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When managing security in an all-IP network, it helps to see the big picture.

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Bought and Sold

The three basic functions of government administration are human resources, procurement and financial management. Governments take in money from taxes and other sources and use that money to hire people who buy stuff to do the work. There are, of course, legendary opportunities for corruption and fraud in each of these areas, but arguably it is the realm of contracting and procurement that is the most notorious.

Willie Stark, the populist demagogue of Robert Penn Warren’s 1946 novel All The King’s Men, came to power by exposing corrupt purchasing: a rigged contract for school construction that resulted in a fire escape collapsing and killing children. In the real world of government, Harry S. Truman first gained national attention by leading a Senate investigation into corrupt military contracting that produced outrage across the country.

But outrage is not a sound basis for policy. When I read The Pursuit of Absolute Integrity: How Corruption Control Makes Government Ineffective, which was published in 1996, I was in the middle of my career as a government auditor. The book, by Frank Anechiarico and James B. Jacobs, resonated with what I was seeing in my work. A spiderweb of rules, often imposed in a well-meaning response to some scandal, had made it very difficult for managers to run their programs efficiently and effectively. Two years ago, Philip K. Howard took up this theme in The Rule of Nobody: Saving America from Dead Laws and Broken Government. In both books, the conclusion is roughly the same: By limiting the discretion of decision-makers, we have made government slow and cumbersome, and usually without providing any real protection against fraud or abuse.

Some state governments are working hard to correct this situation, crafting new policies and practices to remedy deficient procurement operations. We hope to help them spread their ideas. Our team, led by Dugan Petty, who spent many years in state procurement, and by Governing Institute Director Julia Burrows, spent a year developing criteria to evaluate state procurement operations. We hope to help them spread their ideas. Our team, led by Dugan Petty, who spent many years in state procurement, and by Governing Institute Director Julia Burrows, spent a year developing criteria to evaluate state procurement operations. We hope to help them spread their ideas.

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Party Phobia?
In his January Assessments column “Urbanophobia,” Alan Ehrenhalt wrote about conservatives who continue to view the United Nations’ environmental manifesto, Agenda 21, as “a scheme to change the very form of urban existence by imposing ‘smart growth’ master plans, ‘visioning’ and a whole range of freedom-destroying collectivist experiments.” Ehrenhalt argued that while the document scarcely says anything about transportation or urban design, conspiracy theorists are using it to fight transit projects in a number of cities. Several readers felt the column missed the real issue: the cost of mass transit.

Transit’s formidable opponents come in many shapes and sizes. The Koch brothers and their brethren are one variety. Nimby’s are another. Yet there’s a rising tide of detractors who would endorse transit, but can’t at any price. In New York City, we’re trying to build a new subway at $23 billion per mile: One segment’s done and we don’t expect the other three during our lifetimes. We’re opening what amounts to a new subway station/shopping mall complex at a cost of just under $4 billion. No one will contest the wisdom of transit if we can build it as efficiently as the Spanish or French. There’s something about the soaring cost of American infrastructure that no one seems willing to tackle. The onus is on Democrats to move infrastructure to a place where it truly can gain bipartisan support.

—raybnyrn on Governing.com

Might I suggest to the author and to proponents of mass transit that you don’t further your argument by name calling, but instead should stress “what’s in it for me.” This is caused, I suspect, by urban planners who often come from liberal backgrounds not understanding the point of view of conservatives.

First, I would show potential mass transit commuters how to compare the cost of commuting by car versus train. In my case in suburban Chicago, using a car is well over $700 a month. If I take Metra, the commuter rail, then a monthly pass is $180. That’s over $500 per month in savings.

Second, point out to the suburbanite that 10,000 drivers taking the train are 10,000 fewer cars on the same road with them in the morning.

Third, 10,000 taking the train means less wear and tear on the roads, less tax dollars for road repairs and less pollution. It further attracts businesses, which means a growing tax base.

Conservatives hate seeing tax dollars wasted and they like economic growth. Make a good case for mass transit by crunching the numbers.

—Mike Daum on Governing.com

Why Grants Go Bust
In the January Observer item “When Grants Go Bust,” J.B. Wogan looked at the effectiveness of billionaires’ big donations to states and localities to achieve specific policy goals. Education goals, he found, tended to receive the most scrutiny and had a mixed record of success. One reader blamed this on a lack of parental and community involvement, and another suggested it was the lack of a plan.

As long as communities turn over the control of their schools to someone further removed from their particular situation, the problem will not be fixed. While poverty may play a role, of greater importance is parental and community involvement.

—City Council Member Jonathan Nikkila, Kearney, Neb.

The publisher’s column in the January issue was excellent, not just in its message but because it featured two of the elected officials I hold in the highest regard for how they lead and work with others, Republican U.S. Senator Ben Sasse of Nebraska and Democratic Iowa Senate Majority Leader Mike Gronstad. [Publisher Mail] Funkhouser’s statement, “partisan-ship without polarization,” is an idea that all elected officials should seek to live by. However, I believe the column in the same issue by his colleague, Alan Ehrenhalt, is a textbook example of “partisan-ship with polarization.” One of the classic tactics of those who wish to polarize is to make accusations about the intentions of their opponents instead of challenging the merits of their arguments.

The column leaves no impression that there are legitimate arguments held by conservatives which are not rooted in United Nations conspiracy theories. I would wager that the vast majority of conservatives who lead opposition to transit initiatives do not hold these beliefs or even know what Agenda 21 is, just as I doubt most liberals who support increased government involvement in the economy are plotting to socialize the entire economy.

—Jonathan Nikkila, Kearney, Neb.

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As long as communities turn over the control of their schools to someone further removed from their particular situation, the problem will not be fixed. While poverty may play a role, of greater importance is parental and community involvement.

Increasing per-pupil expenditures on the latest “program,” enforcing Common Core or implementing incentive pay for teachers are not substitutes for the individual attention that families and communities can provide outside of the classroom.

These recipients of large grants have the same problem with the money as lottery winners have. Administrators have no conception of what to do with that much money. Often the programs that are proposed are very nebulous. Before grants are given, there should be a solid contract signed. A contract that will spell out specific goals and parameters for those goals and objectives being met. Set up a system that will force accountability and the bequests should go pretty well.

—Polly Hearn on Facebook
According to projections published by analysts at Navigant, the distributed energy storage market is forecast to grow to $16 billion by 2024. Combining its advanced battery technology, in-depth building expertise and intelligent controls, Johnson Controls has entered the energy storage market with products designed to help businesses and communities manage energy use, cut costs and provide backup power for a building, campus or enterprise.

**FROM BATTERIES TO BUILDINGS**

Simply put, distributed energy storage is using lithium-ion batteries in buildings to store and distribute power and deliver economic benefits in the process. Scalable systems can provide hours of high-energy output to cut costs, improve power quality and help manage demand response programs, peak and load shifting, renewable energy support, frequency regulation and critical backup requirements. Just ask the folks at the Merchandise Mart.

**Merchandise Mart generates energy savings through demand response programs**

Chicago’s iconic Merchandise Mart is one of the world’s largest commercial buildings and wholesale design centers. Encompassing 4.2 million square feet and hosting nearly 25,000 people each day, the building has relied on Johnson Controls’ Integrated Demand Resources group to generate energy savings through multiple demand response programs, which shut off or power down energy-intensive operations during periods when prices are high. Leveraging its energy storage solution, coupled with Johnson Controls’ Active Load Management strategy, the Merchandise Mart has the potential to reduce its spending on electricity by 35 percent over a year’s time.

**Energy storage supports renewables**

Meanwhile, another client is using distributed energy storage to supplement its renewable energy program. Renewable resources tend to be intermittent as clouds cover a solar photovoltaic panel or the wind stops blowing. An energy storage device can help fill the gaps when renewable production slows by producing power from the battery. Or, it can help the renewable system function as a microgrid, providing power when utility power is off. Additionally, the system can absorb excess power from renewables when it is not needed. Depending on the customer, a one-megawatt system could be worth as much as $40,000 a year in savings.

The popularity of these and other applications for distributed energy storage will continue to increase, fueled by policy drivers, high electricity prices and the rapid growth of renewables. The scalability of these systems makes them an attractive investment for a single facility, a larger community and everything in between—any group searching for an efficient, cost-effective solution that offers an affordable, reliable and secure energy source.

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LIEUTENANT GOVERNORS these days often come equipped with better qualifications than their peers in the past. Maybe that’s why some of them are leaving.

Three lieutenant governors are leaving or have left office recently for jobs in education policy. Joe Garcia, for example, will be stepping down as lieutenant governor of Colorado after the current legislative session ends to run the Western Interstate Commission for Higher Education. “I can continue to work on the same policy priorities I’ve had in my current job, but work on them across a broader range of Western states,” he says.

In Colorado, Garcia’s influence over higher education policy has been more than advisory. To entice him to run for the job, Gov. John Hickenlooper agreed to put Garcia in charge of the state Department of Higher Education. Garcia certainly knows the subject matter. He’d already served as president of a community college and a state university. Garcia is an example of a lieutenant governor who brings more to the position than ethnic, gender or geographic balance.

There are still lieutenant governors who hang around the capitol with nothing to do, but fewer than there used to be. They don’t all become agency heads like Garcia, but it’s not unusual for them to be handed some sort of broad, interagency portfolio. A decade ago, some lieutenant governors started overseeing homeland security operations, but lately a lot of them are working on state responses to rampant drug addiction problems. “You want leadership from the top on an issue like that, as well as coordination across the branches of government,” says Julia Grant, executive director of the National Lieutenant Governors Association (NLGA).

Like some other lieutenant governors, Sue Ellspermann of Indiana has been heading up a workforce development task force for her boss. Now that it’s all over but the implementation, Ellspermann is up for the job of running a statewide network of community colleges known as Ivy Tech. “Here’s a perfect combination of Ellspermann’s background, her Ph.D. and her ability to work with the administration,” says Ed Feigenbaum, a former NLGA staffer and editor of the newsletter Indiana Legislative Insight.

Feigenbaum might have gotten the ball rolling with an item last year suggesting Ellspermann would be a perfect fit for a top academic post. He also noted it would allow Gov. Mike Pence to pick a new partner who’d speak to some potential political liabilities as he seeks re-election this fall. Ellspermann’s move to Ivy Tech is not a done deal, but she’s decided not to run. Pence has picked Eric Holcomb, a former chair of the state GOP, to replace her.

This shows the conundrum governors now face. If they don’t give their lieutenants any power, they won’t be happy. On the other hand, if they offer them real responsibility, governors might find, like other employers, that it’s hard keeping good help. Some lieutenant governors may be content just to wait their turn, but not all of them.

“My primary ambition has never been to become governor,” says Colorado’s Garcia. “After getting into my second term as lieutenant governor, the only good reason to stay, frankly, was to continue the work I’m doing and to run for governor. I didn’t think that was going to be me.”
WHEN NEW YORK Gov. Andrew Cuomo wanted to save money in this year’s budget, he knew right where to look: New York City. Cuomo unveiled a proposal in January that sought to shift some $800 million worth of higher education and Medicaid costs onto the city’s ledgers.

Cuomo quickly backed away from his plan, saying he would work with Mayor Bill de Blasio to find savings in both programs. But it was the latest—and most expensive—example of how the feud between these two men is costing New York City. New York governors and mayors have often squabbled, but no one can remember a time when relations were worse. “It should be on HBO boxing,” says Doug Muzzio, a political scientist at Baruch College in New York City.

Name the issue—charter schools, taxes, public housing, law enforcement, regulation of car-sharing services—and Cuomo has gone out of his way to step on de Blasio’s plans and sometimes humiliate him. All of this must have come as a surprise to the mayor, who has otherwise encountered little opposition locally on his agenda to address income inequality. “I don’t think anyone predicted this would be the premier political dynamic for de Blasio,” says Stephen Eide, a senior fellow at the Manhattan Institute, a conservative think tank. “But it certainly has been.”

This is all taking place at a time when many states are putting the kibosh on liberal city desires, such as raising the minimum wage or mandating paid sick leave. But that kind of preemption is happening where Republicans control the legislature and don’t like what’s happening in big cities run by Democrats. In New York, both the mayor and the governor are Democrats. Given the high profile of both offices, it hasn’t been unusual through the decades for New York mayors and governors to come into conflict. The current state of “open warfare” between Cuomo and de Blasio, however, is worse, reports Capital New York: “On issues grand and petty, the governor has either big-footed the mayor, overruled him, coopted the issue or gleefully exploited the mayor’s weaknesses.”

State law and a long history of court decisions make it clear that the governor can block the mayor at practically every turn. This puts de Blasio in a box. “If you can’t force the governor’s hand, you just end up complaining and you look weak, like you’re not in charge,” Eide says.

De Blasio hoped last summer to show that he wasn’t going to be pushed around anymore, summoning reporters to his office to complain about Cuomo’s “game-playing” and thirst for “revenge.” That didn’t get him anywhere. The governor wouldn’t speak to de Blasio for a month. Cuomo certainly hasn’t
The Libertarian on the Bench

IT’S NOT OFTEN that a conservative governor, like Republican Doug Ducey of Arizona, would appoint an advocate of judicial activism to his state’s highest court. But Clint Bolick, Ducey’s first pick to sit on the five-member Arizona Supreme Court, is no run-of-the-mill judge: He is one of the nation’s most prominent libertarian legal activists.

Although Bolick is registered as an independent, his conservative—and at least libertarian—credentials are long. He co-wrote a book on immigration with Jeb Bush, the presidential candidate and former Florida governor. U.S. Supreme Court Justice Clarence Thomas is a godfather to one of Bolick’s children. More important, Bolick co-founded the Institute for Justice, a Washington-area organization that brings court cases to contest what it sees as overreaches of big government. Most recently, Bolick worked at the Goldwater Institute, an Arizona-based group that advocates for limited government.

Bolick is perhaps best known for his work defending school voucher programs that allow public school students to attend private schools with government subsidies. But he also led efforts to scrap state affirmative action laws, fight state regulations that he viewed as overly burdensome on small businesses and allow cross-state sales of wine (in a case he argued before the U.S. Supreme Court).

The governor called Bolick a “champion of liberty” when announcing the appointment in January. “He brings extensive experience and expertise, an unwavering regard for the rule of law and a firm commitment to the state and citizens of Arizona. I’m confident Clint will serve impartially and honorably in this important role,” Ducey said.

Although Bolick is new to the bench, he previously shared his thoughts on the proper role of jurists. He wrote a book for the libertarian Cato Institute in 2007 called David’s Hammer: The Case for an Activist Judiciary. He defines “activist” a bit differently from what one usually hears in political conversations. Bolick distinguishes “judicial activism” from “judicial lawlessness,” which, in his view, includes usurping the executive branch by taking over prison systems or school districts, or usurping legislative duties by legalizing abortion or requiring that police read criminal suspects their rights. But he doesn’t want judges sitting on their hands, either. “When a court finds another branch of government has exceeded its permissible boundaries or has violated individual rights in the constitution in accord with original meaning, and it strikes down that exercise of illegitimate activism, that is judicial activism,” he said when the book was released. “And thank God for it.”

Bolick sees the courts as the rare venue where everyday people can be on the same footing as large companies and governments. But courts, he says, need to protect individual liberties: “A court that is not sufficiently robust in protecting individual rights will mean that those rights are utterly and totally unprotected.”

—Daniel C. Vock

ACTIVIST JUDICIARY

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—Daniel C. Vock
In Juvenile Justice, New Focus on LGBT Youth

TEN YEARS AGO, Hawaii saw the nation’s first lawsuit specifically addressing the treatment of lesbian, gay, bisexual and transgender youth in juvenile detention facilities. In the suit, the American Civil Liberties Union alleged that three teenagers detained at the Hawaii Youth Correctional Facility had suffered abuse and harassment because of their sexual orientation and gender identity. The teens said corrections staff had ignored—and in some cases assisted in—the mistreatment. A federal district court judge ruled in their favor. While the case forced Hawaii to settle the suit and adjust its policies toward LGBT juvenile detainees years ago, other states and localities are only now moving in the same direction.

Last fall, the Annie E. Casey Foundation released a practice guide to help state and local youth correctional facilities become more LGBT friendly. The 48-page document includes examples of early efforts by Colorado, New Orleans, New York City and Santa Barbara County, Calif., to protect the privacy and safety of young people who identify as LGBT.

The Casey guide is an attempt to help jurisdictions become more aware of their LGBT populations and become proactive in preventing victimization. For example, one of the recommendations is to ask new detainees about their sex at birth, sexual orientation, gender, gender identity and whether that identity is at odds with how others will perceive their gender. The questions come from an intake process that juvenile probation departments in 13 California counties already use. The guide follows a set of federal regulations that seek to end sexual abuse in confinement. Some parts of the regulations deal specifically with LGBT juvenile detainees. The rules stem from a 2003 law called the Prison Rape Elimination Act, which was relatively toothless until the U.S. Department of Justice published the regulations in 2012. But new legal pressures are only part of the reason jurisdictions are adopting reforms. The other impetus is a growing understanding of the challenges LGBT youth face. Recent research suggests they’re more likely to be homeless, more likely to drop out of school, more likely to suffer depression and more likely to wind up in a correctional facility than their heterosexual or cisgender peers (those whose experiences of their own gender conform to the sex they were assigned at birth). One recent survey of 1,400 detained youth in seven jurisdictions found about 20 percent identified as lesbian, gay, bisexual, transgender or questioning—a far higher rate than is estimated in the general population.

Colorado has implemented several policy changes in this area. In late 2014, the state’s division of Youth Corrections adopted a nondiscrimination policy for LGBT teens. The policy calls for giving juvenile detainees uniforms that reflect their self-identified genders. Employees must address inmates by their preferred name and pronoun. Juveniles can also request strip and pat searches by an employee whose sex matches the juvenile’s gender identity.

There might be some growing pains as more jurisdictions adopt policies like Colorado’s. Corrections as a field is “not one that looks at [intake] assessment as a conversation about the wishes or perceptions of the detainee,” says Shannan Wilber, the youth policy director for the National Center for Lesbian Rights and the main author of the Casey Foundation’s practice guide. “That totally has to change.”

—J.B. Wogan
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This is a season of optimism in Columbia Heights, a compact suburb of 20,000 people on the northern edge of Minneapolis. The Heights Theater, a retro 1920s moviehouse on Central Avenue, the town’s main street, draws customers from all over the Twin Cities with its combination of classic cinema and live organ music. In a few months, right next to the theater, Columbia Heights will open a sparkling new town library, built in part out of brick meant to complement the theater’s appearance.

Perhaps most important, the suburb’s southern border sits right alongside Northeast Minneapolis, a once-dilapidated neighborhood that has come alive in recent years as an arts district. Modest homes in Northeast Minneapolis have soared in value, and many locals believe it is only a matter of time before the phenomenon spreads farther north into Columbia Heights. It’s easy to look at Central Avenue and see a future built around art galleries, fashionable boutiques, and high-end bars and cafés. “It sure would be nice,” says Mayor Gary Peterson. “It’s very possible. We’d love to have more of that stuff.”

But those kinds of changes may be difficult to bring about, for one very specific reason: Central Avenue has long been known all over the Twin Cities as an automotive strip—garages, gas stations, used car dealerships and auto parts stores, one after another, stretching the length of the town. In the span of barely a mile, there are 22 car-related businesses.

For decades, scarcely anyone in Columbia Heights complained. These were legal businesses, and they provided much of the town’s tax revenue. More recently, however, there have been rumblings of discontent about the contradiction between what the place is now and what many of its residents would like it to become. Much of this has been covered engagingly by Shannon Prather, a reporter for the Minneapolis Star Tribune, whose work sparked my interest in Columbia Heights and its challenge.

A decisive event took place last year. An old house sitting empty downtown was sold, and the new owners began making plans to demolish it and open still another garage—this one right in the shadow of the theater and the new library. The city council looked for ways to stop it from happening and found out that it was too late. It was a lawful transaction, and nothing could be done. But something could be done to prevent it from happening again. In December, with the support of the mayor, the city council approved a six-month moratorium on any new auto-related businesses. Once the six months are up, Peterson says, the town government will make a decision about what it wants to do on a permanent basis.

In the meantime, there are those in the community who think the local leaders are overreaching, trying to reimagine their modest little suburb as something it will never be. One of them is Tricia Ayers, longtime owner of the AutoMax Muffler and Brake Shop at the northern end of Central Avenue. “Automotive isn’t a pretty thing,” she told me, “but it’s the thing that pays the bills. Sometimes you are what you are. I’m not saying we can’t change, but you have to look at the demographics.” Ayers’ shop draws customers from distant parts of the Twin Cities. Twenty percent of them, she says, want to know where’s there’s a coffee shop nearby. The rest would rather go to McDonald’s.

Auto-related businesses line busy Central Avenue in Columbia Heights, Minn. The Saga of an Inner Suburb

A gritty blue-collar town has a chance to remake itself. It’s debating its options.
Not only that, but the town would have to change quite a bit physically in order to realize its upscale potential. Sprinkled with drive-up businesses and constant curb cuts, Central Avenue is virtually unwalkable. Pedestrians who wish to stroll down the busiest mile-long strip have to cross the wide street over and over again to find sidewalk space. Could this be fixed? Sure. Is that something the town and its business owners would want to pay for? That remains to be seen.

Lurking beneath the debate, as you might expect, is the issue of gentrification. Columbia Heights is not only an auto- strip town. It’s a blue-collar town right down to its roots, one of the poorer suburbs, by household income, in the Twin Cities metro area. The upscale place that the mayor and council envision would be a lot nicer to look at, more fun to visit and a likely magnet for adventurous millennials like the ones who have been flooding into neighboring Northeast Minneapolis. But it might be too expensive for some of the current residents to live in.

Columbia Heights’ dilemma is unusual in some ways, but in other ways it reflects a tension that exists in a fair number of inner suburbs around the country. A little over a decade ago, former Indianapolis Mayor William Hudnut wrote a book about these suburbs and called it Half-way to Everywhere. In Hudnut’s view, many of these places are perched uneasily between dense urban life and the car-dominated suburban territory that lies beyond them.

Many of the suburbs that Hudnut wrote about are blue-collar towns, developed after World War II to attract industrial workers lifting themselves into the middle class. As he observed, these first-tier suburbs now are home to aging populations, aging housing stock and aging infrastructure. Their brick bungalows and ramblers are generally too small to attract the more affluent homebuyers of the 21st century. Troubled schools make many of these places even less attractive than they would otherwise be. They are communities, Hudnut concluded, that are “under tremendous stress.”

But within the universe of blue-collar suburbs, there are some whose futures seem brighter. They are the ones fortunate enough to be located in the middle of a hot metropolitan area. That’s the story of Columbia Heights, a town that has a chance to move upscale and knows it.

It’s become increasingly clear in recent years that the demand in this country for an urban lifestyle—a hip lifestyle, if you prefer—is considerably greater than the supply of places that offer it. Some way or other, this demand will be met. One way to meet it would be to promote the construction of massive amounts of new market-rate housing stock near the center of the nation’s most successful cities. This is the solution that the economist Edward Glaeser and other market-oriented urban scholars have been advocating. But it’s far from clear how much new construction, especially high-rise construction, the current residents of these city centers will allow. There are only so many skyscrapers that downtown Minneapolis is going to accept.

Another idea is to retrofit the more affluent suburbs farther from the center, replacing their cul-de-sacs with housing density and pedestrian-friendly, human-scale commerce. This is being considered or launched in more than a few places at the moment, most notably in Tysons Corner, Va., the office and shopping colos- sus outside Washington, D.C., that has ranked among the nation’s dozen largest employment centers. By 2040, if planners and developers realize their goal, Tysons will be a gridded concentration of homes, stores and workplaces resembling a traditional city more than a sprawling 20th-century suburb. Maybe it will happen. But the fact remains that it has not yet been accomplished anywhere in the country, even if the Tysons retrofit works, there is reason to question how many other places will be able to pull off a transformation of that magnitude.

Then there is a third option: the recla- mation of modest working-class suburbs on the edges of our largest cities. If you look at some of the wealthier, more successful cities in America right now, you will find places like Columbia Heights nested right next to them. One good example is Somerville, Mass., a town that lies just a few minutes by car or train from bustling central Boston and is equidistant from Harvard and Tufts universities. Thirty years ago, Somerville was a drab, working-class town with rickety old tri- ple-deckers and an alarming crime rate, a place that even longtime residents disparaged by calling it “Slummerville.”

Today its business district is a mecca of fine dining and entertainment, and some of the triple-deckers have become show- places. The town has one of the largest proportions of residents between the ages of 24 and 35 of any place in the country. Somerville’s political leaders saw the possibilities and generally encouraged them, and the universities were active partners. But in the end this wasn’t the most important element in the town’s transformation. The main element was simple demand. Boston and adjoining Cambridge had pretty much exhausted their supply of reasonably priced places to live. The demand for this housing wasn’t about to disappear—it had to go somewhere. Somerville was in the right place at the right time.

I’m not saying Columbia Heights is destined by fate to experience changes like this. It isn’t walkable like Somerville, and it doesn’t have a supply of three-story houses waiting to be fixed up. Its reputa- tion as a haven for grease monkeys won’t be easily overcome. But it will be sub- ject, as Somerville was, to the implacable forces of demand.

Thirty years from now, Central Ave- nue may still be a good place to get a new muffler. Then again, it may be a street of cappuccinos and handmade quilts, a town where developers have bought out garages and repair shops and replaced them with condos selling at market rate. If that happens, it won’t primarily be a function of public policy. It will reflect the power of demographics to write the century of the places where we live.
Decades of Denial

No issue is as complex as climate change. Ignoring it or denying it isn’t an option.

Almost 25 years ago, when our son was 12, he played soccer for a travel sports team whose games took the players and their families all over the D.C. metropolitan area. It was a big commitment of time, with games every weekend and endless hours in a minivan. But it was fun to watch the Falcons progress, and it was a bonding experience for many of the families. Friendships were formed and idiosyncrasies revealed.

One of the Falcon dads was Lamar Smith, a young congressman from Texas in his third term. Smith and his wife attended games regularly. They were well known and popular. So when, out of the blue, we learned that she had suddenly died—at a young age—we were stunned.

As more information emerged, however, some of the parents became angry. Rep. Smith and his wife were Christian Scientists who believed in faith and prayer instead of medical intervention. She was a “practitioner of the faith,” meaning that she helped others deal with illness through prayer. She died in a Christian Science hospice. Her husband’s office refused any comment on her death.

That sad story is worth retelling, because 25 years later the rejection of what most specialists consider settled science continues to define Lamar Smith’s life and career.

As chairman of the House Committee on Science, Space and Technology, the now-68-year-old congressman is a central figure on national climate policy. He is an unapologetic skeptic about global warming, one who has used his position to subpoena the records and personal emails of scientists in the federal scientific community who have provided increasingly dire warnings of the crisis. Smith is probably the most effective obstacle to creating a national response to climate change.

As with so many things these days, the feds are only one part of whatever response our nation can muster. There is no issue of this gravity whose solution could be more politically, technologically and economically complex. If global warming is anywhere near as threatening as we are being told—and the most recent evidence indicates that it is even worse than that—then any hope of an effective response must involve not just nations or central governments, but regions, provinces, states, cities, counties and every unit of government down to the neighborhood level. It also will not be confined to government, but must rely heavily on the private and nonprofit sectors.

The highly publicized international agreement on climate change achieved in Paris at the end of last year, widely described as more aspirational than realistic, still marked a turning point in efforts to secure the cooperation of 187 countries. Even if there is no real mechanism for enforcement, it will be hard for the major players—the U.S., China and Europe—to ignore their commitment. Last summer, the Obama administration underlined its own determination to act with the announcement of its Clean Power Plan, which takes direct aim at coal-fired power plants, requiring states to cut carbon pollution by almost a third within the next 15 years.

It will be up to the states to devise their own plans for complying with the new rules—if they are allowed to take effect. Even before the administration’s initiative was announced, Senate Majority Leader Mitch McConnell of Kentucky wrote all 50 governors asking them to ignore it. By
The Rise of the Rich Governor

By Alan Greenblatt

What’s the effect of money on the office?

Democrats are considered likely to lose the governorship of West Virginia this year, but Democratic candidate Jim Justice will have no trouble funding his campaign. Justice is the richest man in the state.

Justice is seeking to join the exclusive but growing club of rich-guy governors. Bill Haslam of Tennessee is the wealthiest, with a fortune estimated by Forbes at $2.1 billion. But there are more than half a dozen other governors whose net worth is well north of $100 million.

It’s not a new phenomenon in a country where Rockefellers and Roosevelts have served as governor. But at a time of concern about the outsized influence of the uber-wealthy in politics, having the rich run themselves leaves some wary. “The number of billionaires and megamillionaires is absolutely unprecedented,” says John Jackson, a Southern Illinois University political scientist.

It’s no secret why someone who’s rich might want to run. For a person who is already enormously successful, politics offers the chance to become well known and influential, and presents plenty of new mountains to climb. And if a candidate can write his or her own checks—rather than present a drain on donors—parties are happy to have them run for any office.

Being able to put millions into your own race is no guarantee of victory, as several would-be rich-guy governors have found out in recent years. But successful wealthy candidates have found a way to make being rich an advantage. Being rich, they say, means they can’t be bought. That’s been a persuasive argument for many voters, who like the idea that a politician won’t have to trade favors for cash.

Many voters also have been impressed by candidates’ achievements in other fields. “Voters have been choosing new ideas and new energy over the old formula of sheer time served in political office,” Florida Gov. Rick Scott, whose estimated net worth is $150 million, wrote recently in USA Today.

Scott and other governors such as Tom Wolf of Pennsylvania and Bruce Rauner of Illinois have been able to spend tens of millions of their own dollars introducing themselves. That obviously lent them an enormous boost. "Logistically, that means less time spent trying to raise cash and more time available for campaigning," says Kyla Weir of the Center for Public Integrity.

Money is also a big help once in office. In theory, it shouldn’t matter that the governor is worth 100 times as much as the state Senate president. As a practical matter, however, the reality that a governor—and his rich friends—can fund issue advocacy campaigns and candidates lends an already powerful figure that much more sway. "If your argument is, ‘I earned my money and can’t be bought by political contributors,’” says Thad Kousser, a University of California, San Diego, political scientist, “but then you turn around and try to buy others—that cuts against your claim that personal riches doesn’t have undue influence.”

Jim Justice is running for West Virginia governor.

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Electronic Frustrations
Costs are just one barrier to physicians’ full adoption of electronic health records.

Michael Ciampi runs a family medical practice in Portland, Maine, that’s still entirely reliant on paper records. He has no plans to implement an electronic health records system anytime soon. Ciampi doesn’t have anything against technology, but a failed attempt to go electronic several years ago left him frustrated. “What we found was a system that just wasn’t patient-centered,” Ciampi says. “The primary function was to enhance billing, not to build a physician-patient relationship. Our productivity went down 25 percent.”

About one-fifth of doctors don’t have an electronic health record system, commonly called an EHR, implemented in their offices. For those who do, frustrations with the technology are well documented. Only 34 percent of doctors surveyed by the American Medical Association said they were happy with their electronic systems.

Since 2009, the Obama administration has been offering financial incentives to certain doctors and hospitals that can demonstrate “meaningful use” of EHRs; incentives can amount to as much as $63,000. This was likely a big reason the number of doctors using EHRs jumped to 50 percent in 2013 and then to 75 percent by the end of 2014.

But the incentive program is going to be phased out by the end of the year, which leaves some wondering what can be done to reach physicians who still rely mostly on paper. Andy Boyd, a professor of health information sciences at the University of Illinois at Chicago, sympathizes with the holdouts. “If you have a smaller practice, it’s expensive,” Boyd says. “You also can’t see the same number of patients while you get used to the system.”

For a five-physician clinic, the initial cost to implement an EHR is around $162,000. Additional maintenance expenses in the first year can be around $85,000. And Boyd often hears complaints from doctors about the interface, which they say wasn’t designed with a clinician in mind. “I spoke with a doctor who was getting so frustrated with his EHR, the patient was actually getting concerned about the doctor’s own health,” he says.

For rural clinics, the problem isn’t so much implementation as maintenance, says Alan Morgan, CEO of the National Rural Health Association. Rural physicians often have trouble getting IT support and access to high-speed broadband, which is necessary to run an EHR properly. Still, Morgan encourages physicians—rural or not—to be patient as EHR technology evolves. “We now have the ability to track a patient as they move through the health-care system, and we’re going to keep moving toward more of that kind of intelligence,” he says. He thinks that EHRs, by helping physicians manage their finances and patient populations, could help stem the tide of closures of rural hospitals and doctor’s offices.

In Portland, Ciampi is not saying “never ever” to EHRs. He’ll make the switch, he says, only when interfaces become more patient-centered and easier to use than his trusty paper charts. And there is the issue of patient privacy. “Paper charts are unhackable, and patient confidentiality means a lot to us,” Ciampi says.

Boyd acknowledges that it will take some time before EHRs are in every doctor’s office. “Doctors have had paper records for almost 100 years, and they got really good at it,” he says. “We are only in the early aughts of EHRs. We have a lot to learn.”

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By Mattie Quinn
Food for Watts

Cities want to turn leftovers and table scraps into energy.

Americans funnel 40 percent of it into the trash, and it’s the single biggest material in landfills. Food, about $640 worth per household per year, is simply thrown away by Americans who, according to a survey by the American Chemistry Council, don’t care how it impacts the environment.

But governments do. As food decomposes, it releases methane, a powerful greenhouse gas that contributes to global warming. To curb it, more and more cities are looking for ideas on how to divert food waste from landfills. They’re also testing out new ways to convert leftovers and other organic materials into biogas, a renewable energy that cities can use to run municipal fleets and produce electricity.

That’s what Philadelphia wants it for. Starting in January, the city mandated in-sink garbage disposals in all new construction. The idea is that residents will pulverize their food scraps into a slurry that will wind its way down the drain, through the city’s pipes and to its upgraded water resource recovery facility, where it will be processed into fertilizer products and biogas that will power the city’s wastewater treatment plants. In addition to energy savings, the city estimates that, thanks to fewer trips to the landfill, it will save about $3 million a year in trucking costs.

Requiring in-sink disposals in new construction dates back to the suburban boom of the 1950s, when several cities, such as Detroit, Indianapolis and those in the West, wrote them into their building codes. But, says Kendall Christiansen, a former senior consultant to the company InSinkErator, “Philadelphia’s code adoption is, in my estimation, the first in a potential new wave of interest sparked by recent demonstration projects in six cities and enabled by a paradigm shift from wastewater to water resource recovery [practices].”

Indeed, in-sink garbage disposals were installed in 175 homes in two Philadelphia neighborhoods as part of a pilot project conducted between 2012 and 2013. The program reduced food waste from those homes by an average of 25 percent. Philadelphia is targeting 10 percent of its residential waste with the new requirement.

It’s an attractive idea for cities struggling to get their residents to recycle, let alone compost. What could be easier than grinding up food waste and flushing it down the drain? After all, less rotting food means fewer stinky piles of trash and the inherent vermin they attract. Unfortunately, critics say, there’s no such thing as a sustainable garbage disposal. They argue that the convenience of disposals leads people to carelessly pulverize things they shouldn’t, like greasy leftovers. The disposals also use a lot of water. The average household uses 700 gallons per year just to flush the food down the drain. And the technology that converts food waste into biogas or fertilizer can be prohibitively expensive. Philadelphia invested $50 million to upgrade its anaerobic digesters, where biogas is produced by the breakdown of organic matter in the absence of oxygen. Washington, D.C., spent about $400 million to install four new digesters at its wastewater treatment facility in 2014.

What’s more, for biogas to be most effective, “you really need to make sure you are getting the same amount and type of organic material because the bacteria used to break down the organic material in the digester can be a little fickle,” says Amanda Bilek, government affairs and communications director at the Great Plains Institute, a green energy think tank. Digestors become less efficient or don’t work, she says, if you start adding in different types of organic material. That’s a concern with in-sink disposals since officials can’t control what residents put down their drains day in and out.

But Bilek is a proponent of biogas in general. “One thing that is great about it and that sets it apart from other types of renewable energies is that as long as you have a stable and constant supply of feedstock,” she says, “you have a very flexible and reliable and consistent source of renewable energy.”

She points to San Jose, Calif., as an example of an effective biogas project. The city collects food waste from restaurants and commercial businesses, processes it in 16 anaerobic digesters until methane is produced and then, in turn, uses it to power the facility and create fuel for city vehicles.

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People Versus Places

Cities’ inherent territoriality complicates the issue of economic development.

There’s a raging debate about whether the focus of our economic development efforts should be on people or on places. That is, should we make investments in people, hoping to see them succeed regardless of where they end up? Or should we focus on investments in particular cities, towns and rural areas in order to bring jobs and growth, thus helping the people who live there?

Many in the know think that the focus should be on people. Rather than trying to resurrect struggling locales with various speculative endeavors, they think we should invest more in things like education. I myself have critiqued the place-based economic development strategy of trying to stop the so-called brain drain.

Most local government leaders, however, seem uninterested in people-based strategies, at least insofar as they are seen as ingredients in economic development. These leaders tend to prefer place-based approaches such as stadiums, casinos and convention center projects that so often are panned as boondoggles.

Even if this may be less than ideal from a theoretical perspective, it is understandable. After all, localities are inherently place-based entities. One thing that makes a local government distinct from a corporation or other organization is its status as a territorial entity. Cities and towns can expand, but it’s rare that they ever get rid of territory once they’ve acquired and incorporated it.

A city’s territory is much more tightly bound to it than its citizens are. People can move. They can choose to affiliate themselves with another town. But cities cannot exchange one geography for another.

This produces some bad incentives. For example, the fiscal liabilities of a locality attach to its territory, not to its citizens. So voters have every incentive to pull the lever for politicians who will minimize costs in the present at the expense of the future. Politicians can sign bad union deals with future pension promises that are hard to fulfill. They can go into debt to spend money now.

But the citizens who voted for those politicians can then simply move to another town, often to a suburb (or a different suburb) within the same region, to avoid paying off those debts. In many cases they don’t even need to change jobs. It’s like being able to run up big debts on a credit card in someone else’s name. If cities were people-based entities and the debts run up during the time citizens lived there followed them wherever they went, we’d surely see much more fiscal sanity.

Given their fundamental territoriality, however, cities can never really be people-based entities in that sense. Harvard economist Edward Glaeser, an advocate for policies that are first about people, is realistic about the choices facing local policymakers. As he put it in an article for City Journal, “No mayor ever got re-elected by making it easy for his citizens to move to Atlanta, of course, even when that might be a pretty good outcome for the movers themselves.” In other words,

Cities tend to favor place-based strategies, such as building stadiums, to spur economic growth.
Issue Brief

How Next-Generation Public-Private Partnerships Help Government Share the Risks of Infrastructure Investment

Public-Private Partnerships Today

In today’s public finance landscape “flat” is the new “up.” States and localities can expect slow revenue growth for the foreseeable future. Infrastructure is one of the biggest challenges in this new environment. Public demand for new roads, bridges, schools and other critical infrastructure is higher than ever. But these projects require upfront money that many governments simply don’t have. Infrastructure maintenance is an even bigger issue. During the most recent recession, many states and localities scaled back routine capital maintenance and repairs. Although necessary at the time, this cutback strategy will lead to much higher infrastructure costs in the future.

For these and other reasons, public-private partnerships (P3s) have emerged as a reliable method for infrastructure finance. In a typical P3, a single private partner finances, designs, builds and operates in exchange for fees and some or all of the revenues the project generates over an extended period of time. This is quite different from the traditional model where governments finance infrastructure with public debt, and then write separate contracts for design, construction and maintenance, usually with different private partners.

P3s offer governments access to private sector capital. That access allows infrastructure investment to happen where it otherwise might not. P3s also provide private partners with access to predictable streams of government revenue. That’s an attractive proposition in today’s volatile, uncertain, low-yield investment environment.

P3s work when the private partner takes on substantial risks that otherwise reside with the public partner. This often means preparing for the unexpected. What happens if the project generates less revenue than projected? What if new elected officials no longer support the project? And so on. When P3s fail, it’s usually because these risks were not properly identified, measured and assigned.

That’s why “innovation” in P3s has tended to mean shifting risk between partners in creative ways: complex leasing arrangements to protect public ownership of public assets; financial reserves to protect against contingencies; “availability payments” and other financial guarantees for private partners; and so forth. Critics often point out that innovative risk-shifting rarely produces more effective P3s.

From Risk Shifting to Risk Sharing

Some recent cases stand out because they illustrate a new approach to P3s. We might call this approach “risk sharing” versus “risk shifting.” P3s developed through this next-generation approach tend to have three things in common.

Next-generation P3s broaden policy objectives and focus on goals citizens want to support. Finishing a project on time is a worthy goal — but not particularly inspiring. What is inspiring is ensuring citizens have a safe water supply or making sure people can get to work.
1. They broaden policy objectives. State and local policymakers often think of infrastructure as an end unto itself. Highways, for instance, are designed to move commuters as quickly as possible. A highway project is successful if its built on time, on budget and with minimal traffic disruption. Some governments have turned to P3s to broaden the scope of the policy goals that infrastructure projects can help achieve. Infrastructure is no doubt an important end unto itself, but it’s also one of state and local governments’ most powerful tools to achieve crucial public policy goals. It fuels economic development by getting people to work. It safeguards public health by ensuring a safe water supply. It helps protect the natural environment. It can bring badly needed investment to underserved communities. Some next-generation P3s build these broader policy objectives directly into the P3 arrangement.

How does this promote better risk sharing? Because it focuses the P3 on goals that citizens want to support. Finishing a project on time is not an inspiring policy goal. Investing in the future workforce is. When policymakers, taxpayers, the business community and other stakeholders share in policy goals a P3 is attempting to advance, they share the risks rather than shift them.

2. They engage the private partner early. Many governments engage a private partner once they’ve defined a P3’s goals and objectives. In this new model, the government engages the private partner as soon as possible. In the past, most P3s were about cost savings through integration. By having one private partner manage design, construction and maintenance, governments could realize new efficiencies and savings. That P3 model still makes sense for some projects. But as the P3 landscape has evolved, many private partners have developed into full-service P3 providers. They offer capabilities far beyond design and construction. They can help define the project’s goals, identify financing sources otherwise not available to governments, develop cutting-edge design elements, and propose ways to measure project performance and success. Engaging a private partner with these capabilities early ensures the best expertise in the industry is brought to bear on the project.

This promotes risk sharing because it allows both the public and private partners to identify their shared interests, strengths and risks at the outset. If governments know they’re choosing from the best available options, they’re more likely to believe the risks are properly shared.

3. They pay for services, not products. In traditional P3s, engaging a private partner is a lot like hiring a carpenter to build a house. You tell the carpenter what you’d like, they give you an estimate for the job and they deliver a product that ensures their expected profit. Sometimes this one-off transaction approach works for P3s. When it doesn’t work, it’s because the project doesn’t achieve the desired outcomes or costs more than it should, and it’s up to the government to manage those risks. With next-generation P3s, engaging a private partner is more like hiring a general contractor to build your home and maintain it for the foreseeable future. The private partner handles the project’s planning, design, permitting, financing, procurement, staffing, operations, maintenance and performance measurement. They have no financial interest in the project’s real estate or other assets. Instead, they’re paid a predictable fee to ensure the project meets some pre-determined operating goals over an extended period of time. If they don’t meet those goals, they don’t get paid. If they exceed those goals, surplus savings are reinvested into the project for greater sustainability, which incentivizes additional performance on broader policy objectives.

Conclusion: Addressing the Risk

All infrastructure projects require governments to take risks. Public-private partnerships offer an opportunity to share those risks with the private sector. Some recent cases have shown that an emerging P3 model — one that emphasizes an expanded view of policy objectives, engaging the private partner early and P3s as a professional service — has the potential to address some of the long-standing concerns about how governments address the risks of P3s.
P3 in Action: Prince George’s County Storm Water Infrastructure Redevelopment

Prince George’s County, Md., is one of the fastest-growing counties in the U.S. As with all communities near Chesapeake Bay, strict federal and state regulations limit how much storm water it can send into nearby waterways. At the same time, the county’s rapid growth has heightened the demand for new pavement, sidewalks, rooftops and other impermeable surfaces that create new storm water run-off. Faced with a backlog of storm water repairs and retrofits, lawsuits and regulatory pressure, Prince George’s County decided to turn a liability into an opportunity to address broader policy objectives for local economic development.

Today’s “green” storm water infrastructure can help address this challenge. These new systems are designed to treat water before it flows into a natural waterway. Rain gardens capture and naturally filter rain water through soil and roots. Bioswales (landscape elements designed to remove silt and pollution from surface run-off water) channel run-off through natural paths on the ground that collect sediment and other pollutants. Rooftops covered with grass and other vegetation capture rain water before it hits the ground. These innovative solutions can be integrated into redevelopment projects on both public and private property. When properly designed, they can also beautify a neighborhood and improve safety by clearly identifying pedestrian walkways and rights of way.

Of course, these investments are expensive and difficult to build. Revenue sources such as storm water utility fees can cover some of the upfront costs, but not at a large scale. Even more challenging is that a network of green storm water infrastructure is really thousands of tiny, individual, interconnected projects. To build out such a system requires a massive and expensive coordination effort.

That’s why in 2015 Prince George’s County engaged Corvias Solutions in a 30-year P3 known as the “Clean Water Partnership,” a $100 million commitment for the planning, design, construction and maintenance of storm water infrastructure to achieve solutions can be integrated into redevelopment projects on both public and private property. When properly designed, they can also beautify a neighborhood and improve safety by clearly identifying pedestrian walkways and rights of way.

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That’s why in 2015 Prince George’s County engaged Corvias Solutions in a 30-year P3 known as the “Clean Water Partnership,” a $100 million commitment for the planning, design, construction and maintenance of storm water infrastructure to achieve compliance with regulatory permit requirements. This partnership will allow the county to expedite a large portion of its long-term storm water infrastructure capital plan, while creating a long-term commitment for local economic development of a green economy. Like other P3s, this arrangement shares risk through performance. But unlike most other P3s, Corvias is paid only if it meets those targets. Some of those targets focus on the amount and quality of storm water run-off. Perhaps more importantly, the deal requires at least 35 percent “local” disadvantaged, minority and women-owned business participation in the design, construction and maintenance of these new storm water projects. It also calls for Corvias to invest in the local workforce development, local contractor capacity and mentoring to meet the project’s delivery needs. Corvias only earns its full capped fee if it exceeds these socio-economic targets, and all savings and efficiencies are automatically re-invested in the project. That’s where the risk sharing occurs.

For Corvias, this P3 is an opportunity to leverage its unique expertise in managing large, decentralized projects. And unlike many other P3s, as a private partner it does not have a financial interest in the actual storm water infrastructure. The county owns all the infrastructure and real estate. Corvias is focused on designing, procuring, coordinating and staffing these infrastructure projects. According to Adam Ortiz, director of Prince George’s County Department of the Environment, “Both the private and public sectors have strengths that we can leverage for the common good. Through this partnership, we will meet our clean water requirements with more speed, more jobs and more savings.”

Clean Water Partnership at a Glance

Corvias Responsibility

✓ $100 million in planning, design, construction and maintenance of storm water infrastructure in compliance with regulatory permit requirements
✓ Develop financing alternatives and coordination of all public and private stakeholders
✓ Drive local economic development through the use of county disadvantaged, minority, and women-owned small business participation and resident workforce for the design, construction and maintenance of storm water projects

Prince George’s County Responsibility

✓ Oversight of program goals, priorities, compliance and performance metrics
✓ Ensure funding source for partnership primarily through storm water utility fees

Prince George’s County Storm Water Infrastructure Redevelopment

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 Prince George’s County, Md., is one of the fastest-growing counties in the U.S. As with all communities near Chesapeake Bay, strict federal and state regulations limit how much storm water it can send into nearby waterways. At the same time, the county’s rapid growth has heightened the demand for new pavement, sidewalks, rooftops and other impermeable surfaces that create new storm water run-off. Faced with a backlog of storm water repairs and retrofits, lawsuits and regulatory pressure, Prince George’s County decided to turn a liability into an opportunity to address broader policy objectives for local economic development.

Today’s “green” storm water infrastructure can help solve storm water run-off challenges and beautify vegetation that captures rain water before it hits the ground. “Green” storm water infrastructure, such as rooftop vegetation that captures rain water before it hits the ground, can help solve storm water run-off challenges and beautify neighborhoods in the process.

Clean Water Partnership at a Glance

Corvias Responsibility

✓ $100 million in planning, design, construction and maintenance of storm water infrastructure in compliance with regulatory permit requirements
✓ Develop financing alternatives and coordination of all public and private stakeholders
✓ Drive local economic development through the use of county disadvantaged, minority, and women-owned small business participation and resident workforce for the design, construction and maintenance of storm water projects

Prince George’s County Responsibility

✓ Oversight of program goals, priorities, compliance and performance metrics
✓ Ensure funding source for partnership primarily through storm water utility fees

Prince George’s County Storm Water Infrastructure Redevelopment

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Corvias Group is a privately-owned company that strives to tackle tough, large-scale challenges through trusted partnerships that put client interests first; focus more on performance than profit; and, produce sustainable long-term solutions. Three business divisions deliver our mission of Living Made Better — Corvias Military Living, Corvias Campus Living and Corvias Solutions. We work on behalf of the U.S. military, colleges and universities, and public sector agencies to develop tailored solutions that remedy some of America’s most challenging deficiencies in infrastructure and facilities caused by chronic underinvestment.

All Corvias Group companies are governed by three core principles: Be the best provider of service; be the best place to work; and, generously give back to the communities where we live and serve. Corvias (kor-vee-us) Group is headquartered in East Greenwich, R.I.

www.corvias.com

P3 in Action: University System of Georgia Student Housing

The on-campus residential experience is an important component within the University System of Georgia (USG), with more than 60,000 beds across 29 institutions. While enrollment has increased across a number of campuses, the demand has exceeded the available bed spaces, resulting in wait lists for on-campus housing. Recognizing that students who live on campus are more likely to be successful and report a stronger connection to the campus, the USG began exploring strategies to house more students in high-quality and affordable housing.

The USG also sought to decrease the amount of capital lease obligations associated with the existing housing, and to leverage private sector efficiencies in the design, construction and operations of student housing across 9 of its 29 campuses. According to Susan Ridley, the USG’s associate vice chancellor for fiscal affairs, the P3 approach was “an opportunistic move to capitalize on the private sector’s unique expertise.”

In 2015, the USG entered into an agreement with Corvias Campus Living. Corvias secured $548.3 million in private financing to retire approximately $300 million in existing debt and build 3,753 new beds. Corvias will earn an annual management fee to operate and maintain a total of 9,928 new and existing beds. If students report they are satisfied, work orders are completed in a timely manner and the facilities are maintained at a high standard, Corvias will receive a performance incentive fee. Any residual income that remains will be evenly allocated between a long-term reinvestment fund and the participating USG institutions.

As with other next-generation P3s, this partnership was organized around a series of critical policy goals. The USG sought to engage a private partner to provide financing and operational expertise, but perhaps more importantly, it wanted to make sure students have access to quality housing at affordable rates.

Student Housing P3 Highlights

- Corvias secured $548.3 million in private financing to retire approximately $300 million in existing debt and build 3,753 new beds.
- Corvias will earn an annual management fee to operate and maintain a total of 9,928 new and existing beds.
- If students report they are satisfied, work orders are completed in a timely manner and the facilities are maintained at a high standard, Corvias will receive a performance incentive fee.

This piece was developed and written by the Governing Institute custom media division, with information and input from Corvias.

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we should understand that local leaders will always be place-focused. It’s inherent in the job.

For their parts, state and federal governments need to recognize and shape the right oversight and incentive structures around localities to account for this. First, this would mean reducing incentives for local governments to rack up huge debts and liabilities. While I am a strong proponent of greater local autonomy in many areas, there should be strict state oversight to prevent the accumulation of excess debt or unfunded liabilities by local government.

Second, state and federal place-oriented aid should, as often as possible, be directed to relieving burdens rather than to speculative “build it and they will come” endeavors. Rather than subsidizing real estate projects and the like to try to restart growth, another approach to fiscal stabilization is to deal with some of the major liability issues directly.

One example is combined sewer overflows. In many older cities, both stormwater runoff and sanitary sewage flow through the same pipes. In heavy rains, these can overflow into local waterways. Under the Clean Water Act, cities and sewer districts are required to substantially eliminate these. But that can cost billions of dollars. For the most part, this will fall on the citizens living in that service territory in the form of higher rates.

If aid were directed to helping pay for these costs instead of going to more speculative projects, this would hold down utility rates that hit low-income people the hardest, and it would contribute to improving the cost profiles of these places that have driven people to the suburbs or out of the region entirely.

States and the federal government, by changing incentive structures and helping localities that face true place-based challenges, can hopefully produce an environment in which the focus of local leadership shifts toward the more people-based endeavors, such as education and other human services.

Email aren@urbanophile.com

Sounding Off

New Orleans takes an informal approach to resolving noise complaints.

New Orleans is the birthplace of jazz. It’s also where the blues and so many other genres have been refined. It still swarms with buskers—street performers—random parades and live music bars. But recently tension has grown between those who make the music and those living near it. Although the city’s initial response was to tamp down on the noise, it has since launched an educational campaign called Sound Check to reduce complaints while letting the music play on.

Noise complaints, says Scott Hutcheson, adviser for cultural economy to Mayor Mitch Landrieu, have been a constant in New Orleans, dating back to the 1800s. But they have grown worse since Hurricane Katrina, as historically musical neighborhoods like the French Quarter, Faubourg Marigny and Treme have welcomed new residents, many of them unaccustomed to local culture.

The city initially acted aggressively to shut down the noisemakers. Starting around 2007, it harassed and even shuttered some unlicensed but long-established music joints. It also used zoning rules to prevent other music venues from expanding, stopping buskers from playing after 8 p.m., broke up some of the city’s famous “second line” parades and even tore down community fliers that advertised shows.

This infuriated local musicians, who claimed that the city was ruining their livelihoods and suppressing the culture. After a failed attempt by the city council to amend the existing noise ordinance for greater flexibility, it fell to the Landrieu administration to address the situation. The administration has responded by launching Sound Check and refusing to enforce many regulations, such as the “curfew” laws that discouraged buskers.

The goal of Sound Check is to tackle noise complaints through education. Instead of imposing top-down rules enforced by the police—such as the austere 85-decibel limit—the health department sends inspectors to neighborhoods to address issues case by case, based on the location and tenor of the complaints. “One of the great benefits of Sound Check is that they’re trying to find out from all of those stakeholders what issues exist,” Hutcheson says, “which will help us find out if we need to amend ordinances.”

In its first four months, the program has already reduced complaints. The ultimate aim is for the program to lead to an ordinance that gracefully factors the economic importance both of New Orleans’s music industry and its post-Katrina residential growth.

If the program succeeds at this, it could prove instructive for other musically oriented cities struggling with noise problems. After all, when officials are legally rigid toward noise, they may squelch a cultural asset. But when officials mediate between residents, musicians, venues and other stakeholders, they can save the music.

Email BigCitySparkplug@gmail.com

March 2016 | GOVERNING 23
A domestic violence incident was captured on a surveillance camera in High Point, N.C.
Fighting Back
Can a strategy developed to reduce gang violence help address the problem of domestic abuse? By John Buntin
Photographs by David Kidd
Every morning when Detective Jerry Thompson arrives at work, he checks the jail roster to see who was arrested last night and who’ll be appearing before a judge later in the morning for a bond hearing. Assaults, DUIs, misdemeanors, felony drugs—Thompson passes over these. He’s looking for just one type of arrest: domestic violence.

Thompson is one of two detectives who works domestic violence cases in High Point, N.C., a city of more than 107,000 people in Guilford County. For years, it has had the highest rate of domestic-violence calls of any city in the state. Roughly a fifth of the police department’s calls for service—some 5,000 a year—involve domestic disturbances. The most dangerous involve “intimate partner violence”—a boyfriend beating up his girlfriend, a husband assaulting his wife or, occasionally, the other way around. These kinds of assaults are associated with a variety of unfortunate outcomes. Abused women have a higher risk for substance abuse, are more likely to commit suicide and have a greater chance of being murdered. In High Point in 2008, a third of the city’s murders involved people killing their intimate partners.

Guilford County’s cities and towns aren’t alone in having a problem with domestic violence. The crime is one of the most pervasive public safety issues nationwide. According to a 2010 survey by the Centers for Disease Control and Prevention, 6 percent of women and 5 percent of men reported being stalked, raped or assaulted in the previous 12 months, primarily by past or present partners. Studies suggest that one out of seven female murder victims is killed by a current or former intimate partner.

Communities across the country have responded in a number of ways. They have expanded and strengthened social services. Many police departments now engage in mandatory arrest, which is taking offenders into custody whenever there are indications that a domestic assault has occurred. Risk assessment tools have been improved. Judges routinely remand offenders to mandatory counseling.

Like other progressive police departments, the High Point Police Department embraced many of these initiatives. In practice, though, its efforts and those of the broader criminal justice system were lackluster. Investigations were perfunctory. Faced with victims who were hard to find or who did not want to press charges, detectives gave up on investigations into “minor” incidents. Typically, there was no follow-up with victims. The police department didn’t work with advocacy groups. Implementation, says High Point Police Chief Marty Sumner, “was poor.”

In 2011, the department decided to reinvigorate its approach. Through an array of positive incentives, community engagement and warnings of jail time, it sought to deter first-time abusers from assaulting their partners again and to dissuade chronic offenders from continuing or escalating their pattern of assaults. At the core of High Point’s approach is an intervention known as focused deterrence, a crime reduction strategy developed in Boston in the early 1990s as a way to stop gun violence among gangs. Under the strategy, officers would target a specific criminal behavior committed by a small number of chronic offenders, such as gang members; offer them various forms of assistance, such as help earning their GED; and threaten them with sanctions and punishment if the behavior did not stop. In the late 1990s, High Point became one of the first jurisdictions to replicate Boston’s approach. As a result, the city’s violent crime rate fell by nearly half in a year’s time. In 2002, High Point tried focused deterrence on open-air drug markets with notable successes. Then the city decided to use the approach to try to curtail domestic violence.

High Point had been experiencing three to five intimate partner homicides a year. Since the intervention began five years ago, it has had only two (one involved someone new to the city and the other a couple passing through town). Its re-arrest rates for domestic violence have fallen to the low- to mid-teens, far below the 20 to 34 percent experienced by other police departments.

Susan Herman, the New York Police Department’s deputy commissioner for collaborative policing and the former director of the National Center for Victims of Violent Crime, describes the High Point model as the most promising idea to reduce domestic violence she has seen in more than a decade. “This new strategy, backed by research and carefully implemented in partnership with victim advocates, is showing impressive results,” she says.

As word of High Point’s success has spread, other police departments, from Detroit to New York to Tampa, have visited the city. Last summer, the U.S. Justice Department’s Office on Violence Against Women announced plans to replicate High Point’s model in three or four additional cities across the country. Yet even supporters of the High Point approach to domestic violence concede that its implementation is not a simple or straightforward matter. It takes a certain skill set and experience to launch and run a focused deterrence program. Moreover, injecting the power of the state into volatile domestic relationships comes with risks. One danger stands out above all others: the possibility that offenders will react to a deterrence message not by curtailing their abuse but by escalating it.

Protecting victims should always be the first priority, Herman says. But fear of unintended consequences should not bind communities to a deadly status quo. “Our field was stuck,” she says. “There had been no new ideas in years. We were all operating out of fear—fear that anything we did could make matters worse.”

To minimize the risk of unintended consequences, High Point proceeded with great care. It took two years to think through the possible outcomes and put safeguards in place. Sumner and his team were convinced that the approach would be valuable, yet they were aware that they were piloting a program “that could potentially make it worse for the victims.” In putting the plan into practice, the city brought more than 15 years of experience with focused deterrence to the task. Which raises a key question: Are police departments that have never done focused deterrence prepared to try it when the risks are so high?

Focused deterrence was originally developed by David Kennedy, one of the country’s most celebrated criminologists. In the mid-1990s he had helped law enforcement officials in Boston design a strikingly effective approach to youth gun violence. Police, probation officers and prosecutors would identify the most dangerous offenders. Then, working together with gang intervention workers, local clergy and people from other service...
Detective Jerry Thompson begins each workday visiting people arrested on domestic violence charges in the Guilford County jail.
possible answer to other types of crime. It asked Kennedy to see Eventually, Kennedy turned his attention elsewhere.
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Kennedy key in on a particular subset of domestic violence:
intimate partner homicides. He was intrigued by what he learned.
Kennedy was willing to own it. Instead, agencies talked about how they
Kennedy’s contemporary and unreachable—that a program like this could not possibly work. Kennedy thought they were rational and that their
long criminal records were precisely what made them vulnerable. Many were on probation or awaiting upcoming trials. If offenders
ignored the message, authorities could move trials up and ask for stiffer sanctions, step up probation enforcement, or let federal authorities take a closer look at the offenders. Kennedy called it: He referred to the overall approach as focused deterrence.
The strategy worked. Youth homicides in Boston stopped completely for 17 months and the overall homicide rate fell by nearly one-half. Operation Ceasefire, as the Boston intervention was called, became one of the most acclaimed violence reduction initiatives in the country.
Unfortunately, success proved to be a more formidable adversary than youth homicide. A scramble for credit broke out. Kennedy, who served as a coordinator for Operation Ceasefire, guiding and codifying its work, became a focus of resentment by some members of the group. Eventually, the intervention broke down. It was a pattern that repeated itself in other cities. As a result, focused deterrence in 2002 was a strategy that was at once acclaimed and also seen as difficult to sustain.
In 2002, the Hewlett Foundation looked to the technique as a possible answer to other types of crime. It asked Kennedy to see if focused deterrence could be used to deter domestic violence. Picking specific gang members and discouraging them from using guns was one thing. Because they were so criminally active, they were exposed. Law enforcement had many levers it could pull. Deterring abusive men and women from hurting their partners, though, seemed like quite another thing.
“Of the pieces of conventional wisdom about domestic violence is that it’s different than other kinds of violence,” Kennedy says. It happens everywhere and is unpredictable. Focus seemed impossible. That was why advocates concentrated on expanding services for victims and working to change societal attitudes.
Kennedy key in on a particular subset of domestic violence: intimate partner homicides. He was intrigued by what he learned. One study of abusers in Massachusetts found that three-quarters of the 18,000 men who had restraining orders issued against them had a prior criminal history. Nearly half had been arraigned for minor records. In most cases, Kennedy realized, they had worked their way up to homicide. What if, he wondered, instead of showing offenders they could get away with abusing their partners, the criminal justice system taught them the opposite?
Kennedy was excited about using focused deterrence against intimate partner violence. But when he presented the idea at a special forum on domestic violence convened by the Hewlett Foundation at the Urban Institute in Washington, DC, he got a frosty response from seasoned domestic violence advocates. Eventually, Kennedy turned his attention elsewhere.
T
hen, in the summer of 2008, High Point experienced two horrifying episodes of domestic violence just two weeks apart. In each case, a man known to have abused his partner in the past killed her and then killed himself. “It was very rare for us to have a murder/suicide, and we’d had two in two weeks,” recalls Sumner, who at the time was deputy chief and led the major crimes unit.
Every year Sumner reviewed crime trends in order to set priorities for the upcoming fiscal year. This time around, he took a close look at domestic violence and was startled to find that a third of the city’s homicides involved intimate partners. “If we’re not working on that,” Sumner told then-Chief Jim Fealy, “I don’t know what we should be doing.” Fealy agreed. So Sumner reached out to Kennedy, who sent him a copy of his 2002 paper. Sumner then put together a more complete picture of intimate partner homicide in High Point, pulling files on the 17 intimate partner homicides that had occurred in High Point over the course of the preceding five years. What Sumner discovered mirrored Kennedy’s 2002 findings. “Literally, all of the guys fit this chronic offender pattern—every single one of them,” says Sumner.
Worse, police, personnel from other agencies and advocates had known every victim was in trouble. In every instance, the victim looked for protection and had not gotten it.
Faced with this evidence, Chief Fealy gave the go-ahead to try focused deterrence against domestic violence. In September 2009, the High Point Police Department set up a meeting to hash out the idea, inviting representatives from 25 agencies, including the district attorney’s office, the U.S. attorney’s office, and every local and state victim advocate group they could find. It began as interagency meetings often do—with agencies on the defensive. Everyone acknowledged the severity of the problem, but no one was willing to own it. Instead, agencies talked about how they couldn’t do their jobs well because some other agency was not doing its job well. The discussion continued in this way until Kennedy, who was sitting in the back of the room, raised his hand and posed a question. “Are these offenders resisting our best efforts?” he asked.
“Everybody looked around at each other,” recalls Sumner. “The consensus was no.” Police investigations were lacking, as were connections with advocates and service providers. Probation had a supervision program for high-risk domestic violence offenders, but if the offender never appeared to meet with his probation officer, the agency changed the offender’s designation to “inactive” and ended supervision requirements —without even telling the judge. The group realized the situation needed to be changed and resolved to try an offender-focused domestic violence program.
The first step was to understand the problem. The department applied for and won a grant to document exactly how prevalent domestic violence was. With that $25,000 in hand, the police department hired researchers from the University of North Carolina—Greensboro to review 10 years of data. The findings reinforced Kennedy and Sumner’s prior research. In the first decade of the aughts, 1,030 people had been charged with a
domestic violence-related offense. These were not one-off offenders. On average, each had 10 charges on his record. In other words, these were people deeply involved in the criminal justice system. There were levers to pull.

While the researchers continued their study, a working group began to develop a strategy. The group agreed that a first-time offender should be treated differently from a dangerous, chronic offender. Ultimately, the department decided to set up a four-tier system. When patrol officers responded to a call about a domestic disturbance and determined that one party was an aggressor, he or she would become a “D-class” offender. The next day a different patrol officer would deliver a customized letter, signed by the chief, notifying them that they’d been added to a watch list. A similar intervention had been carried out in Yorkshire, England, in the 1990s, and had significantly reduced recidivism. High Point hoped to achieve a similar outcome with a follow-up visit.

Offenders who were arrested would receive a stiffer dose of deterrence, starting with a visit in jail from Detective Thompson or his counterpart. There, the detectives would deliver a letter from the police chief, informing them that they were now listed as “C-class” offenders and that if they offended again there would be a variety of unpleasant consequences—higher bails, tighter supervision on probation, more vigorous prosecution. The names of C-class offenders were added to the police alert system so that officers would know they were dealing with a C-class offender if they stopped that person and ran their name through the system. A police liaison to the court would flag C-class offenders for prosecutors and judges so that cases against them could be moved up and bail set higher. “Basically, we want them to see that the system treats them differently because they are on the list,” says Thompson.

People with a history of domestic violence arrests or “C-classers” who went on to commit another assault went into the “B-class.” They got a heavier dose of deterrence in the form of a “call-in”—a meeting at City Hall with a domestic violence task force, a group that included police, prosecutors, social services and nonprofit representatives, and community representatives. They would be offered assistance, such as rehabilitation services or job training, but they would be given another message as well: Re-offense would have serious consequences. Prosecutors and police would make convicting them and securing a long jail or prison sentence a priority. People who ignored the call-in warning or who had cases pending and a history of the most dangerous types of violence went into the “A-class.” These were the offenders prosecutors were trying to put away.

What High Point was creating was unprecedented.
not just a new risk assessment system. It was an attempt to put in place a comprehensive plan for deterring intimate partner domestic violence—for teaching abusers that they could not get away with repeated violent acts against their partners.

High Point’s efforts also came with risks. Two scenarios in particular gave the working group nightmares. The first was that an offender might receive a warning, perhaps from a detective visiting him in jail or during a call-in, and then turn around and kill his victim. The second nightmare scenario, says Kennedy, “was that he would have her chained in the basement unable to talk to her friends or get to a telephone. That would look to us like success because she wasn’t calling anymore.”

The first test of the program came in February 2012, when the task force did its first call-in with B-level offenders. The group had identified 12 candidates, four of whom were men living with the partner they had abused. To avoid the nightmare scenarios, the task force created safety plans for these and other at-risk women living with abusive partners. The women were asked to identify someone that advocates could call—a colleague at work, a neighbor, a family member—who would know if the victims were all right even if the service providers couldn’t reach them directly. No one knew if these measures would be enough.

Sumner, who had by that time been promoted to chief, shared Kennedy’s concerns. Like everyone involved in the plan, he recognized that an intervention of this sort “could potentially make it worse for our victims.” That was one of the reasons the department and its partners spent two years mapping out exactly how the intervention would work. At the same time, Sumner believed that if High Point did nothing, “surely we would have three to five domestic-related homicides this year.”

The call-in was held at City Hall on the evening of Feb. 21, 2012. A dozen men were ushered into the meeting room where the city council usually convenes. There, the working group explained the program to them. A community activist and a minister described how they wanted to help. Community speakers—including an entire chapter of a motorcycle club in full regalia—spoke of their abhorrence for domestic violence. Then police laid out what would happen if the domestic assaults continued—vigorous enforcement, sky-high bails, federal cases, prosecution rather than plea bargains.

Kennedy, who has attended hundreds of call-ins around the country, was struck by the offenders’ demeanor. The men were surly, angry to have been called out. One was openly scornful. No one displayed the charm that even some drug dealers have. No one asked about services. Interacting with these offenders felt nastier than dealing with violent gang members.

The next day, victims services contacted the women who were still living with their abusers. They were asked how their partners received the message, what they said when they got home. The response from all the victims was similar, Sumner reports. “It was, ‘Oh, he got the message. He didn’t like it, but he heard you, and the most important thing you told him was that this was not being driven by me at all. It was completely you and him, the task force and him and his behavior. Y’all are holding him accountable, and I had nothing to do with it.’”

This was exactly the response the task force had hoped for. Still, everyone worried about retaliation by the offenders. It never came. Instead, recidivism for domestic abuse declined dramatically. Twelve months into the program, only 9 percent of listed offenders in High Point had attacked again, compared with 20 to 34 percent of abusers nationwide. Indeed, recidivism rates are so low that High Point hasn’t had to schedule a call-in for B-class offenders since September 2014.

Given High Point’s results, it’s not surprising that its intervention has begun to attract interest from other governments. But a focused deterrence intervention targeting domestic abuse requires intense, ongoing dedication. Spending a morning...
with Thompson at the Guilford County jail illustrates why. After reviewing the arrests of the previous night, Thompson meets with High Point’s newest C-class offender. He’s a young male, age 23, wearing an orange jail jumpsuit and flip-flops. He looks sleepy. Thompson introduces himself and strikes a sympathetic note. “I read the report about what happened,” Thompson begins. “I wasn’t there. You know the truth. I don’t know the truth. I do know you were drinking some.”

The man looks noncommittal. “Look, it has to stop,” Thompson continues. “You are a convicted felon already. Domestic violence stuff in High Point, years ago it was different. Now things are different. They got your name flagged. If you get charged again, it’s going to be different than you’ve ever seen before. There’s a guy in here now on a $100,000 bond still waiting for a court date.

“You got to think about your kids,” he continues, changing track. “You have an eight-month-old? You want your child to be visiting you in prison?”

The man mumbles that his girlfriend is “crazy.” He volunteers that he may ask a judge to take out a restraining order on her. “You have got to figure out some way to deal with it where you don’t get locked up,” says Thompson. “You got to think different. You are a grown man now.”

Thompson leaves, pleased with the encounter. He feels like he got through. “Whoever the detective is, he has to figure out who the person he is taking with is,” he says of the meeting. “You have to be serious about it, but also try to get on their level to a certain extent.” How you have the conversation, he believes, is critically important.

An hour later, Thompson is at the biweekly task force meeting, which includes representatives from at least eight agencies and nonprofit groups. Today, they’re talking about a chronic abuser who has ignored earlier deterrence messages and whose partner has steadfastly refused to testify against him. This time, the man assaulted her at a gas station—one that had video cameras. The victim is refusing to testify, says Assistant District Attorney Walter Jones, but with the video, his office believes it can make the case. It’s an example of what a determined interagency group can do. It also illustrates that such collaboration is resource-intensive. Doing focused deterrence for domestic violence is, Sumner acknowledges, “a heavy lift;” even for a department with 18 years’ experience doing such intervention.

That points to another major question about focused deterrence. High Point had used the strategy against gun violence, open-air drug markets and shoplifting before attempting to deter domestic violence. That history of success helped greatly with buy-in, the experiences gained made interagency collaboration easier. It is less clear that other police departments will be able to address domestic violence with focused deterrence if this is the first time they’ve tried it. “The operational piece of this is very complex and requires quite a bit of commitment and attention to detail,” says UNCG’s John Weil, one of the program evaluators. “You can’t drop any particular piece and have this be effective.”

Indeed, Weil and his co-evaluator Stacy Schchrist, who have fostered other focused deterrence interventions across the state, say the departments that have used the intervention with the greatest success think of it as more of a mindset or approach than a program. “People bring a program mentality to this, but they are not programs,” says Weil. “There is no beginning and no end.”

Despite these challenges, Sumner believes the model can be replicated. An effort in the nearby town of Lexington, N.C., has already yielded similar results.

Nearby Lexington, N.C., has successfully replicated High Point’s model. A domestic abuse suspect is booked.

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The man mumbles that his girlfriend is “crazy.” He volunteers that he may ask a judge to take out a restraining order on her. “You have got to figure out some way to deal with it where you don’t get locked up,” says Thompson. “You got to think different. You are a grown man now.”

Thompson leaves, pleased with the encounter. He feels like he got through. “Whoever the detective is, he has to figure out who the person he is taking with is,” he says of the meeting. “You have to be serious about it, but also try to get on their level to a certain extent.” How you have the conversation, he believes, is critically important.

An hour later, Thompson is at the biweekly task force meeting, which includes representatives from at least eight agencies and nonprofit groups. Today, they’re talking about a chronic abuser who has ignored earlier deterrence messages and whose partner has steadfastly refused to testify against him. This time, the man assaulted her at a gas station—one that had video cameras. The victim is refusing to testify, says Assistant District Attorney Walter Jones, but with the video, his office believes it can make the case. It’s an example of what a determined interagency group can do. It also illustrates that such collaboration is resource-intensive. Doing focused deterrence for domestic violence is, Sumner acknowledges, “a heavy lift;” even for a department with 18 years’ experience doing such intervention.

That points to another major question about focused deterrence. High Point had used the strategy against gun violence, open-air drug markets and shoplifting before attempting to deter domestic violence. That history of success helped greatly with buy-in, the experiences gained made interagency collaboration easier. It is less clear that other police departments will be able to address domestic violence with focused deterrence if this is the first time they’ve tried it. “The operational piece of this is very complex and requires quite a bit of commitment and attention to detail,” says UNCG’s John Weil, one of the program evaluators. “You can’t drop any particular piece and have this be effective.”

Indeed, Weil and his co-evaluator Stacy Schchrist, who have fostered other focused deterrence interventions across the state, say the departments that have used the intervention with the greatest success think of it as more of a mindset or approach than a program. “People bring a program mentality to this, but they are not programs,” says Weil. “There is no beginning and no end.”

Despite these challenges, Sumner believes the model can be replicated. An effort in the nearby town of Lexington, N.C., has already yielded similar results.

It’s not just his three years overseeing the program that makes Sumner believe a focused deterrence approach to domestic violence can and should be tried elsewhere. It’s personal. “I witnessed [domestic violence] firsthand. My mom was a DV victim for probably 10 years,” he says. “It was one of those situations where my dad’s peers weren’t putting any pressure on him, the courts wouldn’t put any pressure on him, there was nobody outside the home putting any pressure on him to control himself. I think he would have responded to this.”
Who's at the

Google's new self-driving car at the company's headquarters in Mountain View, Calif.
In order for driverless cars to conquer the road, someone has to write the rules for their use. Right now, it’s not clear who that someone will be.

By Daniel C. Vock
The storm that rolled through Ann Arbor, Mich., in late November brought nine inches of snow and an experimental opportunity too good to pass up. A team of Ford engineers working to develop self-driving vehicles decided it would be a good time to put their modified Ford Fusion sedans to the test.

Snow, like rain, can be especially tricky for automated vehicles. Precipitation makes it harder for driverless cars to know where they are. Their cameras can't see lines on snow-covered pavement or in the reflections of puddles. Falling precipitation interferes with radar. Piles of snow make finding the curbs and road edges harder, even for the cars' laser-powered mapping devices. Most of them have been confined to sunny locales in states like California, Nevada and Texas, where rain and snow are rarer.

So the Ford team jumped at the chance to test their vehicles in the Michigan winter. Rather than heading to Ford's proving grounds in Dearborn, they went to Mcity, a 32-acre test track in north Ann Arbor. It's a shared track that's operated by the University of Michigan and used by automakers and the state transportation department to try out autonomous and connected cars. Mcity includes elements you wouldn't expect to find on most test tracks, things like stoplights that broadcast information to vehicles, a railroad crossing, a bus stop, highway on-ramps and gantries, a small hill, gravel roads, sidewalk crossings, stop signs, a simulated tree canopy and overpass, roundabouts, vandalized traffic signs, and a mockup of downtown city blocks.

Jim McBride, Ford's technical leader for autonomous vehicles, says the company's cars handled the snow well that day. They stayed in their lanes, followed the rules of the road and managed the slippery conditions.

The Ford engineers bring their test cars to Mcity often. In fact, they started using the facility months before it was completed last summer. For them, it's a place where they can test their cars' reactions to a situation over and over again. “We can set up instances where we can push mannequins on carts out between parked cars,” McBride says. “Instead of encountering those once every million miles driving, maybe we can encounter them once every five minutes.”

Mcity is itself something of an experiment. It is the most concrete indication of how the state of Michigan and its industries imagine that autonomous cars will become reality. Their hypothesis is that the march toward these vehicles will be completed step by step, not in a single leap; that cars will become better at talking with each other and their surroundings even as they include more advanced autonomous features; and that these potential society-scrambling innovations will be made by the existing auto industry.

For Michigan transportation officials, that requires a light regulatory touch. “The public sector has a role in this,” says Kirk.
Steudle, the director of the Michigan Department of Transportation (MDOT). “What we’re trying to figure out is: How do we enable the technology to happen? It’s growing, it’s flourishing. How do we make sure the government is not in the way?”

But the competition to host the companies that will produce the cars and trucks of tomorrow is fierce. There is no guarantee that Michigan will remain the engine driving the automotive industry, especially if companies in Silicon Valley have anything to say about it. As states compete for business and the federal government works on providing national guidance, the rules of the road for driverless vehicles are not turning out to be consistent state to state. Those rules—along with factors like technology-ready infrastructure, state leadership and even, yes, weather—could go a long way in determining where Ford, Google or any of their competitors develop and build their autonomous vehicles.

Michigan has also encouraged automakers to develop technology that lets vehicles and infrastructure communicate with each other. The state and other partners tested some of that technology for more than a year in Ann Arbor. About 2,800 cars, trucks and buses took part in the pilot project, allowing them to get information from traffic lights, curve warning devices and other sensors along roadways. Even though the testing phase is now over, the city of Ann Arbor and the University of Michigan are still expanding the network of connected stoplights and roadside sensors.

Meanwhile, the state of Michigan and automakers are rolling out devices to communicate with cars and trucks along 120 miles of roadways, particularly interstate highways, in the Detroit area. The types of sensors vary along the network, and are often tailored to the needs of nearby automakers. While the car companies use the devices to develop their own connected vehicles, the state is using them for applications that would discourage red light running or warn travelers about work zones. The devices also feed information about traffic and weather to the state’s traffic center in downtown Detroit.

To Steudle, connecting cars to the roads they drive on is an important part of developing self-driving cars. “Some say the autonomous car can go do its thing, that it doesn’t need any infrastructure,” he says. “Yeah, that’s like having a classroom of really smart people who don’t ever talk. If they talk to each other, everybody gets smarter. That’s where we see the connected piece...
WHO’S AT THE WHEEL?

Of automation coming together as well.”

Mcity is a proving ground to test how all of those pieces fit under realistic circumstances, including inclement weather. “If you want something that’s going to have mass appeal, it’s going to be something that works at all speeds, that operates in all weather conditions,” says Jim Sayer, the director of the University of Michigan’s Transportation Research Institute, who helped design Mcity. “What you don’t want to be doing is putting the public at risk unknowingly and creating problems in traffic.”

In other words, the Michigan group is taking a very different approach than the one used by Google.

Seeing a car drive itself is nothing unusual in the neighborhoods around Mountain View, Calif., where Google’s headquarters is located. Half a mile from the main Google campus, on a modest suburban side street, sits X, formerly known as Google X, that company’s not-so-secret research and development lab for major “moonshot” projects. Right now, the most elaborate of these projects is the driverless automobile.

The X fleet comes in two different models: an older version of a Lexus SUV retrofitted with cameras and other sensors, and the newer version, a white two-seater that can operate without a steering wheel or pedals.

Google initially tested its autonomous vehicles on freeways, but in the last two years it has shifted its focus to neighborhood driving. It now sends its driverless vehicles onto public streets, alongside regular cars, pedestrians, cyclists, baby carriages, dog walkers, traffic cops, school buses, construction equipment and everything else drivers must navigate around. A Google car once encountered a woman in an electric wheelchair chasing baby ducks in the road.

One sunny December afternoon, two X engineers took one of the Lexus models out for a spin. Sitting in the front seat, the engineers monitored the car as it tooted around on a preprogrammed route, passing the tidy lawns and modest ranch houses in the neighborhood around the X headquarters building. Riding in a Google car is at once thrilling—there’s no one operating the wheel—and stultifyingly mundane. It’s like riding with an overly cautious grandmother. (Last year, a Mountain View cop pulled over a Google car for going too slow, but the car got off with only a warning.) On that test drive, the Lexus always traveled at or below the speed limit, coming to a complete stop at every stop sign and accelerating slowly when it started up again. When the Lexus approached a motorcycle parked harmlessly along the curb, the car jolted to a full stop and then gave the bike an exceedingly wide berth before continuing down the street.

In fact, one of the only reminders that the car is driving itself is the display on the computer that one of the engineers holds in her lap. It shows the readout from the lidar sensor onboard, which maps the surrounding area in much the same way that radar does, only using lasers instead of radio waves. The lidar display is essentially what the car “sees.” It’s a mesmerizing jumble of geometry, an endlessly redrawn set of lines that jitter and jump as the car renders the landscape around it. The X cars are remarkably good at identifying the objects, people and other vehicles they encounter.

So far, Google’s other model, the two-seater, has only taken to the California streets with a steering wheel and pedals that employees can use to take over whenever necessary. But someday, when the technology gets good enough, Google wants to put cars on the road that don’t have a steering wheel and pedals—or even rearview mirrors. There’s one obstacle to that goal that Google so far has not been able to overcome: the California Department of Motor Vehicles (DMV).

In 2012, California became the second state (after Nevada) to pass a law expressly allowing driverless cars on its roadways and regulating them. The law required the state DMV to issue two sets of rules: one for testing the cars and another for their general use by the public. Google and 10 other manufacturers have operated under the testing rules since late 2014, but Google, in particular, had hoped the long-stalled rules for the sale of the cars and for their use by the public would be relatively lenient.

That hasn’t been the case. The biggest flashpoint was the state’s requirement that cars used by the public must include steering
wheels and pedals to allow occupants to take control of the vehicle. “Right now, we don’t have any data on autonomous vehicles being used without a driver. So we couldn’t possibly let the public use it without a driver,” says Jessica Gonzalez, a spokeswoman for the California DMV. She says her agency plans to revisit its testing regulations soon. That could open the door for letting companies test cars without steering wheels, and, perhaps eventually, enabling them to gather enough data to convince regulators that the cars are safe.

But a Google spokesman says the company was “gravely disappointed” by the requirement. “This maintains the same old status quo and falls short on allowing this technology to reach its full potential, while excluding those who need to get around but cannot drive,” says Chris Urmson, the head of Google’s driverless car project.

Google insists on developing a car without a steering wheel partly because it contends that people often don’t pay attention while their cars are operating autonomously, a fact other developers have noted as well. Google recorded one of its volunteer “drivers” reaching into the back seat while his car cruised along a highway at 65 mph. In fact, there’s a whole slew of videos on YouTube shot by the “drivers” of Tesla Model S cars while their vehicles are in “autopilot” mode (an advanced form of cruise control). Many of the videos show hair-raising near-accidents. In other words, Urmson says, it’s taking responsibility away from the user altogether.

Many regulators and safety advocates, though, are sticking by the requirements for steering wheels so occupants can take control of their vehicles when they need to. John Simpson, director of the nonprofit Consumer Watchdog’s privacy project, says state-managed reports from Google and other manufacturers testing vehicles in California show that, while their technology is improving, human intervention is often required. “That’s what the tech industry always says any time a sensible rule or regulation is being proposed: ‘Oh my God, you’re going to stifle innovation!’” he says. “I don’t think that’s true. When public safety is at stake, that should be the primary concern. Any regulations that are offered need to protect public safety.”

The rules from the California DMV for public use of autonomous vehicles, which are months away from being finalized, certainly take a cautious approach. The rules specify that manufacturers would have to pay a fee of up to $50,000 to sell their cars in the state. Manufacturers could only lease, not sell, their vehicles; they would have to get the vehicles and software—including any software updates—to be approved by a third-party validator; they would be required to share data with the state about any accidents, cyberattacks or switches away from the autonomous mode because of safety concerns.

Jude Hurin, the Nevada DMV’s top expert on autonomous vehicles, says California regulators are “overstepping their bounds” with such heavy-handed rules, taking what he calls a “federal approach” to regulating vehicles. Hurin believes the California proposal would treat market-ready vehicles with the same wariness as it treats experimental vehicles. “You’ve allowed [manufacturers] to test on your highways for years,” he says. “So when they bring it to the consumer, you should have some kind of partnership or understanding that they’re not going to introduce something that’s totally threatening to individuals.”

Compared with California’s draft rules, Nevada’s regulations for public use of self-driving vehicles are modest. They require that the vehicles follow the state’s traffic laws, store crash data in
black boxes, alert occupants if the driving software fails, and come to a stop if the occupants don’t respond. Both the cars and their owners must get state approval.

The rules fit in with Nevada’s embrace of companies developing the more ambitious version of driverless technology. Gov. Brian Sandoval has ridden in both a Google driverless car and a prototype of a driverless truck built by Daimler. The governor also announced earlier this year that he is creating a center for autonomous vehicles in Nevada’s economic development agency.

But the rush to regulate self-driving cars at the state level, outside of the first few pioneering states, has largely abated. For one thing, vehicle makers, particularly Google, have stopped pushing for state laws. They see state laws and regulations getting in the way of progress, rather than encouraging it. If every state issued a

separate set of rules for the new cars, they argue, it could be nearly impossible to abide by all of them.

The federal government eventually came to the same conclusion. In January, the U.S. Department of Transportation and the National Highway and Traffic Safety Administration announced an ambitious goal of proposing uniform national best practices for both the auto industry and state policymakers within six months. To get there, federal regulators are likely to look at the regulations in California and Nevada as models. For manufacturers, though, state laws and regulations have become less important. For the most part, they have stopped asking for the blessing of state governments before testing their autonomous vehicles. They have decided they won’t need it. Texas lawmakers have never explicitly authorized self-driving cars, and yet the state’s capital city of Austin is Google’s No. 2 testing ground for its autonomous fleet.

Bryant Walker Smith, a law professor at the University of South Carolina, believes automated vehicles are already legal in the United States, and wrote a 110-page law review article aimed at proving his point. “It comes down to a question of interpretation or enforcement discretion,” he says. “A state or a community that is really supportive of automated driving may well conclude that the laws already support it. A state or community that is resistant to automated driving will likely reach the opposite conclusion.”

Supporters of driverless cars, Smith argues, can bolster their case without passing a law like the ones in California and Nevada explicitly regulating their use. “What I recommend,” he says, “is to start by doing a close, careful legal audit of existing law. Identify all of the potential provisions in the vehicle code and other laws that are relevant to automated vehicles. Then decide if those need to be changed.”

Many of the most difficult questions are deep in state vehicle codes. For example, New York requires that drivers always keep one hand on the steering wheel. There are laws against obstructing rearview mirrors, rules governing drivers’ conduct after an accident and regulations limiting the number of hours a driver can drive. Many of these would lead to absurd results when applied to autonomous vehicles. Laws against abandoning vehicles could inadvertently apply to self-driving cars in search of a parking spot. In fact, as Smith points out, it is unclear in many cases who the driver really is: the person who pushed the “go” button, the software engineer who programmed the car’s autonomous functions, or even the car’s absentee owner.

Beyond legal clarity, leaders who want to promote autonomous and connected vehicles in their communities can take practical steps to facilitate the process. One important step may simply be to remind the public about the potential safety benefits of automated cars. Roughly 34,000 Americans die every year in car crashes, and, by some estimates, human error contributes to more than 90 percent of those deaths. “The public should be concerned about automated vehicles,” Smith says, “but terrified about human drivers.”

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GOVERNING | March 2016
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Maine’s governor and legislature are barely on speaking terms. Getting even routine work done has become an exhausting challenge. By Alan Greenblatt
An impeachment effort that was bound to lose and a governor refusing to give a speech may seem like symbolic sideshows, but they demonstrated pretty clearly that relations between LePage and the legislature aren't improving. They could hardly be much worse. Last year, LePage decided toward the end of the session to veto every single bill the legislature sent him. He was angry that lawmakers wouldn't put before voters his proposal to eliminate the state income tax. In the end, the governor vetoed a total of nearly 170 bills. He would have vetoed dozens more, but the state Supreme Judicial Court ruled that he missed the deadline for rejecting 65 others.

The legislature was able to override about 70 percent of LePage's vetoes, casting votes that at least made it possible for the state to have a budget for the current year. Power in the legislature itself is divided between a Democratic House and a Republican Senate, but by refusing to sign anything, LePage temporarily unified the two parties.

Divided government is always challenging, but what is happening in Maine right now goes far beyond any conventional notion of divided government or partisan competition. It is an exercise in extreme political hostility, in which even the most routine give-and-take between the executive and the legislative branches has disappeared. Faced with an obstinate chief executive, legislators are essentially trying to run the state on their own. The only positive by-product of this has been a tenuous coalition of Democratic and Republican legislators willing to work together to prevent the situation from deteriorating even further. "In terms of creating law, we've done that in the absence of a governor," says Mark Eves, the Democratic speaker of the House. "It's too bad, but it doesn't stop us from working together."

It didn't help matters last year when LePage blackballed Eves for a job, threatening to cut off funding for a charter school that wanted to hire the speaker. The atmosphere of mutual distrust had carried over into this year. The governor has signed some bills, but legislators are proceeding with the expectation that he might decide to block any bill for any reason. Therefore, nothing much is going to move unless it commands overwhelming veto-proof support from both parties in both chambers. "Everybody recognizes that you'd better have bipartisan support from the beginning and throughout if you're going to be successful," Eves says, "because you'll have to overcome the governor's veto."

That's already happened in some cases. Legislators gave unanimous approval to a conservation bond package LePage had fought, as well as a bill that addresses the state's drug addiction crisis. The latter package won unanimous approval from both the House and Senate, and LePage signed it. Despite all the conflict, some work does get done. A few bills are being entered into law.

With the entire legislature up for election this year, Republican lawmakers now face a stark choice. Their normal inclination would be to side with the governor of their own party. LePage is seeking to promote that line of thinking by taking his case directly to the people, holding town meetings all over the state and working hard to recruit candidates he considers supportive—even if that means finding challengers to run against incumbent Republicans. "The more the governor is able to talk about his priorities and articulate them to the people of Maine, the more the legislature is willing to listen," says Adrienne Bennett, LePage's press secretary.

But some Republicans—knowing that LePage was elected twice with less than a majority vote and that he remains a controversial figure because of his unwillingness to make deals and his tendency to make offensive statements—are deciding they don't want to run as LePage Republicans. "Everyone, including Republicans, are individually sizing up what kind of impact this governor will have on their individual races," says GOP state Sen. Roger Katz. The Republican senator has sometimes crossed swords with LePage, but describes the governor's failure to push his priorities more deftly as a tragedy. "We could have moved his agenda forward in a much more robust way if there had been more civility and more give and take between his office and the legislature," Katz says.

It's not as though the governor has completely dealt himself out of the process. When it comes to running the executive branch, LePage has exercised tight control, not allowing his agency heads to veer off the course he sets. He does his best to prevent them even from testifying before the legislature, except in carefully controlled circumstances. In an extreme instance last month, LePage announced he would take on the duties of education commissioner himself, since it looked like Senate Democrats were going to torpedo his pick. Legislators say that they have been given a serious lesson in what separation of powers really means, since it's impossible for them to craft laws in a way that anticipates every administrative roadblock the governor might put up. "When he decides he doesn't like something, he can use a lot of obstacles," says former GOP state Sen. David Traban.

And while anti-LePage legislators have demonstrated that legislative vetoes can be overridden, they haven't been able to do it every time. As a result, strategic thinking that legislation in Maine looks a lot different than it does in other states. Only issues of primary importance are likely to be addressed. Smaller matters
Environmentalists and hunters built up a coalition of conservative and liberal lawmakers willing to press for the conservation bonds within each caucus. They commissioned a poll showing that 74 percent of Maine residents support the conservation program. Legislators who had switched their votes received pressure from their home districts. “They were pounded on, publicly and privately,” says Ahearn. “They went to the governor and said, ‘You’re killing us on this issue.’”

When it came time for a vote this January, House Democrats left their GOP colleagues no choice—agree to fund the popular program for five years, or don’t fund it at all. They refused to allow a vote on LePage’s proposal to issue bonds for only six months. Ken Fredette, the Republican leader, was visibly torn as he explained his decision to support the Democratic measure on the House floor. “That was not a coincidence that he felt he was in a box,” says Trahan, now the executive director of the Sportsman’s Alliance of Maine. “We put him in a box.”

It was a successful strategy for bypassing an implacable governor. But the sequence of events also showed how difficult it is to pull that kind of thing off. Not every bill can boast of support that is both intense and widespread. Consider the drug epidemic. Maine has seen spiking numbers of people addicted to opioids. Last year produced a record number of overdose deaths. LePage has been hammering away at this issue for years, or don’t fund it at all. They refused to allow a vote on LePage’s proposal to issue bonds for only six months. Ken Fredette, the Republican leader, was visibly torn as he explained his decision to support the Democratic measure on the House floor. “That was not a coincidence that he felt he was in a box,” says Trahan, now the executive director of the Sportsman’s Alliance of Maine. “We put him in a box.”

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Environmentalists and hunters have mostly spent the LePage years in a defensive crouch, but in one area they have been able to seize the initiative. In both 2010 and 2012, Maine voters overwhelmingly approved millions of dollars in conservation bonds for a program called Land for Maine’s Future. Despite this show of public support, LePage refused to issue the bonds, blocking the funds unless he could get his way on other matters, such as payment of hospital debt and timber harvesting on public lands to pay for low-income heating assistance.

Last year, legislators decided to order the governor to issue the bonds. They had no trouble winning big majorities in favor of the idea. But under intense pressure from the governor’s office, a half-dozen Republicans flipped their votes, sustaining LePage’s veto. Heading into this year’s session, advocates for the land program used every trick in the lobbyists’ handbook to gain support.

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A good compromise, it’s often said, leaves everyone a little dissatisfied. But Maine’s current political system doesn’t allow for typical compromise, with both sides giving a little and working their way through a messy process. Instead, this is the new legislative strategy in Maine: Don’t ask for much, and you may get it. “From the advocacy point of view, people are not putting forward bills that are too ambitious,” says Glen Brand, state director of the Sierra Club.

Legislators and LePage can agree on this much: They aren’t satisfied with the present arrangement. Toward that end, both sides are hoping that this fall’s elections will reshuffle the deck, giving one or the other the chance to claim a mandate from voters. But it may not be that simple. Partisan control of both chambers has flipped repeatedly in recent cycles. Heading into the election, the margins are tight in both chambers. Higher turnout in a presidential year should favor Democrats. Maine hasn’t supported a Republican presidential candidate since 1988.

On the other hand, Democrats will have to defend a lot more open seats than the GOP—including some in districts that have supported LePage. “On balance, the governor is inspiring a lot of Republicans to run for office,” says Rick Bennett, the state GOP chair. “A lot of the 43 freshman Republicans in the Maine House ran for office because they want to support his reform agenda.”

For all they’ve been able to cooperate on with Republicans in the legislature thus far, Democrats know that losing majority control of the House would be disastrous for their priorities. For his part, LePage wants the election to serve as a referendum. The governor believes he’s doing the will of the people—he’s fond of pointing out that, even without a majority, he received more raw votes in 2014 than any gubernatorial candidate in Maine history. He believes that if he maintains his unyielding stance, voters will reward him with a friendlier legislature for the 2017 session.

In the meantime, the legislature will continue to debate and vote, passing modest bills, but only where there is overwhelming consensus. Many frustrated advocates who would like to push more ambitious policies are taking their arguments straight to the ballot, with a broad range of measures already filed for votes this November. Convincing voters of the merits of their cause may be easier work than getting the legislature and the governor to cooperate on anything. G

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Procurement is at the heart of almost everything a government does. But states vary widely when it comes to how well they manage the things they purchase.

By Liz Farmer

Governments buy a lot of stuff. Every year, one out of every three dollars governments spend goes toward purchasing something—from photo copier ink to new vehicle fleets—to help provide services. This very large chunk of the budget would seem to make procurement the most obvious area to look for new ways to save taxpayer money. Yet for the billions spent every year in state procurement, many central offices have long remained mired in old techniques. They’ve been unable to take a big-picture view when it comes to spending, and they’ve only dabbled in using data and new technology for more efficient purchasing.
**Ranking the States**

Over the past year, the Governing Institute surveyed state procurement offices to assess how well they operate—including their use of technology, how they engage with vendors and how effectively central procurement offices work with agencies. The states were scored in 10 categories, which were then compiled into an overall ranking of the top 25 states. Read more, including all 10 categories, at governing.com/procurementreport.

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The examples of what can go wrong are many. Take Mississippi, which has a high reliance on no-bid contracts. In 2014, the commissioner of the Department of Corrections (DOC) resigned and became the subject of a federal investigation for allegedly taking $2 million in bribes in exchange for steering prison contracts to a former lawmaker. In Colorado, an audit last year found poor oversight of more than one-third of the contracts surveyed in the state’s health exchange. The lack of follow-through to make sure vendors were complying with contract requirements was partially responsible for more than $400,000 in questionable costs.

When these problems make headlines, the response from lawmakers is usually swift and targeted. Last August, Mississippi Gov. Phil Bryant issued a pair of executive orders requiring more transparency when awarding contracts and requiring professional training for procurement officers in the DOC. While these legislative responses might tackle the specific problem at hand, such one-time fixes to procurement rules have led to a hodgepodge regulatory structure that makes sweeping overhauls daunting.

On a grander scale, the bad publicity for procurement offices tends to reinforce old-fashioned ideas that have built a stagnated culture. Many states would rather stick with their established processes for soliciting and choosing vendors than initiate reforms that could raise the specter of favoritism. “They often choose to take the safe path rather than the best strategic path,” says Old Dominion University professor and public procurement expert Stephen B. Gordon, “because they’ve been punished before and they could be punished again.”

For years, these factors have held a viselike grip on the ways in which states buy things—until now. Recent years have seen sweeping reforms in certain states, leading to greater purchasing flexibility, more attention on vendor performance, better tracking of how contracts are executed and new technology.

While many states are slogging through the beginning stages of these reforms—and some haven’t changed at all—a handful are clearly ahead. In an in-depth survey over the past year, the Governing Institute assessed state purchasing processes and ranked 39 state procurement offices, weighing factors such as contract management and effective implementation of technology.

Six states stood out as top performers: Georgia, Virginia, Minnesota and Utah filled out the top four slots with Massachusetts and Ohio tied for fifth. What those states have in common is an effort that began more than a decade ago to modernize their technology and use it to introduce new ideas. Another common denominator was the full support of top-level officials, including governors, who viewed the procurement office as a place to advance the state’s goals rather than an enforcer that simply ensures the state is buying by the rules. As other states across the country are now engaged in their own overhaul efforts, these states offer an effective blueprint for better buying.
for quick comparison-shopping to find the best prices. Amazon customers can sign up for monthly bulk shipments of household items to save money and keep from running out. Private-sector companies have used technology to buy more effectively and track how well their money was spent.

But the Governing Institute survey suggests that the tech-fueled purchasing revolution has been slow to catch on in most governments. Only 35 percent of respondents, for example, said they have up-to-date spending information and market metrics in their databases even though nearly two-thirds cited such areas as critical to success. Many states are now taking steps to better track procurement from start to finish, but implementing those changes isn’t always smooth. For instance, Colorado Central Purchasing recently installed a new financial system that tracks the money attached to a project from requisition all the way to vendor payment. But a lack of training on how to use the system—and the rigidity it placed on the process by requiring budget approval before the solicitation—has created headaches. “Often this pushes purchasing and sourcing into a ‘get-it-done’ situation,” Colorado said in the survey, “with a shortened time for vendor marketing, research and specification/requirements review.”

Some states have been early adopters, and it’s these places where working with state procurement offices has become more intuitive and efficient. In 2001, Virginia’s procurement office contracted with a company to develop a software service that was tailored to the state’s buying needs. That service was the basis for what is now “eVA,” the state’s e-procurement platform. Contracting with a company to provide a service, not necessarily just the software, gives the procurement office the flexibility to meet new needs quickly, says Robert Gleason, the state’s purchasing director. For example, if the governor issues a new executive order creating a new type of category for minority-owned businesses, the procurement office wouldn’t have to go through the process of adding that onto their contract with their e-procurement software provider, as in some states. Instead, Gleason forwards on the new specs to his service provider: “They’re primed and ready to go for the next change,” he says, “so I can meet the governor’s objective on the fly and it’s already covered under the existing cost structure.”

States like Virginia that have a well-established relationship with technology are not just more nimble. They are also finding new and effective ways to develop their solicitations. Georgia’s central procurement office has a team of business analysts they call “mathletes” who analyze spending data to help structure future solicitations so that the state can get a more favorable price. Lisa Eason, Georgia’s deputy commissioner for procurement, says the team has shaved off $61 million a year over what would have been paid—representing an 11 percent annual savings rate.

**Relationship Management**

A sometimes overlooked part of procurement is the need for the purchasing department to work with the state’s agencies to make sure their customer needs are met. This requires substantial effort to develop relationships with agencies and vendors, and to get feedback from them. Utah assigns customer service representatives to each agency. Recently, its Department of Corrections liaison corrected a misunderstanding that was preventing the department from reordering medication for prisoners.

1. Ohio
2. Georgia
3. Minnesota
4. Virginia
5. Utah

**Sourcing**

States need access to a variety of sourcing methods depending on the needs of the procurement. The flexibility to try new methods is also an important consideration. Minnesota, for example, has a long history of using best value as its primary solicitation method, following procurement reform in 1998. Procurement officers also have statutory authority to negotiate contract terms with vendors to get the best deal, and they factor in vendor past performance when evaluating proposals.

1. Minnesota
2. Virginia
3. Delaware
4. Massachusetts
5. Oregon

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Special Report: Purchase Power

for quick comparison-shopping to find the best prices. Amazon customers can sign up for monthly bulk shipments of household items to save money and keep from running out. Private-sector companies have used technology to buy more effectively and track how well their money was spent.

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1. Minnesota
2. Virginia
3. Delaware
4. Massachusetts
5. Oregon
Technology can be important, but effective procurement still requires good management. That’s become a challenge in recent years, as many state offices report a loss of talent due mainly to retirements and more competitive salaries in the private sector.

According to research by the National Association of State Procurement Officers (NASPO), 40 percent of offices report being understaffed compared with the workload requirements. That can leave little, if any, capacity for getting creative and trying new ideas. Customer service has also suffered, although many procurement officers seem to be more optimistic on that front than is likely warranted. Nearly 90 percent of respondents said state agencies are usually pleased with the central procurement office, but fewer than half of the offices even have performance measures for their customer service to these agencies. Only about one-third of offices even ask for formal feedback in the form of evaluations from agencies. And few states have customer service groups dedicated entirely to agencies’ needs.

Georgia has used enhanced training as a way to address its human resources issues, particularly the concern that its staff retain its skill and institutional knowledge as more and more baby boomers retire. In addition to high training requirements, the state’s office is constantly tailoring its trainings to be relevant. For example, it pays special attention to any repetitive staff errors that may crop up, and shares that information with other divisions responsible for training and policy. That information can lead to tweaks in the state training curriculum and even revisions to state policy, if needed.

Georgia’s approach to training has also made it a leader in an area where most states are lagging behind, the survey found. Contract administration—following through to make sure the vendor and the state stick to their agreements—is one of the most significant challenges facing state procurement today. Only a few states have made real inroads in this area, and that progress has come only recently. In 2014, Georgia developed a contract training course for procurement officers in both its central office and in state agencies to help contracts run more smoothly. “A lot of our contract administration was very reactive, when someone would call and complain,” says Eason. “So we’d have to react instead of being proactive.”

Florida and Missouri also have new offices that oversee contract management, but most places do not. Fewer than half of central procurement offices have performance measures for customer service. Nearly 90 percent of respondents said state agencies are usually pleased with the central procurement office, but fewer than half of the offices even have performance measures for their customer service to these agencies. Only about one-third of offices even ask for formal feedback in the form of evaluations from agencies. And few states have customer service groups dedicated entirely to agencies’ needs.

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state procurement offices in the Governing Institute survey even publish a contract administration manual, and less than one-third have a consistent way of tracking contract performance that they share with project administrators.

This lack of attention leads to mistakes and details slipping through the cracks, particularly in cases where the central procurement office is responsible for handling the solicitation but hands over the project entirely to a state agency after finding a vendor. New York State Comptroller Thomas P. DiNapoli found in 2013 that the state Office for People with Developmental Disabilities overpaid a contractor by more than $1.1 million because it based payments on budgeted expenses rather than actual expenditures. In 2012, a Florida audit of a publicly funded jobs agency found that it ignored or overlooked state and federal financial reporting guidelines, leading to more than $15 million in questionable costs.

Much of what can go wrong with contract administration can be traced back to a lack of focus on designing the project and objectives early on. Too often, says Old Dominion's Gordon, procurement regulations focus on the middle stage of finding a vendor and writing the contract. That’s too late, he says. “Contracts are awarded and often forgotten,” he says. “They’re just allowed to drift.”

Part of smart procurement means using technology to find innovative ways to connect the state to new suppliers. That’s a key area in which most states are lagging, the survey found. But there are some bright spots. California is unique in using civic engagement methods already popular in cities to identify and connect with new potential vendors. Last fall, California launched its Green Gov Challenge, a competition that asked participants to create apps, visualizations and other tools to help improve government sustainability practices. The state awarded cash prizes to participants that came up with the best ideas and has the option to develop a contract with any of the winners. Virginia in 2012 became the first jurisdiction to launch a mobile app for suppliers to connect with state buyers. Business owners interested in contracting with the state can register, download the app and get notifications when the state bids.

91% of procurement offices say they’re eager to develop and improve their methods, but 24% say their heavy workload keeps them from trying new innovations.

Information Technology Procurement

It’s difficult to marry the ever-changing world of technology with the slow-moving world of procurement. That’s why it’s crucial for IT and procurement staff to work together so that solicitations reflect the industry trends, allow for flexibility, and can fit the state’s current and future needs. Massachusetts uses a multistage solicitation process where it first gets responses from the industry on a draft solicitation so it can more accurately craft its official request.

1 Virginia
2 California
2 Massachusetts
2 Minnesota
5 Georgia

Workforce, Training and Certification

In today's rapidly evolving market, state workers need up-to-date knowledge and skills to efficiently and effectively do their job. States should have a variety of training available to employees, create training plans for them and seek professional certification for a high number of staff. Montana even extends training to cabinet-level staff via contract administration and procurement courses at its Montana Executive Training Academy.

1 Virginia
1 Georgia
3 Minnesota
4 Oregon
5 Montana

March 2016 | GOVERNING 51
Cultivating Good Management

Does your central procurement organization support or facilitate a community of practice to develop and share contract management knowledge across state government?

- 65% Yes
- 35% No

Internal sharing of best practices is an increasing trend

Promoting Inclusion

Do you provide training and coaching to small, emerging, disadvantaged and women-owned businesses?

- 78% Yes
- 22% No

States are taking steps to promote diversity

SLOWLY BUT SURELY, PUBLIC-SECTOR PROCUREMENT IS CHANGING. STARTING IN THE 1990S, STATES BEGAN TAKING A SMARTER APPROACH TO THE WAY THEY BUY THINGS. IN THE PAST DECADE, ADVANCES IN TECHNOLOGY AND DATA—ALONG WITH GROWING ECONOMIC PRESSURES—HAVE LED TO MORE STRATEGIC PURCHASING PROCESSES IN SOME STATES.

The bad news is that states, by and large, have struggled to take full advantage of technology to improve procurement. The good news is that that seems to be changing. With a small handful of states leading the way, procurement offices are demonstrating that it’s possible to maintain accountability and spend public money responsibly while also pursuing new tech innovations and promoting stated policy goals. A generation ago in procurement, “no one wanted subjectivity,” says Hayes, “it had to be completely black-and-white. I think that’s why it’s taken a long time for the safeguards and the processes to be developed where these more sophisticated procurement methods are accepted.”

out for work in their field. A new feature introduced in recent months allows small businesses to connect via the app to bid on a project together.

Some states are using technology to help promote more diversity among suppliers. Here, Minnesota has launched a unique effort to support and promote businesses that reflect the makeup of the community. Last year Gov. Mark Dayton issued an executive order establishing an Office of Equity in Procurement and a Diversity and Inclusion Council to promote this goal. On recommendations made by the council, the state now has representatives who conduct in-person recruiting of minority-, women- and veteran-owned businesses to bid on state contracts. The procurement office is also developing an online portal where small businesses can apply for all their minority certifications, with the goal of eliminating the confusing paperwork many small businesses face when first working with the state.

But it can be difficult to balance those kinds of policy priorities—supporting minority-owned businesses, for example, or small businesses in general—with a state’s responsibility to spend taxpayer dollars wisely. Often, the goals may not align, raising concerns of a state playing favorites by prioritizing certain kinds of suppliers over others. For example, part of Minnesota’s procurement strategy is to participate in cooperative purchasing with other governments as a way to take advantage of economies of scale and get the best price for a solicitation. By nature, that eliminates most small business participation because they don’t have the infrastructure to compete. “It’s just this big cauldron of issues you throw into a pot and sometimes they’re completely conflicting,” says Betsy Hayes, Minnesota’s chief procurement officer. “And trying to balance all those issues is what really makes it all fascinating.”

To help achieve that balance between value and policy promotion, it’s useful to have clear objectives for each project and a transparent selection process. But the truly important factor is support from the top down. With a consistent message from the governor through to agency heads and front-line workers, it’s easier to see how each new project fits into the state’s goals. In many states, leaders have begun to view procurement as part of their overall strategy, not just a place to hand down regulations. “The key,” says NASPO’s DeLaine Bender, “is for leaders not to be overly prescriptive that they make it so difficult to reform and add that flexibility.”

Slowly but surely, public-sector procurement is changing. Starting in the 1990s, states began taking a smarter approach to the way they buy things. In the past decade, advances in technology and data—along with growing economic pressures—have led to more strategic purchasing processes in some states.

The bad news is that states, by and large, have struggled to take full advantage of technology to improve procurement. The good news is that that seems to be changing. With a small handful of states leading the way, procurement offices are demonstrating that it’s possible to maintain accountability and spend public money responsibly while also pursuing new tech innovations and promoting stated policy goals. A generation ago in procurement, “no one wanted subjectivity,” says Hayes, “it had to be completely black-and-white. I think that’s why it’s taken a long time for the safeguards and the processes to be developed where these more sophisticated procurement methods are accepted.”

Email lfarmer@governing.com
Read more, including state rankings in all 10 of the report categories, at governing.com/procurementreport
A Helping Hand

Puerto Rico’s health-care system is in crisis. One state has stepped in to help.

By Mattie Quinn

Just a few years ago, New York had a health-care crisis on its hands. The state was spending $50 billion a year on Medicaid in 2011—more than any other state in the country. Health-care officials in New York worked together to bring down spending, and last year the state introduced an $8 billion plan to repurpose its whole program, with a focus on outpatient care and community health.

But now the state is facing another threat to its health-care system: Puerto Rico. America’s biggest territory continues to find itself in serious financial trouble, with a current debt of $72 billion, which the territory’s governor has declared “not payable.” Health-care spending is partly to blame. More than 60 percent of the population is dependent on Medicaid or Medicare, but the federal government only covers 15 percent of those expenses. To put that in perspective, Mississippi—the state that most closely resembles Puerto Rico in terms of poverty—usually has around 75 percent of its Medicaid expenses reimbursed by Washington. To make matters worse, this year Puerto Rico is set for an 11 percent cut to its Medicaid Advantage system, thanks to the Affordable Care Act (unless Congress steps in to postpone or cancel the cuts).

Why does that matter to New York? Because there are already more than a million Puerto Rican immigrants living in the state, more than anywhere else on the mainland. More people leaving the island likely means more people moving to New York. If the Medicaid Advantage cut does happen, health-care experts say more than a million new immigrants could be coming to the mainland in the next year—many of them sick and in need of care. That influx would put an unprecedented burden on New York’s...
Medicaid system, threatening to cripple progress the state has made in recent years.

Uncertainty over the future is exacerbating Puerto Ricans’ desire to move to the mainland, says Ricardo Rivera Cardona, executive director of the Puerto Rico Health Insurance Administration. “It’s a trend that’s increasing exponentially. In 2010 we had 28,000 people leave the island. In 2014 that number jumped to 65,000,” he says. While New York may see the biggest impact, other states will be affected as more residents leave the island. New York still has more Puerto Rican than any other state, but Florida is rapidly catching up. From 2005-2013, more than 130,000 Puerto Rican residents moved to Florida—and only 43,000 moved to New York. Other states with already high Puerto Rican populations, including California, Connecticut, Massachusetts, New Jersey and Pennsylvania, would likely also be impacted.

For now, though, it’s New York that has promised solidarity with the island. Gov. Andrew Cuomo said last September that he would be dispatching his leading economic and health-care advisors to help get the island out of crisis mode. Since then, Jason Helgerson, New York’s Medicaid director and the lead architect of its reform plan, has had some two dozen meetings to discuss the partnership between the state, Puerto Rico and the federal Centers for Medicare and Medicaid Services (CMS). New York’s Medicaid reforms have already brought spending down considerably: Since 2009, per-patient spending has fallen by 20 percent, overall spending has actually declined. Can officials replicate that success in Puerto Rico?

Right now, they’re waiting for permission from the federal government to begin working with the troubled territory, says Helgerson. “The ball is currently in CMS’s court. We haven’t been able to put forth an official proposal because they’ve flagged a few financing issues,” he says. So far, CMS hasn’t indicated when they might be ready to move forward. “It took them two years to approve our waiver, but Puerto Rico doesn’t have two years,” says Helgerson. “We are really looking to fast-track something this year.”

The first order of business will be to help close the island’s delivery gap. Recent years have seen a mass exodus of physicians and health-care specialists leaving Puerto Rico; doctors on the island make around $65,000 a year, a fraction of what they can make on the mainland. Some 360 physicians left Puerto Rico in 2014 alone, according to the territory’s College of Surgeons.

In addition to creating more and better paying health-care jobs in Puerto Rico, New York officials hope they can better implement electronic health records there. Only higher-end clinics use them, and virtually no hospitals on the island utilize electronic records. Putting them in place will help coordinate a patient’s care and reduce expenses. Officials also want to develop a coordinated system of managed care for aging patients, which is almost nonexistent on the island.

But until CMS gives some sort of green light on a plan, it’s tough to say how the rest of the year will play out. Giving Puerto Ricans access to the federal healthcare.gov insurance exchange would help, but that would require congressional action. Capitol Hill has been ambivalent on taking steps to help the struggling territory, and any action is unlikely in the next several months. “It’s become a devastating spiral—when finances are bad, health and human services are typically the first things to get cut,” says Benjamin Sommers, a health-care economist. “But because these people are still citizens, they can just get on a cheap flight to the mainland and use Medicaid funds here.”

Congress could still act, of course, and some are hopeful that federal lawmakers could help craft a solution. President Obama has urged Congress to take some sort of steps to protect the island, and that alone is cause for optimism, says Puerto Rico’s Rivera Cardona and others. But in the meantime, it’s been left to New York to do the heavy lifting. “I don’t think the solutions to this situation should fall to one state,” says Sommers. “But we’re just not seeing movement on the federal level right now.”

Ultimately, it’s up to the territory to make sure any funding and initiatives get properly implemented. What New York provides will simply be a road map for the way forward. “We’re not trying to dictate to Puerto Rico exactly what needs to get done,” says Helgerson. “We just want to give them advice and counsel, because the status quo there just isn’t sustainable.”

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March 2016 | GOVERNING 55
Coastal cities such as Miami and New York have long been viewed as the gateways for immigrants starting new lives in America. In recent years, however, a different crop of cities has laid out the welcome mat. Many of them are older Midwestern cities that have rarely been thought of as immigrant meccas. Places like Dayton, Ohio; Columbus, Ohio; and Indianapolis have pursued a wide range of immigrant-friendly strategies, in part to prop up vulnerable economies and stem population losses. Other Rust Belt jurisdictions are joining them. “The Midwest is becoming the new gateway,” says Guadalupe Velasquez, who coordinates the New American Initiative in Columbus.

But how much have these efforts actually changed migration patterns so far? Cities experience demographic shifts for a variety of reasons, and some of the programs have been going for a comparatively short time. A review of the latest Census data, though, suggests that some of the cities furthest along with immigrant initiatives have experienced some of the steepest recent gains in foreign-born populations.

Governing compared Census data collected between 2005-2009 with data from 2010-2014 for all cities with populations of at least 100,000. We found an average increase in the foreign-born population of 13.7 percent. Although longstanding immigrant hubs saw the largest total gains, movement of immigrants to less-established gateways is increasing at a much faster rate. Cities where the foreign-born make up less than a tenth of the total population recorded an average increase of 18 percent. These 106 jurisdictions collectively added twice as many foreign-born residents during the same period. It was the fifth largest gain in any locality of 100,000 or more. One factor is an increase in secondary migration, or movement of immigrants who relocate after initially settling somewhere else in the U.S. Dayton's Ahiska Turkish community, for example, has multiplied particularly rapidly.

Bertolo doubts that publicity alone had a dramatic effect on immigrants' relocations. “If we are a truly welcoming and immigrant-friendly city, that will be the best strategy,” she says. Not all residents have greeted the immigrant community with enthusiasm. An initial survey found that Dayton neighbors with more immigrants actually reported less welcoming attitudes than others, so the city responded by convening community dialogue events, block parties and an international soccer tournament.

Columbus was one of the nation's earliest adopters of immigrant-friendly outreach. Officials first took up the issue in the mid-1990s, and former Mayor Michael Coleman established the city's current New American Initiative back in 2004. What started as assistance to individuals later shifted more to capacity building and support for various organizations that serve immigrants.

The city experienced an estimated 27 percent jump in the foreign-born population between 2009 and 2014, compared to
an average increase of 9 percent for cities with over a half-million residents. About 31 percent of Columbus residents are now foreign-born—more than other larger cities in the region—a fact Velasquez, the program coordinator, attributes to the city’s early work on the issue, along with the ample supply of jobs, affordable housing and higher education opportunities.

Like Dayton, Columbus is welcoming recent immigrants who’ve relocated from Chicago, Los Angeles, Minneapolis and other more prominent immigrant hubs. Competition for immigrants hasn’t stopped cities collaborating, though. Representatives from Columbus and five other regions formed the Ohio Welcoming Initiative to share ideas.

BALTIMORE

After years of gradual population decline, Baltimore set a goal in 2011 of attracting 10,000 families to the city over the following decade.

Despite the city’s challenges, Baltimore’s foreign-born population has climbed 18 percent since 2009, while the native-born population has declined 4 percent. “We’ve had consistent growth, but it’s hard for us to tie it to our initiatives,” says Catalina Rodriguez Lima, director of the Mayor’s Office of Immigrant and Multicultural Affairs.

Mayor Stephanie Rawlings-Blake formed a task force of city agencies and community stakeholders, which outlined 32 recommendations in 2014 that sought to highlight the role immigrants play as economic engines in the community. Rodriguez Lima reports to the mayor’s economic development team, allowing her office to be more nimble than if it were a separate entity.

Much of Baltimore’s effort centers around giving current residents reasons to stay. “These immigrants, in turn, help lure their friends and family to the city—far more effectively than any publicity,” says Bryan Warren, who took over as head of the metro government’s globalization office last year. “The U.S. State Department works with resettlement agencies to make the initial placement of refugees. An average of approximately 1,100 refugees settled in Louisville in each of the past three years, roughly double the annual totals from a decade ago, according to federal statistics. Although Louisville’s immigrant population remains small compared to other larger cities, its presence has already been felt. The newcomers have added diversity to the city’s downtown, opening businesses along the main business corridor: “A strong immigrant and foreign community is one of the bellwethers of a great 21st-century city,” Velasquez says. But he adds that “as the city grows, we’re beginning to see the strain of housing options, and the refugee community is no different.” The arrival of immigrants is further playing out in the school system, where there’s a growing need to focus on foreign language instruction.

LOUISVILLE

Louisville has emerged as one of the hottest urban centers for immigrants in recent years. Its foreign-born population rose an estimated 42 percent between 2009 and 2014, more than in any other jurisdiction with at least a half-million residents.

Migration of refugees accounts for the single largest driver of the increase, says Bryan Warren, who took over as head of the metro government’s globalization office last year. The U.S. State Department works with resettlement agencies to make the initial placement of refugees. An average of approximately 1,100 refugees settled in Louisville in each of the past three years, roughly double the annual totals from a decade ago, according to federal statistics.

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Email mmaciag@governing.com
Read the full report with additional data at governing.com/immigrantcities
5 Urgent Management Issues
These are the top challenges governments will need to address in 2016.

Police departments need to focus more on community relations.

It's become a new tradition for us—to reflect on the important topics of the past year and then to look ahead to the future. What follow are our predictions for what will be the most pressing management issues in 2016. These items could be addressed through management changes in addition to potential legislative maneuvers. A couple of the issues—cybersecurity and deferred maintenance—appeared on last year's list as well. But we're confident that they're more important than ever.

Sharing data vs. data privacy. Last year, we delved into the significance—and the potential for improved efficiencies—of having accurate, timely and useful data in cities and states. The more we looked into the issue, the more convinced we became that one of the biggest obstacles to the use of data as an effective management tool is the lack of sharing among agencies. There is general agreement that it would be a good thing if various agencies, such as departments of mental health, education and corrections, were able to access the data gathered about all of their clients. The goal is often stymied by concerns over privacy. Many agencies claim they can't share their data with other agencies due to legal restrictions. Yet when those agencies go to their state attorneys general to check on legalities, they're often told that the laws that seem to proscribe sharing on the basis of privacy don't necessarily do that. Many state AGs suggest that application of those laws to data sharing is based on hand-me-down theories that have no legal standing to back them up. What's more, technological advances in so-called "de-identifying" data makes it easier to share the gross numbers without putting an individual's history on wider display.

The public's faith and trust in police departments. We discovered in 2015 that one of the underlying causes for this potentially serious problem is that, in many police departments, success is measured by the number of arrests its officers made. When the goal is to arrest more people, fewer resources are going to go toward cementing good relationships between the police and the public, which can lead to improvements in crime prevention. On the face of it, the prevention of crime would seem to be a better goal than catching the person who committed it after the fact. We're hopeful that police departments will, out of necessity, rethink their measurement systems to focus more on the relationships they have with the community.

Deferred maintenance. There's nothing particularly new about the need for states, counties and cities to pay more attention to the maintenance of roads, bridges and buildings—and the way they measure the amount of money they should be spending today on maintenance they put off yesterday. Based on conversations with many academics and budget directors, we believe the talk about this topic is reaching an all-time peak. One reason for this is that a huge amount of necessary maintenance was deferred during the recession. The impact of that is becoming increasingly obvious now. Even leaders and the public in states that weathered the recession better than others are concerned.

Consider Texas. A telling article in The Texas Tribune referred to "walls patched with toilet paper. Rodent urine leaking..."
into the ceiling at a state school for deaf and disabled kids ... a backlog of pipeline safety inspections.” There was more, until the article concluded with this: “The signs of wear and tear in state government seem to be cropping up everywhere.”

Cybersecurity. There couldn’t be a complete list of hot management issues without mention of the security of our online systems. So far, the nation’s states and localities have been pretty lucky in that most of the problems on this front have involved only the threat of identity theft. But it’s inevitable that a malevolent organization will intrude into state or city computer systems in a far more dangerous way. You can hold us accountable on this one, but we’d be willing to bet a $100 donation to a worthy charity that before Jan. 1 of next year, a breach in a state or city computer system will lead directly to loss of life. We don’t make this forecast happily, but when and if it comes to pass, the already strong focus on cybersecurity in the states will multiply tenfold.

State procurement processes. As part of a project under the auspices of the Governing Institute, we’ve been examining reforms by state procurement departments (see “Purchase Power,” page 46). To keep our comments here short and sweet, states are increasingly aware of the savings to be had with modernized procurement systems, including the way those systems are managed and by whom. Based on the number of states that told the institute that they were planning new procurement reforms in the coming months, we’re pretty sure that this is going to be a hot, if often ignored, management topic from coast to coast.

Obviously, these aren’t the only significant management issues with which states and localities will be trying to deal in the next year. A handful that came close to being included here are mental health records and budget reforms. Of course, there will be new issues popping up all the time. That’s good for us—otherwise, what would we write about?

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The Poisoning of Our Politics

We’d have better government if our elections were nonpartisan.

When Michael Bloomberg was mayor of New York City, Francis Barry was his chief speechwriter and director of public affairs, and he was deeply involved in Bloomberg’s various charter review efforts. Barry is clearly ticked that the political parties and the self-styled good government groups had defeated a proposal in 2003 to institute nonpartisan elections. He channeled that annoyance into a book, The Scandal of Reform uses New York City’s election laws and history of election reform as a starting point for a powerful, well-researched analysis that seems to me to refute every objection to nonpartisan elections.

That doesn’t keep the same old objections from being raised, as they were in Oregon in 2004 when voters there considered, and ultimately turned down, a proposition to create a nonpartisan open primary election system. But the tide has been turning on the issue. U.S. Sen. Chuck Schumer of New York—a Democrat and as partisan a politician as you will find—wrote an op-ed in The New York Times in July 2014 in support of open primaries. “Party-controlled primaries, he asserted, ‘poison the health [of our political system] and warp its natural balance.’”

It strikes me that political parties are private organizations with no more right to legal control over the electoral process than ExxonMobil, Planned Parenthood, the National Rifle Association or the Sierra Club. And a recent Gallup poll found that significantly more Americans identify as independents, 42 percent, than as Democrats (29 percent) or Republicans (26 percent). The two political parties do not represent those independents.

In last month’s issue, Liz Farmer wrote about the difficulties black women have had in gaining statewide elected office. A major factor, she wrote, is that because state party leadership is heavily white and male, “recruitment also tends to skew white and male.” While the parties have frequently argued against nonpartisan elections by asserting that women and minority candidates need the party organizations behind them, Barry’s analysis shows the opposite to be true. He writes that among the 100 largest cities, “nonpartisan cities have been more likely than partisan cities to elect minority (and women) mayors.” Of the 100 largest cities in 2003, he notes, a dozen had women mayors, all of them elected in nonpartisan races.

Most policy analysts will tell you that a system produces exactly the results it is designed to produce. Disguise with the parties is high, party affiliation is weak and voter turnout in the 2014 elections was the lowest it has been in 70 years. Clearly it’s time to change the system, and the parties aren’t going to lead that change.

Those who want greater turnout in elections, more successful women and minority candidates, less gerrymandering, less ideological extremism and more pragmatic policymaking have a ready tool. Take the electoral machinery back from the private organizations that have given us the broken system of governance we have now.

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Connecting the Dots

A mobile medical app shows how technology can match skills with government needs.

While attending church last year in Santa Clara, Calif., 53-year-old Kory Trebbin suffered a heart attack. As a fellow churchgoer spoke with a 911 dispatcher, a software program linked to the city’s emergency dispatch system searched a database of CPR-trained citizens, found one in the vicinity of the emergency, and sent an alert to his smartphone. The nearby off-duty emergency room physician who responded was able to reach Trebbin and perform CPR until paramedics from the Santa Clara Fire Department arrived. Ultimately, Trebbin survived.

Sudden cardiac arrest is a leading cause of death in the United States, killing about 325,000 people each year. The American Heart Association estimates that if a CPR-trained person was able to provide immediate help, the chances of survival could double or even triple. But it can take several minutes for a fire department’s EMS team to reach a victim.

That’s where the tool PulsePoint comes into play. An estimated 57 percent of American adults are trained in CPR, so there’s a good chance someone nearby could help a cardiac arrest victim until the ambulance arrives. PulsePoint, which was developed by a fire chief, helps locate that person. It works like this: A mobile phone application alerts users to emergency calls to the local fire department. If the user is in the immediate vicinity of the emergency and has CPR training, they can choose to help the patient.

The concept behind PulsePoint has excited many in government, who see it as a way to encourage skilled individuals with innovative ideas to help government respond to complex problems. “The 20th-century way to deal with problems was to centralize decision-making within a bureaucracy,” says Beth Noveck, director of GovLab, a government research network at New York University. “In the 21st century, we know from wide experience that the best ideas, the most innovative ideas and expertise, are never exclusively within the four walls of an institution.”

Noveck says PulsePoint is a good example of how technology can be used to link them with opportunities at the local, state or national levels. One such person is Tim Szymanski, the public education and information officer for the Las Vegas Fire and Rescue Department. He is CPR-trained and has downloaded PulsePoint. In using the app, Szymanski discovered that it can also be used to pinpoint the location of auto external defibrillators (AED), the devices that can jump-start a person’s heart. Finding an AED can be a challenge when responding, say, to a cardiac emergency in a 40-story hotel on the Las Vegas strip. By mapping the location of AEDs with the PulsePoint app, both emergency personnel and CPR-trained citizens can quickly locate the equipment, which is faster and easier to use than traditional CPR, according to Szymanski.

That kind of creative thinking shows how government can use technology to play a different role. Other problems traditionally managed by government that could benefit from special skills-matching software include disaster response, childhood literacy, disease outbreak and climate change. “This is a different role for government,” says Noveck, “different from its 20th-century role of trying to be the smartest person in the room.”

By Tod Newcombe

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We know energy is often one of the biggest expenses for a municipality. Let our specialists help you cut those costs, so you have more money for improving your town.

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Handcuffed Cities

Is anyone trying to balance the fiscal inequities states impose on their localities?

In our current federal system, states are endowed with the right to chart their fiscal destinies. Each state can choose which kinds of taxes it wishes to impose—and what rates and rules will apply. Not so with municipalities. States can, and do, impose fiscal straitjackets on local governments, defining their authority or lack thereof to levy certain kinds of taxes, or even how such taxes may be assessed, applied or collected. At the same time, they require local governments to balance their budgets, keep their debt under control, and promise more to retirees than can be paid.

While there seems little disposition for federal, state and local governments to sit down together and consider this unbalanced fiscal dilemma, there might be a sign of recognition of the quandary by the Oregon Legislature. For starters, it directed the Legislative Research Office to prepare an analysis of options for restructuring Oregon’s state and local revenue system, a report that was recently completed.

The situation in Oregon is complicated by initiatives statewide voters imposed. A property tax revolt, which began in 1990 with Measure 5, limited property taxes to 1.5 percent of a home value, thus disassociating local revenues from local expenses. Notwithstanding Measure 5’s artificial limit, rapidly rising home prices meant that local property taxes continued to escalate—as did tempers. So six years later Oregonomians adopted Measure 47, which rolled back property tax assessments to the prior year’s levels—minus an additional 10 percent—and imposed a 3 percent a year cap on annual increases. The following year, voters adopted Measure 50, which imposed changes that clarify how the system would work. In effect, the measures permanently disconnect property tax levies from present-day property values.

As housing prices continue to rise, the initiative helps ensure that Oregonians can afford to stay in their homes. But it also severs the umbilical cord that enables local elected leaders to balance citizens’ needs with the ability of the government to pay for them.

The series of tax limitations made Oregon the only state in which assessed values do not reset to market value each time a property is sold—creating a different kind of governance challenge. Tax-relief benefits have been concentrating in gentrifying neighborhoods that have experienced rapidly rising home values. This is leading to inequities in property tax bills for homes of equivalent values. In effect, it has made tax policy a tool for inequity, even as it has imbalanced cities’ abilities to govern.

These state-imposed rules and limitations have created a perverse system in which every April, local governments confront a huge challenge: How to guess-timate the revenues that their levies will generate. Of the four variables that go into the calculation, only one (the tax rate) is known in April, but even that will end up caught in the buffetting winds of the state’s property tax system. Ergo, the daunting challenge of estimating tax revenues for local budgets has become more one of throwing darts than precision math. It is not, after all, until the assessor releases the tax data early in November (some seven months later) that the municipal budget architects can truly assess how accurate their guesses were. It is akin to blindfolding governance.

There would be singular benefits to reconnecting property taxes to real market values and creating uniformity of taxation for properties having the same market value. The Oregon League of Cities has long been working on possible solutions. The state could intervene and replace the lost revenue—although this comes with a risk for local governments. Should the state opt to address the current inequities through the provision of some kind of property tax credit to homeowners, the replacement of lost revenue by the state would need to be constitutionally mandated to protect cities from subsequent legislative actions. State largess is not as sure as the proverbial death and taxes.

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By Frank Shafroth

February 12, 2016
Presented by: Supported by:
The City Accelerator is an initiative to speed the adoption of local government innovations to improve cities and the lives of their low-income residents. Five cities – Albuquerque, Atlanta, Baltimore, New Orleans, and Seattle – are developing new practices that better engage low-income residents in civic life and public decision-making.

Follow their progress at www.governing.com/cityaccelerator

Meaningful Engagement Matters.

The City Accelerator is an initiative to speed the adoption of local government innovations to improve cities and the lives of their low-income residents.
Every year throughout the month of March, more than half a million people flock to Panama City Beach, Fla. The visitors are mostly college students who’ve come to the “Spring Break Capital of the World” for a week of sunbathing and parties. Most return home with, at worst, sunburns and hangovers. But those who partied a little too hardy go home with memories of spring break jail. For four years now, the Bay County Sheriff’s Office has set up its mobile booking center near the beach to process first-time misdemeanor offenders—spring breakers arrested for, among other things, public intoxication and minor fights. Consisting of two large chain-link holding cells, the facility allows law enforcement to quickly drop off an offender and get back to the beach. All the booking and paperwork is completed at the center, which processes about 2,500 people throughout the month.

—Elizabeth Daigneau
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