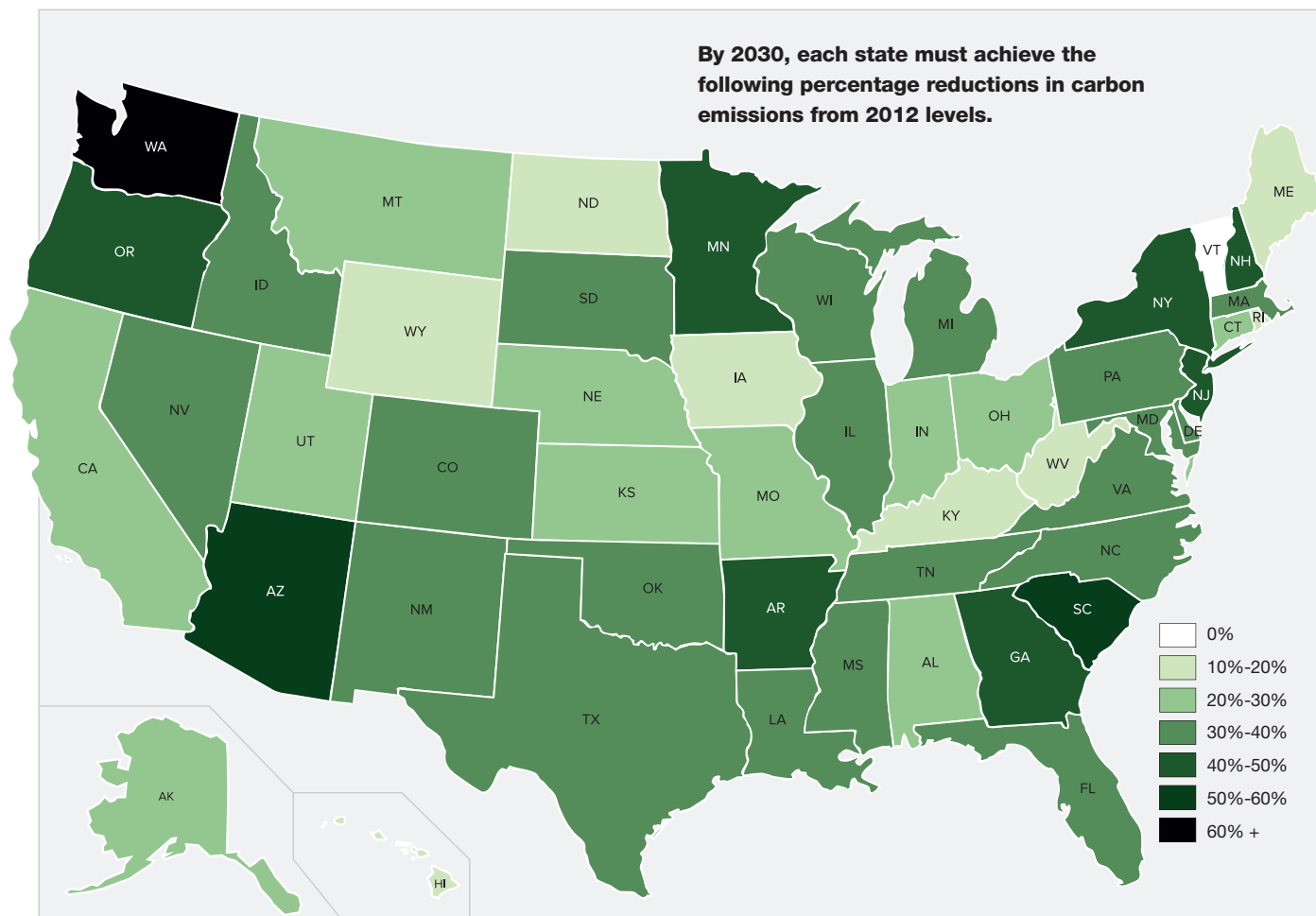
How did the agency do that? It started with a baseline of 2012, assumed basic increases in efficiency, accounted for unused capacity in the less-harmful natural gas sector, estimated how much a state could generate from renewable or nuclear sources,

and forecast how much a state could decrease demand.

That method led to great variation among states, from a 14 percent target in Rhode Island to about 72 percent in Washington state. Big coal-producing states such as Kentucky, Wyoming and West Virginia have modest targets, at 18 percent, 19 percent and about 20 percent, respectively. Vermont and Washington, D.C., have no emissions goal at all because neither has a fossil fuel-powered plant.

The map below shows the percentage of carbon dioxide each state will have to reduce from its power utilities. The cuts are in pounds of carbon dioxide per megawatt hour of electricity generated. **G**

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SOURCE: GOVERNING CALCULATIONS OF EPA DATA



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- |  |   |   |  |
|--|---|---|--|
| 1 City of Columbus, OH                               | 26 Pharr-San Juan-Alamo ISD (TX)                  | 52 City of Buckeye, AZ                                | 77 City of Oceanside, CA                           |
| 2 City of Sacramento, CA                             | 27 City of Fort Worth, TX                         | 53 City of Kissimmee, FL                              | 78 Pasco County Fleet Management (FL)              |
| 3 City of Fort Wayne, IN                             | 28 Richland County, SC                            | 54 Lower Merion School District (PA)                  | 79 City of Tulsa, OK                               |
| 4 Atlantic County Utilities Authority (NJ)           | 29 Alameda County (CA)                            | 55 City of Mountain View, CA                          | 80 Sarasota County Fleet Services (FL)             |
| 5 University of California, Davis                    | 30 City of Olympia, WA                            | 56 United States Air Force, VA                        | 81 Town of Castle Rock, CO                         |
| 5 Volusia County (FL)                                | 31 City of Thousand Oaks, CA                      | 57 City of Naperville, IL                             | 82 City of El Paso, TX                             |
| 6 Dakota County (MN) Fleet Management                | 32 City of Fairfield, CA                          | 58 City of Vancouver, BC                              | 83 City of Indianapolis, IN                        |
| 7 DeKalb County (GA)                                 | 33 Colorado Division of Central Services          | 59 City of Rochester Hills, MI                        | 84 Sonoma County (CA)                              |
| 8 York County Vehicle Maintenance (VA)               | 34 City of Huntington Beach, CA                   | 60 University of Washington                           | 85 Prince William County (VA)                      |
| 9 City of Santa Ana, CA                              | 35 City of Boise, ID                              | 61 City of Rock Hill, SC                              | 86 Palm Beach County Sheriff's Office (FL)         |
| 10 Manatee County Board of County Commissioners (FL) | 36 National Security Technologies (Las Vegas, NV) | 62 City of Muskogee, OK                               | 87 Town of Jonesborough, TN                        |
| 11 City of Riverside, CA                             | 37 Denver International Airport (CO)              | 63 Alachua County Fleet Management (FL)               | 88 Ohio Dept. of Trans., Office of Equipment Mgmt. |
| 12 Washington State Department of Transportation     | 38 City of New York, NY                           | 64 Collier County Fleet Management (FL)               | 89 City of Chico, CA                               |
| 13 Orange County Sanitation District (CA)            | 39 Houston Independent School District (TX)       | 65 City of Roanoke, VA                                | 90 City of Jacksonville, FL                        |
| 14 City of Chicago, IL                               | 40 City & County of Denver, CO                    | 65 Town of Fishers, IN                                | 91 Knoxville Utilities Board (TN)                  |
| 15 City of Tucson, AZ                                | 41 City of Bellevue, WA                           | 66 DC Water   | 92 City of Anaheim, CA                             |
| 16 City of Dublin, OH                                | 42 City of Boston, MA                             | 67 City of Eugene, OR                                 | 93 City of Fargo, ND                               |
| 17 City of Hampton, VA                               | 43 County of San Diego, CA                        | 68 New York City Police Department                    | 94 City of Tempe, AZ                               |
| 18 Prince George's County (MD)                       | 44 City of Tampa, FL                              | 69 State of Delaware Fleet Services                   | 95 King County Fleet Administration (WA)           |
| 19 City of Ormond Beach, FL                          | 45 City of Kansas City, MO                        | 70 Port Authority of New York & New Jersey            | 96 City of Lakeland, FL                            |
| 20 City of Edmonton, AB                              | 46 City of Orlando, FL                            | 71 City of Moline, IL                                 | 97 City of College Station, TX                     |
| 21 City of Conroe, TX                                | 47 Eugene Water & Electric Board (OR)             | 72 City of Fort Collins, CO                           | 98 CPS Energy – City Public Service Board (TX)     |
| 21 San Bernardino County, CA                         | 48 Forest Preserve District of DuPage County (IL) | 73 Ohio Bureau of Workers' Compensation – Fleet Dept. | 99 Kentucky Division of Fleet Management           |
| 22 Chicago Transit Authority (IL)                    | 49 County of Wake (Raleigh, NC)                   | 74 Washoe County (Reno, NV)                           | 100 Alabama Dept of Transportation                 |
| 23 Commonwealth of Pennsylvania                      | 50 Salt River Project (Tempe, AZ)                 | 75 City of Charlotte, NC                              |  |
| 24 City of Oakland, CA                               | 51 City of Mesa, AZ                               | 76 Orange County School Transportation Services (FL)  |  |



# Do We Really Want Development?

Cities' choices speak louder than words.

So many cities and regions continue to struggle economically. Even within nominally well-performing places there are pockets that have been left behind. Most of the have-nots in the current economy have been struggling for an extended period of time, often in spite of enormous efforts to bring positive change.

Why is this? Perhaps we need to consider the possibility that these places are getting exactly the results they want: Maybe they actually don't want economic development.

Economist David Friedman once told this joke: "Two economists walk past a Porsche showroom. One of them points at a shiny car in the window and says, 'I want that.' 'Obviously not,' the other replies."

That is, if the first economist had really wanted the Porsche, he would have bought it. Our choices tell us more than our words about what it is we really want.

The civic world is obviously more complex than this simple joke. But given the persistent failure to change the trajectory of so many places despite the enormous time and energy—not to mention vast sums of taxpayer money—spent on it, it's worth pondering the possibilities.

Problems are problems, but they are also sometimes solutions to certain sets of questions. One of these is how to mobilize, allocate, and deploy community resources and power. Fighting decline has become the central organizing principle in many places. As a friend of mine from the

IT industry once put it regarding what he termed "rackets": "A racket is when folks have something they complain about and commiserate about but don't fix. Upon delving into the roots of a racket one finds that the folks don't really want it fixed—the subject of the racket is a unifying force that if corrected will remove the common complaint and thus the unifying force. The cultural changes that would ensue from the change in practices that 'no one wants' are not acceptable to [the complainers]. In corporate organizational behavior, it is important to break the rackets. It is also difficult. But, I imagine, far easier in a company with some semblance of common objectives than it would be in an each-man-for-himself city."

In short, economic struggle can be a cultural unifier in a community that people tacitly want to hold onto in order to preserve civic cohesion.

Jane Jacobs took it even further. As she noted in *The Economy of Cities*, "Economic development, whenever and wherever it occurs, is profoundly subversive of the status quo." And it isn't hard to figure out that even in cities and states with serious problems, many people inside the system are benefiting from the status quo. They have political power, an inside track on government contracts, a nice gig at a civic organization or nonprofit, and so on. All of these people, who are disproportionately in the power broker class of most places, potentially stand to lose if



**Economic development is sometimes thwarted by people who want to preserve the status quo.**

economic decline is reversed. That's not to say they are evil, but they all have an interest to protect.

Consider one simple thought experiment: If a struggling community starts booming, that would eliminate a big part of the rationale for subsidized real estate development, which constitutes the principal form of economic development in all too many places, and which benefits a clear interest group. It might also attract highly motivated, aggressive people from out of town, folks who are highly likely to agitate for better than the current inbred ways of doing business. This would inherently dilute the positions of the current powers that be.

In our own communities, where everyone seems sincere and dedicated to improvement, this can be hard to see. But when we look at other places where we have more critical detachment, it becomes obvious. For example, those of us not from Michigan can look at Detroit and see the failure of that community's leadership across the board—white and black, suburb and city, Republican and Democrat. But for all too many of them, Detroit's decline was a personally profitable affair, politically, financially, or both.

It's tempting for us to shake our heads at Detroit, wag a finger and lecture them on what they should have done better. But if we were honest and introspective, we'd realize many of the same forces are at work in our own community. There are a lot of people who are personally doing quite well even in the midst of decay. In fact, the cold reality is that they are directly benefiting from that decay.

In places long in decline, it's likely to take some outside shock to the system to break the rackets that are producing civic stasis and dysfunction. Detroit is in bankruptcy, and we'll see if that finally forces it to change its way of doing business. In the meantime, let's hope other communities find a more positive way to break free and embrace a path that leads to actual economic success. **G**

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## When Public Works Projects Kill Business

There's a lot that cities can do to soften the blow.

With all the new public works construction underway in my hometown of Charlottesville, Va., it can be tough avoiding traffic jams these days. The main thruway, the U.S. Route 250 bypass, can be a particular nightmare because of construction on an interchange. For a nearby retail center, though, the construction has been a downright business killer. An article in the local newspaper quoted a coffeehouse owner as saying he had lost customers and was cutting staff; other businesses' sales have dipped by 40 percent.

Certainly, this is a common problem everywhere as growth leads to numerous infrastructure improvement and repair projects. But can anything be done to help affected businesses?

One idea might be to form something that doesn't yet exist in Charlottesville: a construction mitigation program (CMP). Designed by cities to help businesses through the public construction process, CMPs are fairly rare and seldom discussed. No real blueprint exists on the subject, nor much literature. The only well-documented study was done in 2010 at the University of Wisconsin-Madison when researchers surveyed several U.S. cities about their CMPs. All of the 33 responding cities said that they took minimal measures to help businesses impacted by construction. Before projects began, nearly all of them conducted community awareness campaigns and about half of them provided liaisons for negotiation between contractors and the affected businesses. Meanwhile, few cities offered financial reimbursements to businesses: Thirteen provided advertising, and only nine offered loan programs or compensation, often on a case-by-case basis. But generally, these efforts were made in scattershot fashion, and "no cities used a systematic evaluation system."

Although Charlottesville wasn't surveyed, its measures are relatively advanced compared to most cities. Charlottesville provides businesses with liaisons and "marketing match" funds that equal the revenue paid on extra advertising, according to economic development director Chris Engel. But the city's strategy also mirrors the informality found elsewhere. No official CMP has been written, and efforts are handled piecemeal from across multiple departments. (Consultants and a six-figure marketing campaign were used when the city renovated its downtown pedestrian mall, for example, but haven't been used elsewhere.)

The University of Wisconsin-Madison study recommends CMPs. Researchers found that such programs could be effective, and would improve under greater evaluation. A first step for local officials could be to at least establish baseline provisions. By doing this, cities would bring some formality to the construction process and ultimately help improve a city's business climate—increasing predictability and fairness—by providing owners with key information about projects and giving them a place to communicate any concerns or problems.

CMPs might even increase political support for infrastructure projects. Business owners, after all, will often join the opposition to avoid the short-term losses caused by construction even though proposed projects could help them in the long run. If they knew that plans existed on their behalf, they might be more likely to offer support, creating an alliance between two groups—businesspeople and public officials—who recognize the value of infrastructure. **G**

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DAVID KIDD

# STATE OF THE UNIONS

**Millennials may bring a new  
energy to organized labor.  
But they want to do it on  
their own terms.**

**By Alan Greenblatt**



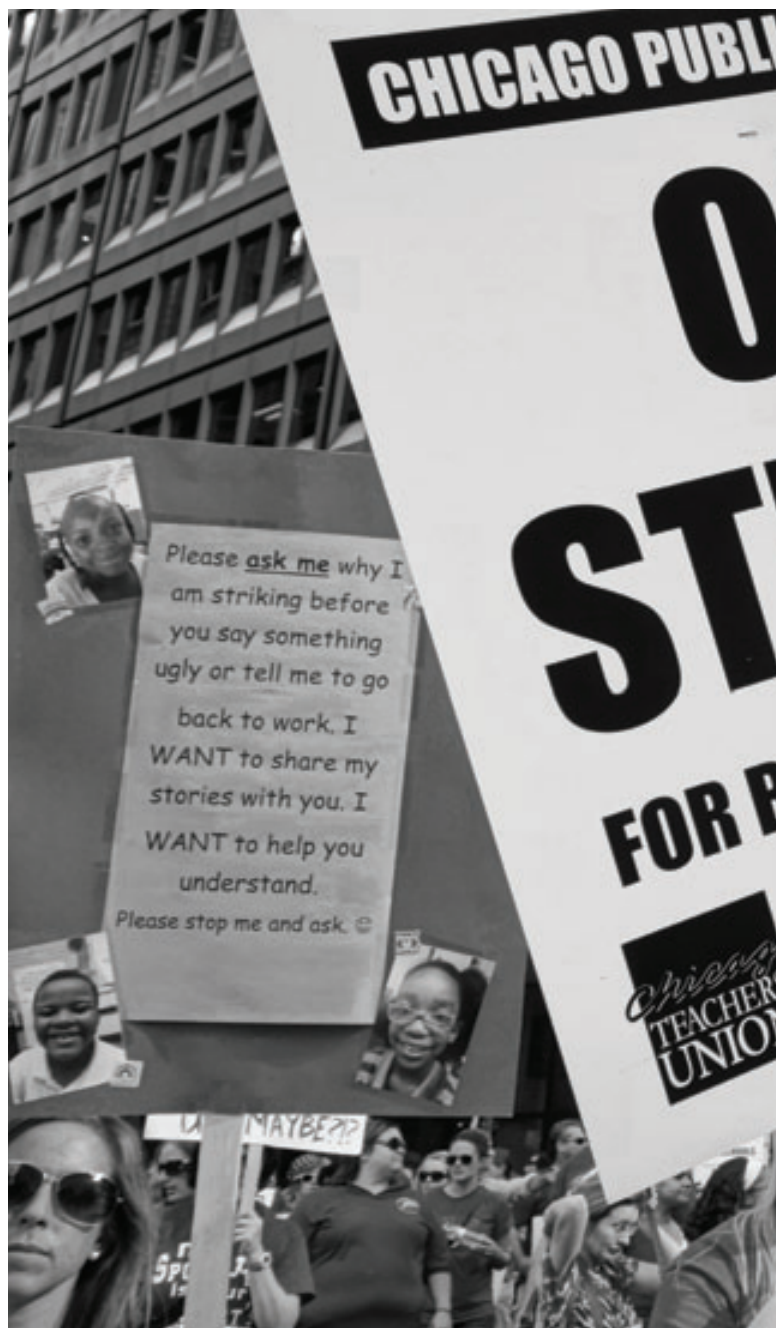
**G**raduate students at the University of Connecticut had many reasons to feel unhappy. An increasing share of their stipends was being eaten up by fees, sometimes for services and facilities they mostly didn't use. The health-care plan they'd traditionally been offered was taken away, leaving them with coverage many found to be inadequate. Finally, their teaching load—already pretty heavy—was being increased, with students in some programs being pressured to teach an additional course every semester for no additional pay. “Consistently, things that we cared about didn't matter to the administration,” says Cera Fisher, a Ph.D. student in biology, “and we felt they could change our conditions on a whim.”

That led to what Fisher describes as a “Norma Rae moment.” A couple of grad students sent out an email to some friends, raising the idea of joining a union. The notion had been floated before at UConn, without any success, but this time it took root. This past April, just a few months after the first email was sent out, 2,100 UConn graduate students formed a bargaining unit within the United Auto Workers. Fisher was a part of the organizing committee. “A union is the first thing that I've ever felt offered me some power, some control over my life.”

For the first time in many years, unions see a chance to make themselves more attractive not just to graduate students, but to young workers in general. Today's young people—the millennial generation, who are now 32 and under—are currently trending leftward in their attitudes about many economic issues. Specifically, they are much more likely to hold favorable opinions about unions than older adults. Polling by Gallup and the Pew Research Center shows that about 60 percent of those under 30 express support for unions, compared to about 40 to 45 percent of older Americans. The resentment that turned young people away from organized labor in the 1970s and 1980s—when there was a widespread perception that unions were in place mainly to protect the status quo for a select group—has largely faded away. It's been replaced by at least a small uptick in feeling that unions can return to their roots as vehicles for collective action aimed at improving the lot of lower- and middle-class workers across the board.

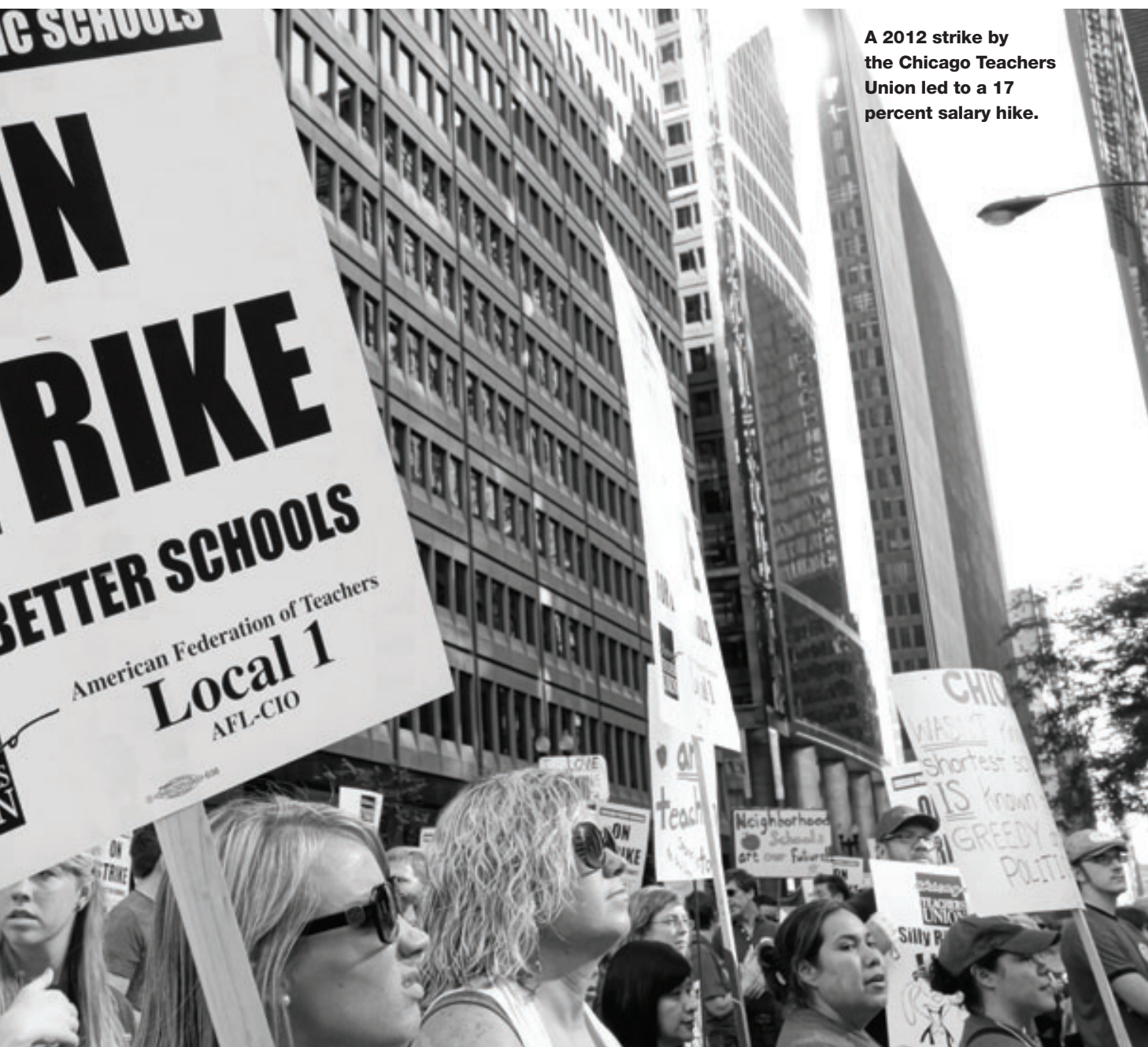
All this has to be kept in perspective. Young people are not joining unions in droves, and won't be doing so anytime soon. For one thing, the job market is too weak. Young workers in particular have faced slim pickings for a half-dozen years now. They're especially unlikely to find the type of manufacturing and industrial work that is still the most unionized in the private sector. In the public sector, where about a third of all workers belong to unions, hiring freezes, furloughs and layoffs have been more common than job openings until recently. As a result, only 5 percent of workers 25 and under are represented by unions. That number doubles to about 11 percent among those who are between 26 and 34. Union membership among the young has grown in the past couple of years—while declining among most other age groups—but the increase is by such tiny amounts it's impossible to rule out statistical error.

Employment sectors that are growing, such as retail and technology, have proven stubbornly resistant to organized labor. A



pending Supreme Court case could make matters more difficult if the justices decide to make it easier for public employees to opt out of unions. (At press time, no ruling had been released.) “The crucial questions are the legal and political blockages against unionization,” says Nelson Lichtenstein, a labor historian at the University of California, Santa Barbara. “If we just took polls of people and said, ‘Do you want to join a union,’ the union movement would be three times larger.”

The very fact that so many young people have felt locked out of successful careers, however, is part of what offers unions an opening. At a time when quality jobs are scarce and income inequality is front of mind, the idea of banding together to press for better terms has increased appeal. There has been a flurry



A 2012 strike by the Chicago Teachers Union led to a 17 percent salary hike.

Flickr/Shutter Stutter

of labor-related activity lately, from the campaigns that have helped convince several states and cities to increase the minimum wage, to groups protesting pay and working conditions at Walmart, to the fast-food workers regularly getting arrested as they picket for higher wages. Unions have been heavily involved in such “alt-labor” conflicts, even if the protesters themselves are rarely union members.

Still, translating a more positive attitude toward collective labor activity into union membership will be a huge challenge. Unions have to fight unfriendly legal and political conditions, particularly in Republican-dominated states, as well as global economic forces that have driven down union numbers in rich nations around the world. In order to seize the chance to sign up

young workers, unions will also have to make internal changes, shedding old habits such as a lack of transparency that is especially off-putting to millennials.

Unions may be getting a friendly hearing from some among the young, but they also have longstanding habits of seeking to protect benefits of current workers at the expense of new hires. That may be especially true in the public sector, where two- and even three-tier pension systems, for example, are becoming more common. “It’s going to be increasingly difficult and more complex for the public sector to attract these young millennials, because they don’t have the same panoply of benefits that their parents and grandparents had in the past,” says Sujit CanagaRetna, a fiscal analyst with the Council of State Governments.

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If there's one thing that observers of millennials agree on, including sociologists, union officials and managers, it's that they communicate differently than older generations. Part of this simply reflects changing technology. While little if any communication was conducted electronically when older managers were growing up, today's young people are accustomed to constant digital interaction. "When millennials walk into work"—into a realm of landlines, email and face-to-face encounters—"it is

The millennial desire to collaborate creates challenges not just for unions but management as well. But listening to young people's concerns can be profitable, Suarez notes. Not all that long ago, schedule changes for firefighters in Miami were handled using telephone trees, and certain types of health data were copied using carbon paper. Incorporating ideas from young

people willing to question standard operating procedures ultimately led to beneficial changes. That also happened across the country, in Redlands, Calif., where the police department embraced changes in technology that seemed like common sense to younger officers. “From an organizational standpoint, trying to fight these changes is like standing on the shore and ordering the tide not to come in,” says Jim Bueermann, who served as the police chief in Redlands for 13 years.

As is always the case for older generations, it’s sometimes easy to dismiss the interests and concerns of young people as a waste of time, Bueermann says. When he was coming up in the force, officers simply saluted and carried out the orders. Today’s young officers, by contrast, want to have departmental strategies and new directions explained to them. This can cause eye-rolling. “They’re doing this not to be malicious or annoying,” Bueermann says. “They just really care about what’s going on.”

He found that habits of continuing consultation were ultimately more helpful than not. Younger workers want to

**H**undreds of thousands of teachers, police officers and firefighters have been laid off over the last few years, but there’s still enough churn in those fields that some young people are finding jobs. Not all of them are happy with what they’ve seen from the unions in those fields, particularly in teaching. Education has been struggling with enormous amounts of policy change, such as the rise of charter schools, increased teacher accountability, Common Core standards and merit pay. Teachers unions have mostly—although not monolithically—been opposed to all these approaches. “There are so many ways that teachers feel deprofessionalized,” says Dan Montgomery, president of the Illinois Federation of Teachers, “with thing after thing saying you can’t use your judgment.”

Some young people drawn to the teaching profession may appreciate that their unions are fighting for better benefits and higher pay, but not all of them like the way unions can seem stubbornly recalcitrant. During his years teaching in a public school in San Jose, Calif., Andrew Elliott-Chandler grew frustrated that his union was

## The very fact that so many young people have felt locked out of successful careers is part of what offers unions an opening.

be consulted all the time, but just listening to them can make a big difference. Rather than engaging with workers strictly through formal channels, Bueermann kept up a regular round of conversations, meeting with union officials and rank-and-file officers in coffee shops and other relaxed environments. Talking in casual settings—something that tends to appeal to millennials, who on the whole don’t like confrontation—allowed the Redlands police to smooth out many issues before they could become real problems. The result was that in more than a dozen years, Bueermann never had a grievance filed against a disciplinary action he had taken.

The discussions he held were rarely about salary and benefits. Instead, in Redlands, the younger officers cared most about work schedules. Many wanted to serve longer shifts on fewer days of the week, in order to carve out time for family. That’s common. Millennials sometimes express less concern about traditional benefits—particularly regarding retirement, which can seem hopelessly far off to them—than quality-of-life issues. New hires generally want work to be more flexible, whether it’s different shifts or opportunities to work remotely, says Jill Leka, general counsel for the National Public Employer Labor Relations Association. “The types of issues being raised by new workers are different than they were in the past,” she says.

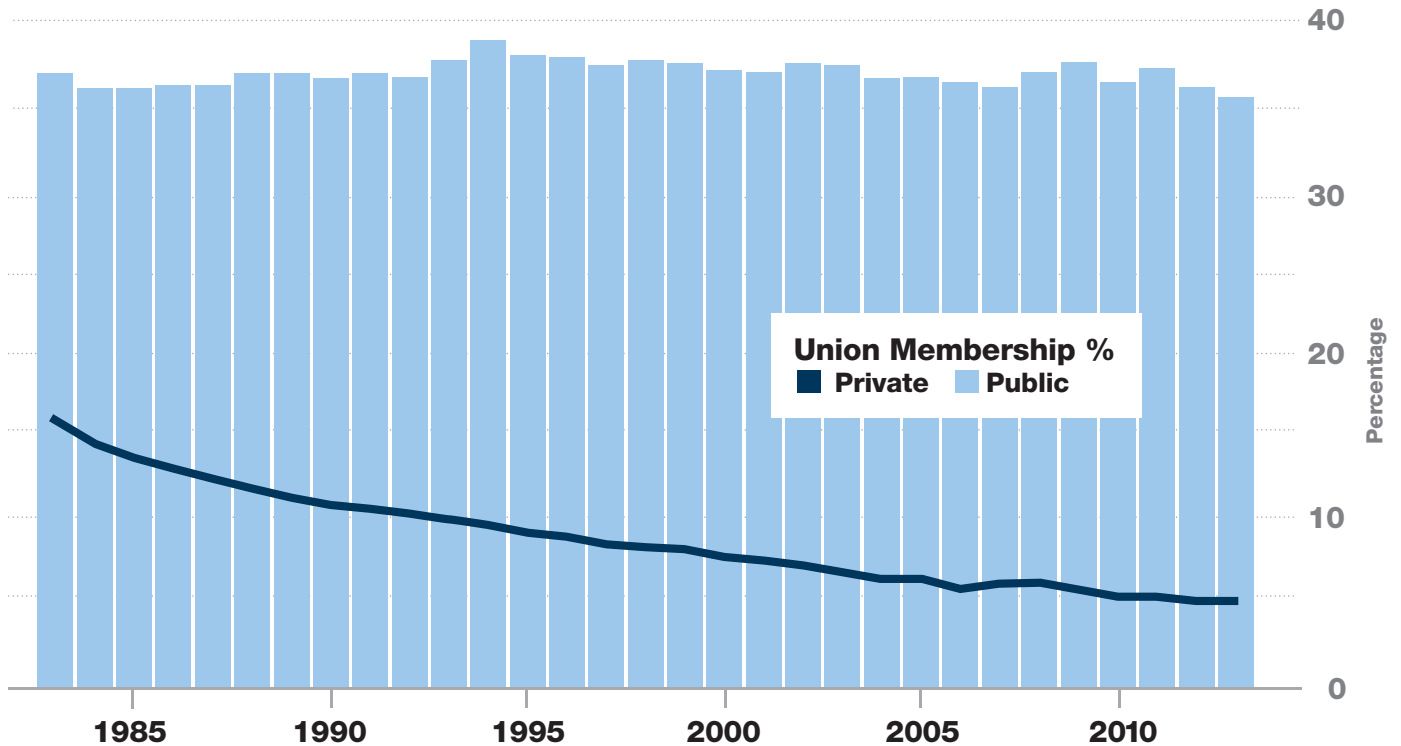
so resistant even to discussion of matters such as measuring teacher quality or extending the work day because, he was told, that could undermine contract negotiations. Now 32, Elliott-Chandler gave up and went to work running a charter school. “As a teacher, I very much voted with my feet,” he says.

He’s not alone. Plenty of young people in teaching have grown fed up with unions, concerned less about pay and working hours than the lack of a shared sense of high expectations. If being in a union means protecting the status quo of an industry that young people want to change, that is by definition a problem, Howe suggests.

As sociologist Jake Rosenfeld points out in his new book *What Unions No Longer Do*, many unions long ago lost their sense of “grassroots militancy” and switched to a service provider model, in which individual members receive care and attention in exchange for dues. That’s what put off 26-year-old Ari Goldstein, who recently quit teaching after four years at a high school in San Francisco. Like a lot of teachers, he essentially had to belong to the union—under California law, he could opt out, but he’d have to pay a fee equivalent to the amount he’d owe in dues. In his experience, United Educators of San Francisco seemed mainly concerned with filing grievances against the administration, defending employees who slept or even drank on the job. “It’s awful, it’s disgusting what the union

# Steady Government Unions

Union membership for the public workforce has remained stable for the past several decades.



does,” Goldstein says. “We’re a bottom 5 percent school in the whole state, so there’s obviously a lot of room for growth, but nothing innovative is happening here because administrators are afraid of grievances and harassment.”

It’s the worst stereotype about unions—that they defend the personal interests of their members at the expense of the enterprise as a whole, blocking all evaluation that isn’t positive and dictating behavior down to the length of bathroom breaks. “It was clear that many of the younger teachers new to the profession were concerned about a union whose sole purpose was to defend members against disciplinary charges or dismissals,” says Jackson Potter, of the Chicago Teachers Union. “That was the perception.”

In order to change not just that perception but the reality of how the union operated, Potter was part of an effort several years ago to elect new union leadership and return the local to its original purposes. It worked. Karen Lewis was elected as the union’s president and stared down Chicago Mayor Rahm Emanuel in a 2012 strike that was arguably the most dramatic win for labor anywhere in the nation during the past five years. It led to a 17 percent salary hike for teachers as well as changes in evaluation and hiring policies for laid-off workers. “You have to draw out the issues people care about,” says Potter. “If you don’t, you’ll become one of these top-down unions that have lost connection with the people they’re supposed to represent.”

What’s really important is not just that unions listen to their existing members, but that they make themselves attractive to

potential recruits. The only way to grow is by broadening their appeal, whether it’s through collaboration with other allied groups—which unions have been doing on many issues for years—or simply speaking to young people, who by all accounts appear ready to give them a hearing.

For many coming out of college over the past several years, and for others who entered the workforce directly out of high school, income inequality is not some abstract notion. For the past few years, most workers young and old were willing to accept nearly any salary offered to them, since jobs were so scarce. But now the young are starting to feel like they’re being left behind or, worse, cheated. Perhaps partly as a result, union organizers maintain that young people are more open to recruitment pleas than older workers, who tend to be more skeptical or even cynical about unions. “The older generations, they had bad experiences with unions in their time,” says Jacquita Berens, a 30-year-old who is working to organize home health workers in Minnesota for the Service Employees International Union. “Young people are more receptive to unions, to change.”

Berens was introduced to union activity through her experience working with a nonprofit group seeking to raise the minimum wage. Few young workers may belong to unions, but many like the idea that they can be part of the campaign against wage stagnation and income inequality. If the unions play their cards right, more of them might be prone to sign up. **G**

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**North Carolina has long been known as an outpost of Southern progressivism. Republicans have changed that. By Chris Kardish**

**AH**

Photographs by David Kidd



Since taking control of the state legislature last year, House Speaker Thom Tillis and other Republicans have passed a number of conservative measures.

# ard Right

**O**n a wall in Larry Hall's North Carolina House office is a poster that welcomes visitors to the state. It's in the style of an interstate highway sign and advises those who look at it to set their clocks back 50 years. That touch isn't a demonstration of nostalgia—it's a reminder from the House Democratic leader of his belief that the Republican majority currently running North Carolina has undone 50 years of moderate-to-progressive state government.

Hall sees the last half-century as one of steady achievement that pulled the state ahead of most of its Southern neighbors in everything from voter participation to higher education. Democrats, who ran the state during most of those years, now find themselves on the sidelines, watching a Republican legislature turn back decades of Democratic priorities and enact a starkly conservative agenda in a state that helped elevate Barack Obama to the White House. "Right now the environment is so antagonistic, so confrontational, you don't get to do those gradual changes," he says. "Everyone wants everything right now, and if you don't deliver right now you become the enemy."

Aided by a national backlash against Obama, North Carolina Republicans seized control of the General Assembly in 2010, putting the GOP in charge of both the House and Senate for the first time since 1870. For two years Democratic Gov. Bev Perdue acted as a counterweight to some of the Republican majority's ambitions, though she couldn't hold back abortion restrictions, slow down an effort to begin opening the state to natural gas drilling or blunt large cuts to the university system. Then, in 2012, Republicans added enough seats to establish veto-proof legislative majorities and won the governor's mansion with the election of former Charlotte Mayor Pat McCrory.

Finally in total control in 2013, Republicans passed a long list of contentious laws, from strict voter identification requirements to a system of private school payment vouchers. These moves have generated endless media coverage and drawn tens of thousands of people to "Moral Monday" protests on the grassy mall behind the legislative building in Raleigh. Depending on whom you ask, the Moral Monday dissidents are either a fringe group of progressives who can't handle the true color of their state or a spontaneous burst of grassroots opposition responding to legislative overreach. Both the protests and heightened scrutiny show no signs of letting up, despite the fact that the 2014 session was set to be far shorter and less combative than the one last year. The interlude of relative calm partly reflects the wishes of House Speaker Thom Tillis, who is trying to unseat Democratic U.S. Sen. Kay Hagan in a race that could decide Senate control.

But even in a quiet legislative session, bitter differences over last year's legislative product remain close to the surface. North Carolina is locked in a long-term battle over who best represents a state that has an undeniable conservative streak in some areas but has forged a more moderate identity than its neighbors through a commitment to infrastructure investments, support for public education and the kinds of policies that have made the state a scientific research magnet.

North Carolina certainly wasn't alone in shifting to the right after 2010, but the state's history, political makeup and changing

demographics set it apart and helped fuel national attention to its transformation. Population growth has surged by 67 percent since 1980, making North Carolina one of the fastest-growing states in the country as immigrants, Northeasterners and Californians have flocked there. At the same time the white population fell 7 percent between 2000 and 2010 as minorities made significant gains. Minorities now account for about half of the population under 18 and constitute more than half in five of the six largest cities in the state. While North Carolina is experiencing a huge spike in the number of voters who don't identify with either party, Gallup routinely finds it to be among the most politically balanced in the country, most recently putting Republicans at 41.9 percent



**Democratic Rep. Larry Hall:** "Everyone wants everything right now, and if you don't deliver right now you become the enemy."

of the population and Democrats at 41.3 percent. Democrats believe the legislature has gone far beyond the wishes of an evenly divided state, and some voters clearly agree: In various polls, the legislature has registered approval ratings as low as the teens.

**S**tarting in the 1920s, North Carolina took a different path to economic development than its low-tax Southern neighbors, adopting a “business progressivism” that emphasized spending on infrastructure and building a university system that would come to rank among the best in the country. For much of the last century there was generally a consensus in both parties

around the idea that this public investment strategy was the best approach. The investment in the university system led to the creation of Research Triangle Park, an area stretching from Durham to Chapel Hill that’s now home to more than 170 companies. “The corporate leadership went along with the political leadership and the public investments they supported,” says Rep. Paul Luebke, a Democrat with more than two decades in office.

The state has always been socially conservative (it was one of the last to adopt a state lottery and liberalize the sale of alcoholic beverages), but the new Republican majority has also tacked to the right on economic policy. It has reduced spending on public education, rejected Medicaid expansion, cut unemployment





**Sen. Josh Stein, the Democratic whip, thinks the Republican majority is out of step with voters.**

benefits, repealed the Earned Income Tax Credit, passed billions of dollars in tax cuts and rolled back hundreds of environmental regulations. Many of those policies formed a 10-point plan Republicans campaigned on in 2010, and lawmakers argue they've been instrumental in taking North Carolina from the fifth-highest jobless rate in the country to slightly better than the national average. "We enumerated 10 things we would do, and we presented that 100 times," says Rep. Paul Stam, the speaker pro tem. "By the way, we've done 9 out of 10 of them."

With the legislature's help, McCrory has been given three times the number of slots for political appointees as his predecessor. Many of those at-will employees, who are expected to show political loyalty, are concentrated in the Department of Environment and Natural Resources, the agency responsible for overseeing the disposal of waste from companies like Duke Energy, where McCrory worked for 28 years. A massive coal ash spill into a North Carolina waterway near the Virginia border earlier this year has raised questions about how the Republican legislature and governor approach environmental regulation and the way agencies run.

Environmental advocates argue that the greater politicization of the agency and its chief's emphasis on treating businesses

like customers has led to a weak response to a widespread problem that the recent ash spill helped bring to public light. Environmentalists have found groundwater contamination elsewhere and attempted to sue a number of times since January 2013 for the removal of leaky coal ash ponds, only to be stopped by the department, which has the authority to effectively preempt citizen legal action.

The department eventually proposed a settlement last year with Duke Energy that included a modest fine and no requirement to clean up ponds that are contaminating nearby water supplies. But environmental regulators abandoned that settlement after Duke Energy's coal ash spill this year.

In addition, the Associated Press revealed that the legislature's sweeping Regulatory Reform Act included provisions that weakened compliance rules for utilities such as Duke, and emails have shown coordination between the company and public officials on everything from the settlement to lobbying efforts. "We understand they have to work with companies, but we think the first responsibility of the agency is to protect the public and the natural resources, and they don't have customers," says Frank Holleman, an attorney with the Southern Environmental Law Center. "They're not a hardware store or a grocery store; they're a public

agency that has been given the legal authority to enforce the law and to promote the public interest.”

Under pressure to act, McCrory rolled out legislation this year that would require removal of coal ash ponds at some of Duke’s 33 sites, but the announcement underscored some tension between the governor and his fellow Republicans in the legislature. Lawmakers said McCrory didn’t consult with them about what they’d like to see in a bill or what they can achieve within their caucuses. “I think it’s a learning curve on how to work with the legislature,” says Sen. Tom Apodaca, a six-term Republican who has taken leading roles on major legislation. “I think when you’ve been a mayor you’re not that well versed in how a legislature works and how policy is created.”

Critics on the left say there’s no longer any sign of the moderate Charlotte mayor who challenged conservatives at times, for instance telling a debate audience that he wouldn’t agree to new abortion restrictions. His only vetoes last session came against a bill allowing drug testing for welfare recipients and against another expanding the period of exemption from employment eligibility checks for seasonal workers. The legislature easily overrode both vetoes. Before that, it added new abortion restrictions to a motorcycle safety bill that McCrory ultimately signed, although it toned down the abortion language when the governor threatened a veto.

Perhaps McCrory’s biggest legislative priority this year is raising teacher pay, which has fallen to 46th in the nation after rising to the middle of the pack in the early 2000s. That could be harder with a \$455 million budget shortfall that’s partly the result of income tax cuts he signed into law last year, though Republicans created a reserve to absorb a gap they say was expected in the first year of the tax overhaul. Democrats are attacking Republicans over K-12 and higher education, hoping to tap into issues that have long been associated with North Carolina’s business progressivism.

**T**he tax plan Republicans passed last year eliminates \$2.4 billion in state revenue over the next five years, making it harder to maintain the university system at its current spending levels and keep pace with K-12 enrollment if it doesn’t spur the kind of growth lawmakers argue it will. In overall dollars, K-12 spending is higher than it was before the recession, but that’s not the case

when accounting for inflation and a 7.2 percent enrollment jump since 2004. The more polarizing changes under Republicans include ending teacher tenure, eliminating a cap on the number of charter schools allowed in the state, rescinding a policy that gives pay increases for those with a master’s degree, passing a school voucher plan and most recently pitching a plan to allow students to attend schools outside their home districts. District leaders in Wake County, home to Raleigh, have blamed those changes and stagnant pay for a 41 percent increase in teacher turnover in the past year. “It is palpable how upset people are about public schools,” says Sen. Josh Stein, the Democratic whip. “It comes down to a fundamental choice between millionaires and teachers.”

Spending levels per student on higher education are 25 percent less than they were before the recession, and McCrory proposed a \$49 million cut to universities in a new budget released just as the 2014 legislature convened. North Carolina was one of only eight states that reduced funding for higher education last year as states sought to reverse years of cuts, according to the left-leaning Center on Budget and Policy Priorities. Over the same period, tuition at state schools has jumped more than 30 percent.



**Gov. Pat McCrory and other Republicans say North Carolina has made more progress on economic issues than any other state in the past three years.**

For Republicans, higher education spending had long been too high, and they point to per-student subsidies that ranked among the highest in the nation.

But if Republicans are upsetting the traditional North Carolina model of economic growth, there hasn't been much of a public outcry from the business world that full-heartedly subscribed to it for generations. There are a couple of reasons for that. The first is that corporations could see an immediate upside to lower taxes, at least in the short term. The second, says veteran political journalist Rob Christensen, is that the corporate leadership in North Carolina is no longer homegrown. Because of mergers and buyouts, more of the state's business leaders come from outside North Carolina, and many are neither intimately familiar with the state's past nor inclined to get involved in politics.

To be sure, though, there have been voices of caution. Among the most prominent is Republican U.S. Sen. Richard Burr, "the closest thing in North Carolina to the political voice of the business community," according to Christensen, who's written a book on the state's politics and history. Burr first entered the debate in 2011, when he said the state wins recruiting wars "more than our neighboring states" despite its status as the "highest-tax state in the Southeast," and that's in large part because of its university and community college system. "When an employer looks at an investment in North Carolina, they are not looking at the return next year," he said. "They are looking at the return 30 years from now. They need a future workforce that has the skills and knowledge."

With the sudden shift to the right and the growing number of independent voters in North Carolina, pollsters and political consultants are asking when—or if—the tide will roll back toward Democrats. Independents, who are typically younger and less ideological in North Carolina, now make up a growing share of the electorate. At the same time, Republicans controlled the redrawing of district maps after their 2010 win, allowing them to create a favorable legislative landscape for the following decade. That's led many political observers to estimate Democrats will pick up only a modest number of seats at most in the 2014 election, when every House and Senate seat is up for re-election. "That's the great risk Republicans run, assuming that because they've been given all the power they can do what they please without regard to the fact that we are a perfectly balanced state," says John Davis, an influential nonpartisan political consultant.

The most important election this year in North Carolina—and perhaps the country—is

between Speaker Tillis and Sen. Hagan, who will try to make the case that Tillis has led an extremist legislature in dismantling valuable government initiatives. So far Tillis has given no sign he'll run away from that record, at least on the economic front. He has found himself split between running a campaign and a legislative session in Raleigh, where he opened the year's deliberations flanked by most of his GOP caucus and took questions from a crowd of reporters. Will there be any movement to dial back the rightward shift from last session, one reporter asked, particularly



on Medicaid expansion and unemployment insurance? Tillis took issue with calling it a “rightward shift,” noting the hefty debt the state owed the federal government on unemployment. Tillis welcomed attention from the national media. “It puts us on a stage and lets them know that North Carolina has made more progress than any other state in the last three years on economic policy,” he said. “I’m proud of that.”

It’s a message that’s likely to play well with Republicans and some independents. But can Republicans continue to govern a

balanced state, one with a growing number of unaffiliated voters, from the far right? Democrats and other critics insist they won’t be able to. As Bob Hall of Democracy North Carolina, a nonprofit focused on voter turnout and campaign finance, says, “Whether they have an ‘R’ by their name or a ‘D’ by their name, I think there will be an ultimate tilting back toward that more progressive direction.” **G**

*Email ckardish@governing.com*



**The NAACP and other left-leaning groups have protested against the Republican-led legislature in a series of “Moral Monday” demonstrations.**



# What's the Va



# Value of Water?

**Drought-plagued regions of the country are looking far afield for water—and struggling to pay for it.**

**By Tom Arrandale**

Photographs by David Kidd

**M**idland, Texas, has prospered and suffered along with the fortunes of oil and gas drilling since the rich Permian Basin was discovered in 1921. Recently, hydraulic fracturing technology has reopened once-inaccessible formations beneath the dry brown West Texas plains. This spring, Midland's unemployment rate was down to 2.7 percent, the lowest in the country. But good times are fragile in Midland, often hostage to a different hard-to-find resource. Two years ago, the city came perilously close to running out of water for its 120,000 residents to drink.

Over three straight hot summers, unforgiving drought has sucked two Midland reservoirs virtually dry. Lake O.H. Ivie, the last surface supply, has been falling rapidly toward 15 percent of previous capacity. Things looked so dire in 2012 that Midland rushed into a crash project that city hall insiders regarded as the city's "last card to play." Midland reached out 67 miles for a new source that within a year was pumping in 4 million gallons a day.

Eventually that \$197 million project will bring Midland 20 million gallons a day of fresh groundwater from beneath the historic T-Bar Ranch, which city fathers bought 50 years ago. Now Midland is backing a 15-mile extension to transport another 4 million gallons daily from a second ranch, and the city has no intention of stopping there. Those new resources "give us 50 years of water," Midland Mayor Jerry Morales says. Morales has allied with the Abilene and San Angelo mayors to hunt for even more below-surface reserves to provide plenty of future water. "We're looking for a 100-year supply," Morales says. "We're looking everywhere in Texas."

Long-distance water searching has gotten much more expensive than it once was. Midland bought the 20,000-acre T-Bar spread for \$750,000 in 1965. Last year, the city paid \$3.5 million for the 6,800-acre Clear Water Ranch just for the right to pump its water. "Water is the new blue gold," Sara Higgins, the Midland city spokeswoman, says. "It's never going to be cheap again."

As a result of its recent moves, Midland's water problems don't seem as severe as they did in 2012. But they are causing the city some unexpected financial headaches. While the new pipeline was being built, the Midland City Council slapped homeowners and businesses with fivefold increases in top water rates. The levies were designed to penalize wasting water flagrantly to sprinkle lawns, wash cars and refill swimming pools.

Almost immediately, sticker shock from higher bills slashed the city's water consumption 35 percent. Midland had tried strictly regulating outdoor watering, but "it wasn't until we hit people in their pocketbooks that we saw the numbers go down," says Higgins. "I don't think consumption will ever come back."

As a means of conserving water, these punitive rates succeeded. But they created a serious new problem. They left the local water utility short of the revenue it needed to operate.

Midland's water struggles offer a cautionary tale for other cities where customer water rates are rising at the same time a shifting climate may be starting to dry lakes and rivers up.

Around the country, as water gets scarce and its value goes up, municipal water revenues are going into free fall. Sixty percent of U.S. utilities in one survey sold less water in 2012 than six years

earlier. Bond rating services in recent years have given negative ratings to utilities in California, Minnesota, North Carolina and Oregon, citing disappointing revenues.

Utilities in Sun Belt states have had their bonds downgraded because they had relied too much on fees for connecting newly built homes when housing markets were inflated. Elsewhere, Altoona, Pa., and Bowling Green, Ky., were hit with downgrades because they'd put off expensive maintenance, leading to massive losses of water through leaky pipes. Utility costs will only keep climbing as governments work through what may be a \$1 trillion backlog to replace deteriorating pipes, improve treatment plants and extend mains into sprawling neighborhoods.

Raising rates to catch up, however, just gives customers more reason to use less water. That reduces water sales even more, and water supply agencies "end up in a downward cycle of lower revenues and increasing rates, and customers feel like they're being punished for doing the right thing," says Mary Tiger, chief operating officer at the University of North Carolina Environmental Finance Center.

Drought complicates the fiscal outlook. In Texas, the Wichita Falls utility lost \$4.5 million in revenue last year after drought forced it into drastic water-saving steps. Fitch Ratings downgraded Fort Worth's water and sewer debt after revenues fell \$11 million short.

Midland lifted its 2012 emergency rates once its new T-Bar pipeline began operating. But total consumption has leveled off at half its previous level, opening a \$4 million annual budget gap. This January, the city council voted to raise rates by 9.5 percent over three years in an attempt to clear the water fund deficit and assure state approval for extending the new pipeline.

Utilities typically bring in 20 percent of their revenues through fixed fees for delivering water to homes and businesses. The other 80 percent comes from fluctuating charges based on meter readings that tally how much water customers used the previous month. Water agencies build and maintain enough infrastructure to supply everybody with water when demand peaks during hot weather. To reward conservation, many cities have installed block rates that go up significantly the more water a home or business uses, sending a pricing signal to encourage customers to conserve. But the more water users conserve, the more fiscal problems the utilities find themselves scrambling to solve.

At the same time utilities are coping with declining revenues, many consumers are dealing with sharply higher prices. The North Carolina Environmental Finance Center found that some low-income families are paying up to 9 percent of their monthly earnings for water. Baltimore is raising rates 41.7 percent over three years, and community activists object that bills totaling \$1,000 or so a year will be beyond the means of senior citizens and impoverished families. "Municipal utilities exist to provide something we consider a basic necessity of living, but in a lot of places water is becoming very unaffordable," says Sharlene Leurig, the water program director for Ceres, a Boston organization that advocates sustainable business practices.

Utility analysts suggest stabilizing rates and revenue by repaying dividends to thrifty customers. Another possibility would be letting a ratepayer select an annual budget, subject



**Years of drought and depleted groundwater reserves have resulted in higher prices and lower bond ratings for Sun Belt utility companies.**



Deferring expensive maintenance, older cities are losing water and money because they've put off expensive maintenance on leaky pipes.

to hefty penalties for going beyond the target. Davis, Calif., drafted a “consumption-based fixed rate” plan for collecting the \$106 million cost of supplementing overused groundwater with Sacramento River water.

Starting in 2015, the city wants to cut variable rates but tack on a new fixed monthly charge based on each customer’s consumption the previous summer. That way, two-thirds of Davis residents will pay less per month, but “people who use peak capacity [in summer] are going to pay for that year-round,” says Frank Loge of the Center for Water-Energy Efficiency at the University of California, Davis. Some residents, most of them elderly, object that the revamped rates would penalize single-family homeowners who keep Davis lawns and trees green. Uneasy about higher bills, Davis voters in June sent the city back to the drawing board by repealing the new rate structure.

Local officials expect second-guessing when they raise water charges. Americans have learned that gasoline pump prices climb if crude oil rises from \$100 to \$120 a barrel. There’s no such understanding when it comes to water. In fact, there’s no easily understood benchmark for calculating water’s value. Still, in some arid regions, water can be bought and sold among municipal governments and private parties as a simple commodity. As the Western states were settled, state water laws awarded prior appropriation rights to whomever was first to put water to use; and miners, ranchers, farmers and commercial ventures have traded those rights since Gold Rush days. “While water in most of the U.S. is not yet priced like a commodity, it likely could be within our lifetime” as more markets develop for scarce resources, a 2011 Standard & Poor’s analysis said.

**I**n Texas, a pricey water market already is emerging. Under a 1993 court order, the state capped withdrawals from the Edwards Aquifer, then San Antonio’s sole drinking water source, to safeguard water for endangered wildlife. Since then, the city has pursued relentless conservation campaigns, including rate incentives for curbing use. The San Antonio Water System has also bought groundwater rights that farmers now can sell after investing in water-saving irrigation.

In a January report, the San Antonio Chamber of Commerce warned that a truly disastrous drought could still throw 135,000 residents out of work. The study argued that locking up even more supplies would give San Antonio “an advantage at a time when many other communities are struggling to provide water infrastructure.”

All along the Interstate 35 corridor from San Antonio to Austin and Dallas, “there’s a lot of money and companies coming in here to market groundwater,” says Leurig, an Austin resident who’s chairing a citizens panel to look at the state capital’s water options.

State officials reported this spring that 34 small communities in Texas could run out of water in three months. Meanwhile, the state’s megacities are competing to lock up future groundwater rights. Utility rates could spike a lot more as profit-seeking speculators start bidding on water markets.

Like oil and gas, groundwater is a depletable resource. As groundwater tables fall, it’s no surprise that Texas businessmen

with petroleum and gas fortunes are stepping into the water marketing business.

Oilman T. Boone Pickens assembled groundwater rights to 211,000 acres in the Texas Panhandle and pitched a 350-mile pipeline to sell it to Dallas-Fort Worth. The deal never came together, and three years ago Pickens sold the water for \$103 million to the water authority that supplies 500,000 people in Amarillo, Lubbock and nine other West Texas cities.

The Panhandle sits atop the Ogallala Aquifer, a formation that stretches north from the Midland area to the Dakotas. The water table has been dropping for decades, overdrawn by irrigated farms, municipal wells and expanded energy production. As the water level falls, Midland and other Texas cities grow more desperate to take water from largely untapped reserves from more distant aquifers beneath surrounding rural counties.

Farm towns and ranching counties are bracing to fend off wealthier big-city designs on their water. Tensions are reminiscent of the Los Angeles water grab a century ago that dried up agriculture in the undeveloped Owens Valley in California’s Sierra Nevada.

West of the Pecos River, Texas ranchers already are in a legal showdown with a prominent Midland oilman. Clayton W. Williams Jr. wants to sell Midland 41 million gallons a day from his family’s ranch near Fort Stockton, population 8,283 and falling. The Middle Pecos Groundwater Conservation District, based in Fort Stockton, voted unanimously to deny Williams a pumping permit. Williams, who runs his own oil and gas company from Midland, has taken his Fort Stockton neighbors to court. Engineers, geologists and lawyers for private ventures keep showing up to scout Pecos County for available water. “There are water marketers, there are water interests and there are water pirates,” Paul Weatherby, the Middle Pecos district manager, says. “We’re in the Chihuahuan Desert, and we don’t have anywhere to go should we run out of water ourselves.”

With drought settling in, the allure of more water led Midland to cut some corners. To finance a Fort Stockton pipeline, project backers rigged an election to create a new state-sanctioned utility—the Midland County Freshwater Supply District No. 1. In Texas, residents normally can vote to set up freshwater districts to supply a rural county, subdivision or other sparsely populated region. Midland’s proposal drew the boundaries to encompass just one 20-acre tract close to the Midland airport. The son of a Williams executive moved onto the property to live in a modular home, qualifying as the district’s sole eligible voter. Casting the only vote, he singlehandedly adopted 2010 ballot measures that established a new water district and gave it \$375 million in revenue bond authority.

Williams’ water deal is tied up in court. Desperate to add more supply, Midland officials partnered with the new district to speed up the T-Bar pipeline. “We could have built it ourselves, but they could do it faster,” City Manager Courtney Sharp says. Now Midland pays the district \$1.5 million or so a year to deliver the city’s own water. Midland ratepayers will start paying the price when water rates jump 5 percent in October. **G**

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# Lost in Translation

**'S**exual assault is always avoidable." Far short of the 140 characters allowed by Twitter, but enough to cause an immediate "twit storm." The unfortunate tweet—generated by a consultant hired by Massachusetts to handle its Twitter communiqués—was meant to cap off the state's recognition of Sexual Assault Awareness Month. If awareness was the tweet's goal, it achieved it in spades. The tweet immediately set off a firestorm of controversy.

Joe Fitzgibbon stumbled into a similar twit storm. The Washington state representative tossed off a flippant—but arguably amusing—tweet after the Seattle Seahawks lost to the Arizona Cardinals in a football game last fall. "Losing a football game sucks," Fitzgibbon wrote. "Losing to a desert racist wasteland sucks a lot." The reference to Arizona's arid climate and less-than-liberal immigration laws set off an interstate uproar, testimony to the power of a handful of words moving through the ether.

**By Jonathan Walters**



**Governments  
are still struggling  
to get social  
media right.**

Words aren't the only way Twitter can do damage. The New York City Police Department in April created a hashtag—#myNYPD—allowing citizens to quickly and easily post pictures to the department's Twitter page of NYPD's finest in action. The public largely responded by tweeting the department's less-than-finest moments: a veritable gallery of the city's men and women in blue clubbing, tear gassing, handcuffing and tackling Gotham citizens. "It was unfortunate to see what happened to the NYPD," says Anil Chawla, author of an online white paper *Twit Happens: How to Deal with Tweet Regret in the Public Sector*. "It probably gives other government agencies pause."

But a pause may not be a luxury government has. The positive communication through social media tools during such crises as Superstorm Sandy and the Boston Marathon bombing have been well documented, but the real story is how social media is beginning to infuse (some might say "subsume") the day-to-day lives of public officials. Social media may be a perfect way to bypass the not-always-reliable or malleable mainstream press. It offers a government or public official a way to connect quickly and directly with citizens and gauge the pulse of the populace. It is the ultimate in government transparency.

Which is why the future of public-sector communication lies in clouds and ether—Twitter, Facebook, Instagram, Pinterest and their ilk. Public officials had not only better get used to it, they'd better get good at it.

"The first Obama campaign was the real eye opener for a lot of politicians," says Michael Klein, a Saskatoon, Canada-based communications consultant who focuses on social media. "It illustrated for politicians that social media isn't just for Bill Gates and nerds. It goes beyond getting a message out. It's a way to get feedback, engage in discussion and even to help form policy."

But social media—unscreened and unedited—has its obvious drawbacks. Setting aside the occasional "shoot from the hip" tweet by a public official, "Participation in social media makes organizations vulnerable to both internal and external crises," wrote Missy Graham and Elizabeth Johnson Avery in an issue of *Public Relations Journal*. "On an internal level, organizations have to be concerned about online behavior that could potentially damage the brand."

Sometimes the damage flies in all directions. During Austin, Texas' internationally renowned South by Southwest (SXSW) festival last March, the city's Office of the Police Monitor helpfully tweeted, "Welcome #SXSWers! We know you're loving Austin but if you experience a problem with police, let us know. 512-974-9090 austinpoliceobserver.com."

For strangers to Austin, the tweet suggested that the Austin Police Department had a longstanding problem with how it treated visitors, and the Office of the Police Monitor intended to be right on top of the problem, ready to pounce at the earliest sign of trouble. Predictably, some in the Austin

Police Department were not amused, including union president Wayne Vincent. "That message is clear to 1,700 police officers that work in this city," he is quoted as saying shortly after the post. "It was a virtual slap in the face to every single one of them."

Austin Police Chief Art Acevedo decided on a lighter response with his tweet: "@austintexas.gov If you want to commend a member of the @Austin\_Police please drop me a line at art.acevedo@austintexas.gov. Enjoy ATX!" (ATX being Austin, Texas, naturally.)

The beauty of social media is that while it allows officials to mess up in a fabulously efficient and widespread way, it also allows rapid, blanket and unequivocal mea culpas. Realizing that its original missive sent the wrong message, Austin took the monitor's tweet down and posted a revised one, saying that police were doing "an extraordinary job under extraordinary conditions" and apologizing "if [the Office of the Police Monitor] message gave wrong impression."

Similarly in Massachusetts, the state quickly verbalized its regrets for the comment on sexual assault and suggested that the author had meant "preventable" not "avoidable." For Washington

Rep. Fitzgibbon's part, he, too, quickly admitted his lapse in judgment—he got a little carried away with what he viewed as some standard fan "trash talking." The whole matter seemed to blow over in a "twecond," suggesting that rule No. 1 for recovering from errant action on the social media front is to fess up quickly and completely.

The case of the NYPD is more complicated. While social media stands as a dynamic way to connect with citizens, it requires a few of the things that government doesn't do well. First, there has to be a tolerance for risk. Unintended consequences abound in the social media world, especially when a high-level public organization is opening itself up

to the broadest range of citizenry possible. Second, to the extent that it's possible in the Wild West of social media, it takes a sophisticated and nuanced approach to shape and manage government's message. Third, when done really well, it requires intra-governmental communication. Such communication, unfortunately, flies in the face of how government is actually structured and how bureaucrats typically behave.

"We're trying to break down the ministry silos so that our Twitter accounts are more topic or theme based," says Jeff Armstead, who handles digital communication for the province of Saskatchewan, Canada. "It's a 'one-government' approach." But getting siloed agencies to think in terms of shared responsibility and mission isn't easy. Then there are the simple, silly bureaucratic details. "Every minister's office has a different level of comfort with how much approval is required when you respond to a post," Armstead says, "and that has caused some tension."

There's also the issue of consistency, which is directly related to control. One agency that's been held up as a national model for

**The beauty of social media is that while it allows officials to mess up in a fabulously efficient and widespread way, it also allows rapid, blanket and unequivocal mea culpas.**

using social media in a sophisticated way is the Palo Alto, Calif., Police Department—not for crisis response, although it’s ready to use it if necessary—but for day-to-day community relations and general citizen goodwill building.

Palo Alto tweets with a tight fist, and that fist belongs to Lt. Zach Perron, a garrulous exponent of social media, who heads up the department’s division of investigative services and public information. He is the only one—besides the chief—who puts out messages on social media, which helps ensure a distinct and consistent tone. The approach reduces risk and lends uniformity to the department’s missives. As Perron notes, “Every piece of information you put out on a social media account amounts to a press release, and once something goes out and you screwed it up, you can’t take it back.” But that isn’t as fraught with risk as handing the keys to someone who understands the technology, Perron says, “but doesn’t have the sense of what’s going out in your agency or community. If they issue a tweet or post something on Facebook without that in mind, it can be very damaging.”



### The New York Police Department’s #myNYPD campaign had disastrous unintended consequences.

So far, Perron’s department has avoided any such damage. To the contrary, the department seems to be using social media with commendable energy and savvy. For example, Palo Alto Chief Dennis Burns has won community accolades for his “ride along” tweets, where the chief jumps in a squad car with his beat cops and tweets about his experiences along the way. That’s really not so unusual in this day and age. Other chiefs in other departments were doing it before Palo Alto, which speaks to the medium’s penetration. According to figures compiled by the International Association of Chiefs of Police’s Center for Social Media, nearly 96 percent of all law enforcement agencies now engage in some form of social media activity. While most departments use social media for crime fighting, nearly 75 percent say that it has had the corollary effect of improved community relations.

Asked about the NYPD incident in that regard, Perron, who lectures nationally on law enforcement and social media, thinks the NYPD’s solicitation of photos was actually a gutsy move. He argues that at the end of the day it probably boosted the department’s followers on Twitter.

While law enforcement seems to be leading the way on social media uptake, other government agencies are clearly following suit. In their *Public Relations Journal* article, Graham and Avery note that 70 percent of local governments now engage in some form of social media activity. However, “they seem to predominantly be using it for Facebook postings and not two-way communication,” says Avery, an assistant professor of public relations at the University of Tennessee, Knoxville.

“You can’t be afraid to engage, to have a conversation,” Perron says, adding that the choice in Palo Alto has been to “have voice and tone that’s human and even humorous when appropriate, and antibureaucrat/government speak.”

It’s clear that social media has the power to humanize government, to open potentially promising channels of communication and to offer citizens direct access to their government and to public officials. Rep. Fitzgibbon adds that it’s also a very good way to stay connected to the mainstream media.

While Fitzgibbon, who chairs the House environment committee in Olympia, laments the shrinking statehouse press corps, he says social media has helped offset the impacts.

“We don’t have a very large press corps in state government,” says Fitzgibbon. “It has diminished over time, but social media is a way to communicate with press throughout the state. It’s very efficient instead of sitting around waiting for a call.”

What is less clear, however, is whether the new media will, as some predict, be influential in shaping policy or budgets anytime soon. While examples of Twitter-fueled revolutions around the globe abound, so far there’s not much evidence that tweets or Facebook posts have revolutionized the state or local budgeting process. “As far as impacting budgeting, that’s still on the horizon,” says Fitzgibbon. “In part, that’s because it’s hard to know if the folks you hear from on social media are really representative of your constituents.” A tweet, Fitzgibbon points out, can come from anywhere and anybody and so doesn’t tend to carry much weight. He does, however, use social media to both gather and share information about policy with his colleagues and other interest groups. At the same time, more legislators are using Facebook and other platforms to mobilize citizen support for legislation.

As far as widespread use of social media by his colleagues goes—either to communicate with constituents or stay abreast of key issues—Fitzgibbon says it covers the spectrum. One thing he does know is that social media isn’t going away—although uptake may be a bit slower in Olympia after his Arizona tweet. “Seeing me screw up is a cautionary tale,” Fitzgibbon says. “They probably think they can do their work without that sort of notoriety.” **G**

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# A Road Runs

**Syracuse is the latest in a growing number of cities to consider tearing down a raised urban expressway. By Daniel C. Vock**



# Through It

DANIEL C. VOCK

**R**obert Doucette, a developer in Syracuse, N.Y., often commutes to work by walking or biking from his house near Syracuse University to his office downtown. The route is little more than a mile long, but it requires crossing one major obstacle: a hulking highway viaduct that cuts a large swath through the center of the city.

This elevated stretch of Interstate 81 carries 56,000 vehicles a day. Though it is propped up on piers, it has a major impact on the landscape below. As many as six lanes of traffic run beneath the expressway, including feeder ramps and access roads. Pedestrians teeter nervously on raised curbs as they wait for a signal, then “make a break for it,” Doucette says, as they try to avoid unseen vehicles making turns.

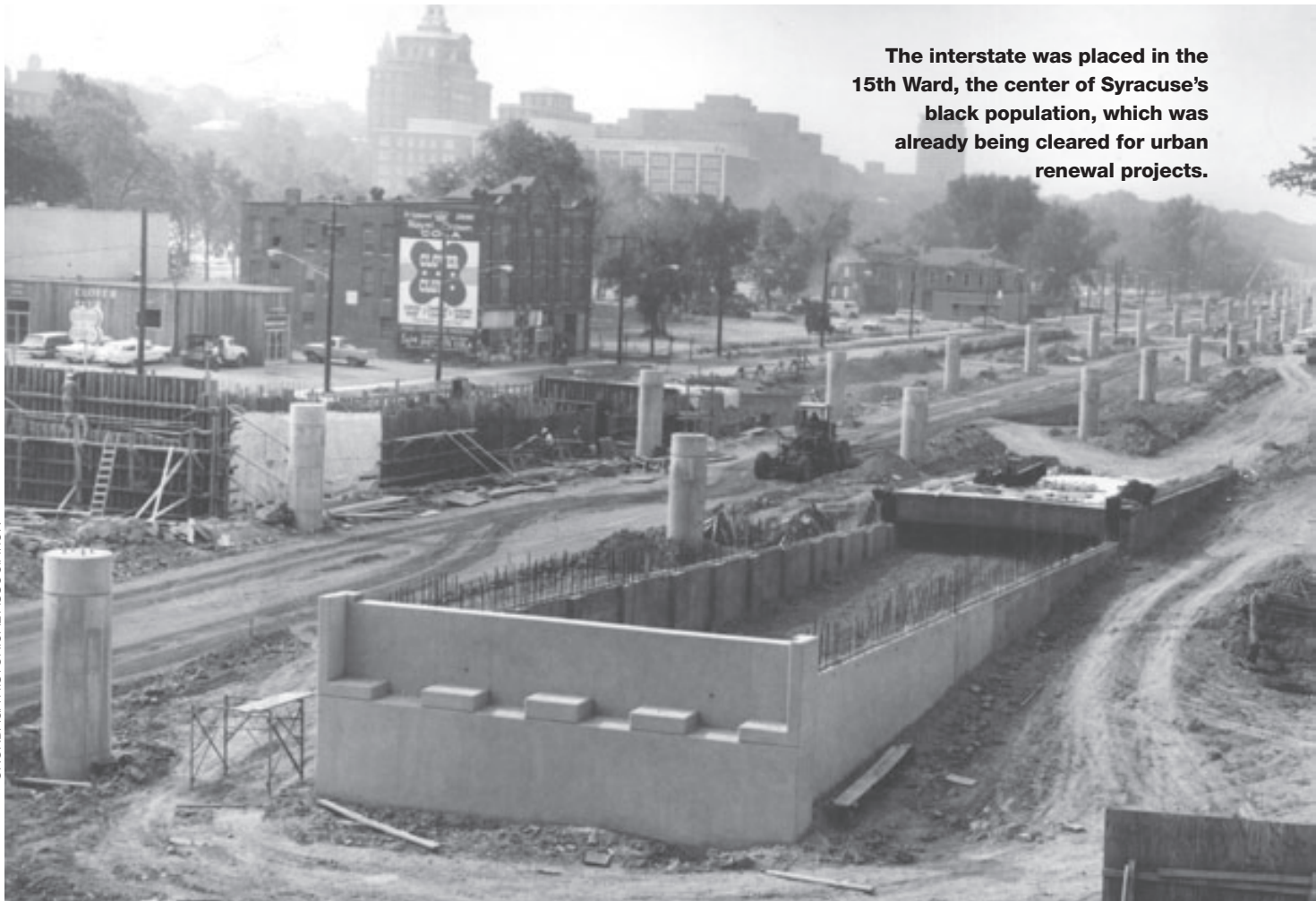
As a developer, Doucette sees the 1.4-mile-long viaduct as a wasted opportunity. Interstate 81 is the line of demarcation between the city’s two most vibrant neighborhoods: downtown and University Hill. But it is not a clean separation. For blocks in either direction of the interstate, parking garages and surface lots dominate the landscape. The aging highway cuts off many streets on the city’s grid. “There is this gulf,” he says. “What we’ve done is take an incredibly important piece of this city off of the development map. This highway runs through the part of the city that should be some of the highest-producing parcels of land in the region.”

Doucette and many city leaders want the unsightly interstate gone. They want to reroute the highway around the city and replace the elevated interstate with a wide ground-level boulevard.

But tearing down an urban freeway can be hugely controversial. (In 1991, San Francisco Mayor Art Agnos lost his job partly because of his support for a plan to knock down the waterfront Embarcadero Freeway, which had been damaged in the 1989 Loma Prieta earthquake.) While many planners see these elevated highways as dated eyesores that choke off urban revitalization, replacing them can cost billions and, critics say, worsen traffic congestion—without any guarantee that removing the roadway will lead to new development.

Still, a growing number of cities are considering whether highways designed for the Eisenhower era make sense in modern cities. New Orleans has received federal money to study the prospect of removing the Claiborne Expressway, which was built over the main thoroughfare in a black neighborhood. Cleveland is moving to convert its West Shoreway along Lake Erie to a boulevard. In Connecticut, New Haven is also reconnecting parts of its city grid by turning highway segments into avenues. Even officials in auto-friendly Detroit are investigating whether to get rid of an aging one-mile freeway downtown. Despite the city’s bankruptcy, downtown Detroit is actually experiencing a modest development boom. An influx of residents to the city’s midtown neighborhood, along with the anticipated introduction of light rail and development of the waterfront, are changing the needs of the area, says Will Tamminga of the Detroit Economic Growth Corp., one of the groups conducting the study. And San Francisco’s Embarcadero teardown is now widely regarded as a positive and important step for the city.

**The interstate was placed in the 15th Ward, the center of Syracuse’s black population, which was already being cleared for urban renewal projects.**



“The logic behind building freeways in urban areas is collapsing,” argues John Norquist, a former mayor of Milwaukee and, until recently, the president and CEO of the Congress for the New Urbanism. While mayor, Norquist demolished a mile-long freeway in downtown Milwaukee in 2002, which rejuvenated the area where the highway once stood. Today he’s one of the country’s fiercest advocates for removing urban interstates, which he says are better suited for rural areas. In cities, he says, expressways cut off pedestrian movement, commerce and social interaction. “It’s really a rural form visited on cities.”

Pushing the teardown trend is the age of the highways themselves. Roads built in the 1960s—particularly elevated spans that travel across a series of bridges—are nearing the end of their useful life, which means they may need to be replaced entirely. That’s an expensive proposition. In Detroit, for example, Interstate 375 needs \$80 million just to keep it in good working order. With big price tags like that, transportation planners are examining all of their options.

At the same time, cities, with the encouragement of the Obama administration, are rethinking their street plans. Amenities such as bike lanes, wide sidewalks, streetcars and green space are becoming more common. Traffic engineers, Norquist says, are moving away from the old model of channeling cars from residential roads with cul-de-sacs, to service roads, on to arterial roads and ultimately to freeways. Instead, he says, engineers are using much more nuanced models for the roads they create.

Changes in society are at work too. The automobile, while still by far the dominant mode of transportation in the U.S., has lately lost some of its appeal. It used to be that the number of miles Americans drove went up every year. Since the recession, though, the country’s driving has leveled off. Teenagers are waiting longer to get their driver’s licenses. And young adults flock to cities and neighborhoods where restaurants, bars and shops are within walking distance—or maybe a short bus trip or train ride away.

But none of those factors guarantees that scrapping elevated highways will be popular, or smart, in every city. Such a fundamental change in a city’s landscape raises big questions of whom the transportation network should be designed to serve, and at what cost.

**I**n Syracuse, discussions over Interstate 81 have divided the region since before it was even built. When the idea of the interstate was first proposed in the 1950s, residents feared it would create an earthen wall that would split the city until officials explained that bridges would carry the highway over the community, says Dennis Connors, curator of history at the Onondaga Historical Association.

The interstate was ultimately placed in the 15th Ward, the center of the city’s black population, in part because so much of



DANIEL C. VOOK

**Ninety-one percent of the traffic on Interstate 81 through Syracuse is local.**

the neighborhood was already being cleared for urban renewal projects in the 1960s. Downtown business owners managed to get the interstate moved a little farther from the city center than was originally proposed, but they didn’t want the highway too far away, Connors says, because they were worried about losing customers to stores along highways in the suburbs.

But downtown merchants did suffer, as did the city as a whole, in the ensuing decades when manufacturers such as General Electric and Carrier moved their operations out of the city. One bright spot was University Hill, a neighborhood that featured several hospitals, Syracuse University and the State University of New York’s medical and forestry schools. Those sprawling campuses pretty much stop, though, where they butt up against the towering interstate. Downtown, meanwhile, is also experiencing a resurgence, as developers refurbish long-neglected 19th-century buildings with condos and restaurants.

Amid all this change is talk of upgrading the elevated segment of the highway. It has reached the end of its useful life, the state says, and will have to be replaced by 2017. It will not be an easy fix. The road is too narrow for today’s standards. There are no shoulders, and only Jersey barriers separate cars from oncoming traffic. The curves are too sharp for vehicles to safely travel at 55 mph, and exit ramps are placed too close together to be safe under modern guidelines. So the state transportation department is looking at options to completely replace the stretch of highway.

State officials shared 16 different ideas with the public in May. They ranged from an \$800 million plan to build a new viaduct that would meet today’s engineering standards to a plan to run the interstate through a tunnel near downtown that would cost as much as \$3.3 billion. But the options that are generating the most interest would get rid of the downtown interstate altogether.

Under that scenario, the elevated highway would be eliminated and a ground-level boulevard (or multiple boulevards)

would take its place. With a boulevard, advocates say, pedestrians and cyclists could cross the road more easily, making the area more attractive for retail shops and other development. The interstate would be rerouted to follow an existing bypass east of Syracuse. That concept is especially popular among the city's elite. The mayor, members of the city council, Syracuse University's leadership, downtown developers and civic organizations have backed plans to scrap the elevated highway.

"This is the biggest decision we will make in the next 40 years, and it feels like it," says Marc Norman, the director of Upstate, a project of Syracuse University's architectural school that showcased student proposals for the debated corridor. "Creating a better city should be the starting point."

"It's more than just a transportation issue," adds Sandra Barrett, executive vice president of the Onondaga Citizens League,

a group that backs the boulevard. "It's about the community. It's about neighborhood development. It's about the environment. It's about moving people, not just cars."

Still, many business owners oppose the idea. The owners of Destiny USA, a huge mall in the north of the city, along with several hotel owners, oppose the idea of reconfiguring Interstate 81, because the new route would leave them off the official interstate.

**M**ark Nicotra, the town supervisor of Salina, north of Syracuse, says his community's economy is built on easy access to highways. The town sits at the intersection of interstates 81 and 90 and calls itself the "crossroads of central New York." But if the viaduct is removed and I-81 is rerouted to the bypass, Salina will no longer be on the reconfigured interstate, Nicotra says.

**The Claiborne Expressway  
in New Orleans is being  
considered for removal.**





DAVID KIDD

**San Francisco's Embarcadero Freeway was razed in 1991 and replaced with a palm-lined boulevard and plazas.**

The town's logistical businesses will have a more difficult time delivering their goods. "81 is our Main Street," he says. "We don't want it to go away, because we feel it will impact the town."

The New York State Motor Truck Association is following the discussion closely, says Kendra Hems, the group's president. Although none of the options sound attractive, she says, the truckers are especially worried about the boulevard. Truck drivers are encouraged to use interstate highways as much as possible, but eliminating that option could compromise safety and efficiency. As urban planners design streets that are friendlier to pedestrians and cyclists, they often fail to accommodate trucks. Narrow streets and wide sidewalks make it harder for trucks to turn, while stoplights and traffic-calming devices limit their efficiency. "In order for these cities and communities to stock their shelves, we still need to allow these trucks to come in," Hems says.

In the lakeside village of Skaneateles, 20 miles from the Syracuse viaduct, longtime resident Steve White worries that he would see firsthand the impact of eliminating the highway. White and other Skaneateles residents worked for years to reroute garbage trucks from the New York City area on their way to an upstate landfill, so they would not pass through their picturesque town. At their peak, one garbage truck barreled down the town's

main thoroughfare every three minutes, bringing fumes, noise and the possibility that an accident could contaminate the pristine lake, which the city of Syracuse uses, unfiltered, for its drinking water.

The Skaneateles residents only curbed the truck traffic by reaching a voluntary agreement with the landfill. But if the highways are reconfigured, White fears, the trucks could revert to their previous routes, lowering the tourist appeal of the village's downtown where White and his wife own an antiques shop. "The reason I'm so adamant about this is that it is going to affect my pocketbook, as well as a ton of jobs through here and a lot of real estate value," White says.

The ultimate decision on the fate of Interstate 81 lies with the state transportation department and the Federal Highway Administration. The state hopes to reach a decision by early next year. "We have to provide for mobility for all users," says Beau Duffy, a spokesman for the New York State Department of Transportation. "We have to look at mobility for people who use 81 to get in and out of Syracuse each day [and] the people who are traveling through Syracuse to other destinations. But we also have to consider the local impact. All of those things get looked at." **G**

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# Problem Solver

## Speaking Up

A look at the most—and least—active citizens.

**I**n his first few months in office, Park City, Utah, Mayor Jack Thomas has heard from quite a few constituents. His office phone rings off the hook. Going out for lunch takes about twice as long as before, as he constantly fields concerns from residents who walk up to him. “If you want a quiet moment,” he jokes, “you’ve got to leave town.”

The small resort community is home to some of the nation’s more vocal residents. In a recent survey, 28 percent of city residents reported contacting elected officials within a 12-month period to express their opinion and 37 percent said they had attended a local public meeting during that same time period.

Nationwide, though, citizen participation in local government remains fairly low. The National Research Center (NRC), a firm that

conducts citizen surveys for more than 200 communities, found that overall only 19 percent of Americans contacted their local elected officials, while about a quarter reported attending a public meeting over a 12-month period.

In many city halls, extremists on either side of an issue dominate public hearings. Those who do show up at the sparsely attended meetings are often the same cast of characters over and over. But some public officials have found ways to reach a much wider segment of residents.

Park City’s Thomas says he’ll go door-to-door along the town’s main corridor to gauge resident sentiment about everything from new development projects to air quality and garbage pickup. “If you want to have a government that’s rooted in the community, you better start that way,” Thomas says. “It’s all about trust.”

NRC survey data compiled exclusively for *Governing* sheds light on the types of residents who are the most active or, in some cases, the least vocal. Individuals living in a community for more than 10 years, for example, are about three times more likely to attend public meetings and contact elected officials than new residents. Among racial groups, Asians tend to have the lowest participation rates. Low-income residents also aren’t as active as those earning six-figure incomes.

In general, residents often aren’t compelled to weigh in on an issue unless it negatively affects them, says Cheryl Hilvert of the International City/County Management Association. It’s for this reason that much of the citizen engagement in communities is confined to typical hot-button issues, such as planning and zoning meetings.


Many residents don’t think they have time to participate. Others, particularly newer residents with lower participation rates, may not know where or how to get involved, Hilvert says. Survey data further suggests that younger residents aren’t inclined to speak up. Those under the age of 35 attend meetings and contact elected officials at far lower rates

than those over 35. Hilvert suspects their busy lifestyles may have something to do with it, especially if they have children.

Connecting with these groups of residents requires stepping outside of city hall and meeting residents on their own turf. Park City officials say they’ve held meetings in school lunch rooms, performing arts centers and with local homeowners’ associations. “To truly engage the community,” Hilvert says, “managers have to think broader about it than in the past.”

Some localities employ unconventional approaches to raise the level of citizen engagement. When the city of Rancho Cordova, Calif., last year debated permitting more residents to raise chickens on their properties, it launched an online Open Town Hall. More than 500 residents visited the interactive forum to make or review public statements. “It is noisy and smelly enough with pigeons, turkeys, feral cats, and untended dogs without adding chickens to the mix,” wrote one resident. The city drafted an ordinance reflecting citizen input, then emailed it to forum subscribers.

Outreach efforts through local media or civic organizations help further community involvement. Some residents also form Facebook groups or online petitions to promote their causes. The city of Chanhassen, Minn., relied heavily on social media to connect with citizens when it confronted an issue that’s about as contentious as any local government can face: a proposal to build a new Walmart. The city posted regular updates on its Facebook page and uploaded all documents online.

Laurie Hokkanen, the city’s assistant city manager, says residents continued hearing rumors even after the city rejected the company’s rezoning proposal. As a result, staff kept lines of communication open. “A vote by the city council does not end the issue for residents who are invested in it,” Hokkanen says. “It’s important to tell people you appreciate their input.” 

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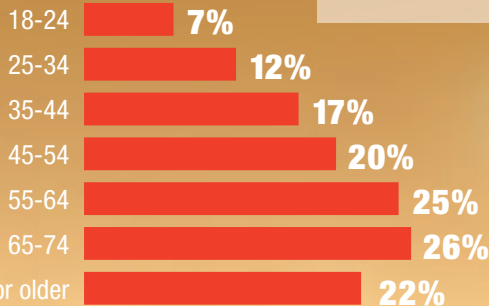
By Mike Maciag

Across much of the country, citizens rarely voice their opinions to local governments. The National Research Center provided survey results from a sample of jurisdictions, collected between 2012 and 2014. In the past 12 months:

**19%** “Contacted elected officials (in-person, phone, email or Web) to express your opinion”

Residents contacting elected officials at least once

Age Group

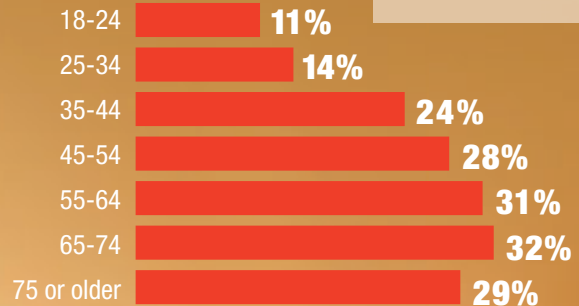


**Baby boomers are most likely to contact officials**

**24%** “Attended a local public meeting”

Residents attending at least one meeting

Age Group



**Older residents have higher meeting attendance rates**

**Newer residents contact officials least often**

Length of Residency



Length of Residency



**Longtime residents are most likely to attend meetings**

**Top income earners contact officials at the highest rates**



**Wealthier residents are more likely to attend meetings**



By Katherine Barrett and Richard Greene



# Sizing Up the Other Guys

Benchmarking against other states can lead to big gains in efficiency.

It may be hard to believe in these days of governmental cost-cutting, but back in the early 1970s, a federal commission came to the conclusion that state workers' comp programs weren't providing nearly enough support to employees who were injured on the job. Over the next two decades, these efforts were expanded. But beginning in 1990, says

John Burton, who had chaired President Richard Nixon's workers' compensation commission, "the momentum definitely switched to concerns about reducing costs in workers' compensation."

That's because some officials are concerned that comp programs can hurt economic development efforts. The more expensive the program, the logic goes, the more difficult it will be to attract new businesses to a state. That's a persuasive argument.

Workers' comp has been a stellar example of the use of benchmarking to help states lower program costs. One of the most respected and widely accepted benchmarking efforts has been Oregon's. Nearly three decades ago, Oregon started to compare workers' compensation premium rates across states. The exercise wasn't simple. Mike Manley, research coordinator for the Oregon Department of Consumer and Business Services (DCBS), explains that the industry mix is different in each state. In order to compare states, Oregon had to shift the industry mix in other states to resemble its own.

The first study, in 1986, showed that Oregon had the sixth-highest workers' comp rates of the 50 states and the District of Columbia. By 2012, however, Oregon's rates were a more comfortable 16 percent below the national median. (By contrast, neighboring California was 55 percent above the median in 2012.)

The study initially helped Oregon confirm that its rates were out of line with those in other states. Over the years, it has helped keep attention focused on the issue and encouraged leaders to develop new ways to lower costs while still offering adequate benefits to injured employees. It is not necessarily beneficial to be the least expensive state—it may mean that benefits are too skimpy—"but probably no state is aiming to be the most expensive either," says Manley.

One step the Oregon Legislature took, for example, was to provide an incentive to encourage employers to get injured employees back to work more quickly by putting them in a less strenuous job. Another cost-cutting measure states have used is improving workplace safety and keeping close tabs on medical costs.

Oregon's workers' comp benchmarking is unique in that it looks at all 50 states—not just its regional competitors—and examines a





single important factor, which is an approximation of the insurance premium. It does not explain why states are different, or why costs are going up. This limits the capacity of the Oregon numbers to be the final word on workers' comp rates. But that has not stopped it from being useful, sometimes in tandem with other benchmarking projects. Montana's state economists, for example, have utilized the Oregon work in their efforts to drive down high workers' comp rates, as have those in Florida, where reliance on benchmarking data played a large role in that state's workers' compensation reforms.

Of course, as a result of the adjustments to other states' industry mix, Oregon's benchmark survey is not as precise a ranking of workers' comp rates as other states might like. Ultimately, that doesn't matter. As in many other benchmarking exercises, well-informed users of this data don't assume that state 44 is necessarily any better or different than state 43. This is kind of an old lesson about benchmarking. A difference of one, two or even 10 places isn't necessarily meaningful (though the press seems to believe it is).

This leads, in turn, to one of the golden rules for the use of most benchmarking exercises. Rarely is a methodology precise enough to make fine distinctions between governments, particularly those in the middle of the pack. But there is a strong and convincing difference between the governments in the top 10 and the bottom 10. If you're the second most expensive or the 10th, you're still out of line with other states—and that gets attention.

From our perspective, that is really one of the most significant things about benchmarking—in workers' comp or any other field. It's very easy for a state or a city to ignore all manner of measurements—and many do. But it's a lot more difficult to cast aside well-executed studies that compare one entity to another, particularly when they're competing in the same geographic region. Nothing succeeds in the public sector more than triumphing over your next-door neighbor. **G**

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## The Real Threat to Democracy

Prudent fiscal stewardship is essential to self-government.

Critics of democracy—and they are many—believe that democratic governments eventually fail because the people will tax themselves less and less while voting themselves ever-increasing benefits. The fact is that failure to exercise prudent fiscal stewardship is one of the surest ways to undermine democracy. (Just ask the residents of Detroit how much democracy they enjoy.) The failure to make wise choices will steadily erode the ability of any entity to control its own fate.

America's founders conceived of democracy as a form of government controlled by people like themselves: white male property owners. It's hard not to think that they would see the reforms we have accomplished since—extending the vote and the opportunity to serve in elected office to the broad swath of ordinary people—as placing power in the hands of the rabble. But if you believe in the intrinsic value of human beings, then of course the franchise should be shared broadly. In these times we call it crowdsourcing.

Back in February 2013, *Governing's* Liz Farmer reported that Iceland used crowdsourcing to create an entirely new constitution following the social unrest from that country's 2008 banking collapse. In the same piece, she wrote about how the city of Seattle had brought crowdsourcing into decisions on funding priorities and policy decisions. Two months later, *Governing's* J.B. Wogan reported on how cities like Hampton, Va., had built ever-broader and earlier citizen engagement into the budgeting process. Wogan's piece cited research showing a positive relationship between citizen participation in budgeting and measurable improvement in performance outcomes.

This makes sense to me. I believe in the wisdom of regular folks. Otis White, the president of Civic Strategies, has done hundreds of events on citizen engagement. "Citizens," he says, "are not crazy and there is no reason to fear them." But citizens need sound information and analysis from public officials, and they need public officials to creatively convene and engage citizens as groups and as individuals. More engagement tends to get better results. Disengagement tends to fuel disillusion among citizens and create apathy. This is not a disease of democracy. It is caused by the lack of democracy.

In April, at a forum at Columbia University, I heard New York Mayor Bill de Blasio give a solid speech outlining many of the goals of his agenda. In a lively panel that followed, Richard Ravitch, who played a central role in guiding New York City through its brush with bankruptcy in the 1970s, repeatedly referred to the financial challenges still faced by New York and cities in general. Ravitch argued that success on other issues depends on meeting those financial challenges. This is an essential point that is often disregarded by those on both the left and the right.

Fiscal stewardship is an essential element of self-government. Delivering value for money—increasing efficiency and effectiveness in government—is not just a victory for the wonks and the bean counters. It strengthens and gives life to democracy itself. **G**

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“Citizens,” says Otis White, the president of Civic Strategies, “are not crazy and there is no reason to fear them.”



# Time for a New Net?

Mesh is a quick way to build a resilient wireless network. But it's not perfect.

**W**hat do Sayada, Tunisia, and Red Hook, Brooklyn, have in common? At first glance, not much. One is a fishing town on the Mediterranean Sea. The other is a waterfront neighborhood in an industrial section of America's largest city. But both are using a networking technology that is cheap, relatively easy to set up, and remarkably resilient and secure.

Called a mesh network, the technology lets users connect directly to each other rather than through a central hub. For the citizens of Sayada, that means they can create a community network free from government surveillance or interference.

mesh networks are a relatively simple way to offer high-speed Wi-Fi. Ponca City, Okla., has adopted mesh as a means of delivering free wireless broadband to all of its 25,000 residents.

Most wireless networks operate using a hub and spoke layout—basically, a central broadcast tower links to users like spokes on a wheel. With mesh networking, “envision a fish net,” says Georgia Bullen, field operations technologist for the nonprofit Open Technology Institute. “Every device on the network is part of the network.”

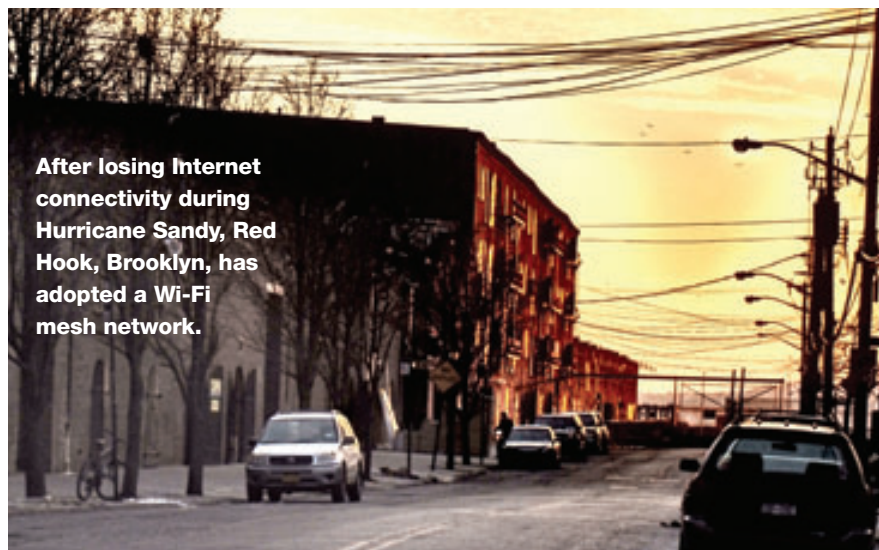
This design avoids any single point of failure (a problem in Red Hook during Hurricane Sandy in 2011), and it allows

grow as demand picks up. “Think of mesh networks as infrastructure lite,” Bullen says. “It’s similar to installing bus rapid transit versus an underground subway system. It’s something that can be put up quickly, even moved to another location if it isn’t working well.”

Grassroots community groups have shown the strongest interest in using mesh networks, but cities and towns should consider them too. It’s a way to provide citizens access to the Internet in hard-to-reach places, such as city parks and urban corridors where buildings might block traditional Wi-Fi signals.

Mesh networking does have some technology challenges and limitations, though. Every router that forms the backbone of the network must have an unobstructed view of another router in order to complete the connection. Most neighborhood mesh networks are designed to operate at rooftop level so that trees or other buildings don’t block the signal as it travels from one router to the next. Communications can also get slow if signals have to make multiple hops from one router to another; costs can escalate if the size or scope of the network grows significantly; and putting together a small network can be time consuming. Community networks that rely on volunteer help often underestimate the amount of labor needed to set it up.

Despite the drawbacks, the future for mesh networks looks bright. The demand for wireless access, particularly in dense and low-income urban areas, continues to grow. And as climate change brings more unpredictable weather, mesh could become a critical way to keep citizens connected to vital services and make communities more resilient. **G**



**After losing Internet connectivity during Hurricane Sandy, Red Hook, Brooklyn, has adopted a Wi-Fi mesh network.**

FLICKR/ALL NITE IMAGES

For residents of Red Hook, the local mesh network helps them stay connected during power outages.

Of course, mesh networks aren’t new. They’ve been operating in Europe for years. They are, however, relatively new to the U.S., where they are just starting to catch on. In Detroit, where some neighborhoods don’t have access to broadband, mesh networks are seen as a low-cost solution to the digital divide that exists there. And for many local governments,

the network to bypass obstacles, such as hills or buildings, using different signal paths. If a local coffee shop, for example, has a wireless router that’s part of the mesh network and wants to turn off its device when it closes at night, the network bypasses the coffee shop. When the shop turns its router back on in the morning, the network automatically reconfigures to run through the coffee shop again.

Mesh networks can start small, with just a handful of devices, but can easily

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# Balancing Act

Can states and localities afford the services their constituents demand?

**K**now what a trend gap is? It's the difference between governments' long-term ability to provide public services that the public demands, and citizens' willingness to pay for those services. That's according to Bo Zhao and David Coyne, two economists who have been using the phrase as a measure of the long-term fiscal sustainability of states and localities.

The overall state- and local-sector trend gap has been growing over the past three decades and has accelerated in the last 10 years, say Zhao and Coyne in a new working paper for the Federal Reserve Bank of Boston. By 2010, the gap reached more than \$1,000 per capita. Put another way, excluding short-term cyclical influences, the revenue-raising capacity of governments fell short of the amount needed to meet public service demands and fulfill long-term obligations by more than \$1,000 per person. The trend gap varies greatly from region to region. The Pacific states had the highest gap of about \$1,600 per capita on average, followed by New England states at \$1,250 and the East-South-Central states at \$750 per capita.

While the most recent figures find that revenues have increased nationwide since the 2008 recession, the authors project that growth will be essentially flat nationwide this year. The trend gap, however, will be influenced by the continuing rise in costs for state and local governments' long-term obligations—including Medicaid (where spending grew 10 percent annually, outpacing the 6 percent annual average of state revenue growth) and public pension obligations. The failure of states and localities to address the trend gap, the authors write, will have several negative consequences.

First, it could shift the fiscal burden to future generations of taxpayers, creating intergenerational inequity.



Flickr/Quinn Damerowski

Second, state and local governments will have to cut back significantly on public services to balance budgets. Such a disruption to public services would harm residents' quality of life and the local business environment.

And last, credit ratings could suffer, driving up borrowing costs. In the most extreme case, a severe lack of fiscal sustainability might cause investors to leave the municipal bond market, threatening the stability of the entire financial system.

The Federal Reserve paper is not the only one to address the gap. In April, the Los Angeles 2020 Commission issued the second of a two-part report, noting, "Los Angeles is barely treading water." The report, *A Time For Truth*, pulls together a challenging list of issues, ranging from widespread poverty and job stagnation to huge municipal pension obligations and paralyzing traffic—even while noting the City of Angels is agleam with talent and resources, albeit becoming less globally competitive. "Year by year, our city—which once was a beacon of innovation

and opportunity to the world—is becoming less livable."

The issue of sustainability raises the question about what citizens want from their government and how much it will cost. Currently, the demand for public services from constituents is outpacing the ability of those governments to meet it—even by raising taxes. Public officials tend to focus on the next budget deadline or the next election. Increasingly, that short-term outlook fails to open a discussion on what services will have to cease as our generation consumes more without investing in tomorrow's needs.

As one of the most thoughtful leaders I know told me, "Something's gotta give." He says that states and localities have been in such denial about "service level solvency" that he is now spending a third of his time on the issue. He believes the sustainability of state and local governments will be the most critical issue in the country over the next two decades. **G**

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# The Value of Water

An invaluable yet underappreciated resource.

**Water.** It's the invisible thread that weaves together our daily lives. We often take it for granted and we easily forget there is no substitute for water.

## A nationwide problem with a silver lining.

America has 2.8 million miles of water distribution and wastewater pipes. The majority of this infrastructure has only received a fraction of the investment that's needed for proper maintenance and replacement. For too long, the nation has taken an out of sight, out of mind approach to water facilities and communities across the U.S. are relying on aging water infrastructure in need of repair or replacement.

The average American water pipe is about 47 years old. Some of the country's largest cities — Philadelphia, Washington, D.C. and New York City — are transporting water in pipes that are nearly 80 years old. In the U.S. there are about 650 water main breaks every day, or one break every two minutes. An estimated 1.7 trillion gallons of treated water per year are lost from U.S. water distribution systems, at an annual national cost of \$2.6 billion.

We are at a critical moment in time — when addressing U.S. water infrastructure must become a national priority. Investment in water infrastructure will do more than reduce waste and improve reliability. For every \$1 billion invested in water infrastructure in the U.S., 28,500 new jobs are created and \$3.4 billion are added to the GDP.

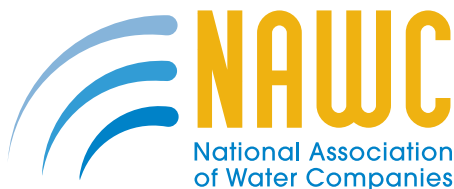
"Every individual, family and business across the United States depends on safe and reliable water service. The current condition of our nation's water infrastructure puts that service in jeopardy and inaction is no longer an acceptable course. Americans must understand that these are very real challenges, but they can and must be met both for a safe today, and a prosperous and bright tomorrow."

Michael Deane, Executive Director, National Association of Water Companies



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To learn more about NAWC and the solutions private water companies offer, visit: [www.NAWC.org](http://www.NAWC.org).

# Last Look



DAVID KIDD

When William Thompson Walters, a successful 19th-century Baltimore businessman, willed his extensive art collection to the city “for the benefit of the public,” he couldn’t have foreseen how closely it would adhere to his wishes. For almost two years now, Baltimore’s Walters Art Museum has been putting classic paintings from the collection in very public, very outdoor places. More than 30 reproductions have been installed throughout the city—from the Maryland Zoo to just outside the entrance to city hall—in an effort to increase awareness of the museum. Walters himself opened his house and the collection within once a year to anyone who could afford the 50-cent price of admission, donating the annual take of \$30,000 to the city’s poor. The idea for the current Walters’ project, called “Off the Wall,” came from the Detroit Institute of Arts Museum, which launched its “Inside/Out” program three years ago. Since then, there have been similar ventures in Delaware, Michigan and Ohio. The popular open-air exhibition, which was originally slated to end in January, has been extended indefinitely. The program is being expanded to nearby Howard County, where six reproductions will be placed this fall. —**David Kidd**



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