More support, better outcomes

South Dakota, Kansas have revamped their juvenile justice systems in recent years, and some early results are promising

by Katelyn Tyer-Skowronski (ktye@csg.org)

S

ince 2015, a big change has occurred in how South Dakota handles young people in its juvenile justice system.

Some of these kids didn’t need to go to a juvenile detention center,” Rep. Julie Bartling says about the thinking behind the legislation passed that year (SB 73). “They just needed a little more support.”

Three years later, the state is starting to see results from this shift.

According to Kristi Bunkers, director of juvenile services for the Department of Corrections, the greatest advance has been the statewide expansion of three evidence-based programs that allow young people to receive treatment in the community rather than being detained at a residential facility or correctional center.

For example, through a three- to five-month-long intervention program known as Functional Family Therapy, a young person and his or her family work through family conflicts while addressing problems of drug abuse or a range of antisocial behaviors. Of the South Dakota families who completed the program last year, 92 percent demonstrated positive behavioral change.

Like South Dakota, many states have been re-examining and, in some cases, overhauling their juvenile justice systems in recent years.

And while youth incarceration rates have declined significantly across the country (due to a decrease in violent crime and state decisions to defer low-level juvenile offenders from correctional facilities), reducing recidivism and improving other outcomes for youths remain a challenge, says Nina Salomon, a project manager with The Council of State Governments Justice Center.

In 2014 policy brief, The CSG Justice Center outlines five core principles for states to follow when revamping their justice systems.

• Base supervision, service and resource-allocation decisions on the results of proven assessments that evaluate each juvenile offender’s needs and risks of reoffending.
• Adopt and effectively implement programs and services that are proven to reduce recidivism and improve other youth outcomes.
• Use data to evaluate performance of the system and make changes.
• Employ a coordinated approach across service systems to address youths’ needs.
• Ensure that all policies, programs and supervision reflect the distinct developmental needs of adolescents.

An evidence-based approach to policymaking helped inform not only South Dakota’s legislative reforms, but those made in Kansas in 2016.

Enough time has passed now to evaluate results in both those states. Meanwhile, a third Midwestern state, Wisconsin, is poised to embark on a systemwide overhaul of its own.

‘Research and reform’

In Kansas, before introducing a package of reforms (SB 367), legislators and others took extensive steps to determine how the management of youth offenders could be improved.

“I saw the issues that were being faced in the juvenile justice system, heard testimony from those directly impacted by them, and saw the importance of research and reform,” Kansas Sen. Pat Peteysays.

Studies of the state’s juvenile justice system, including one conducted in 2015 by The CSG Justice Center, showed that while the juvenile arrest rate in Kansas had dropped more than 50 percent from 2004 to 2013, community supervision and residential commitment populations had not fallen at the same rate.

Additionally, the proportion of youths being placed in these out-of-home facilities for low-level offenses was increasing.

The studies also found that there was very little state or local investment in evidence-based alternatives to detention, nor were there clear sentencing policies for juvenile offenders. Instead, sentences
Obstacles to new NAFTA deal include process for resolving disputes, ‘rules of origin’ for autos

Negotiators from Canada, Mexico and the United States have begun their seventh round of discussions for a new, or modernized, North American Free Trade Agreement. And while the dissolution of NAFTA seemed very likely several months ago, negotiations are still alive.

To this point, results of the trilateral discussions have been varied — consensus on some changes, but continued disagreement on issues such as dispute resolution and “rules of origin” that could ultimately block a new deal from being reached.

According to Scotty Greenwood, CEO of the Canadian American Business Council, the big question right now is this: “Do the political leaders want to come to an agreement by late March?” If not, NAFTA discussions may halt because of Mexico’s pending presidential election. Greenwood sees three possible scenarios.

1) Reach an agreement in the areas in most need of change, declare that NAFTA has been modernized, and conclude discussions.

2) Announce that there are no plans to tear up NAFTA, but that the agreement needs a comprehensive review and update. Under this scenario, negotiators would continue at their own pace.

3) The United States withdraws from NAFTA and tries to reach separate bilateral trade agreements.

One major sticking point in NAFTA negotiations involves the process for settling trade disputes. Currently, they are heard by a trilateral NAFTA court. U.S. Trade Representative Robert Lighthizer wants the process moved to the U.S. court system (for cases that involve the United States).

Another obstacle is a proposed revision to the United States to the “rules of origin” for automobiles. Right now, for vehicles to avoid tariffs, at least 62.5 percent of their net cost must come from NAFTA countries. That threshold would be raised to 85 percent under the U.S. proposal; the Trump administration also wants a minimum U.S. content quota of 50 percent.

New trade rules are often considered after complaints by an affected industry, but this wasn’t the case with the proposed changes to the auto rules. “The U.S. auto industry doesn’t like [the proposal] and doesn’t support it,” Greenwood notes.

President Donald Trump’s opposition to trade agreements such as NAFTA was a cornerstone of his 2016 presidential campaign. But the fact that he has not yet withdrawn from the three-nation pact may be partly due to the work of farm groups and manufacturers in highlighting the impact of a NAFTA dissolution on state economies.

U.S. Sen. Charles Grassley of Iowa told Bloomberg News that ending NAFTA could cause a rural depression, or at least a Midwestern agricultural depression.

The U.S. Chamber of Commerce issued a report in the fall ranking the states that would be hardest hit by a NAFTA withdrawal; most were in the Midwest. While the trade pact has caused job losses in this region due to companies moving operations to Mexico, some workers have benefited.

For example, according to the chamber’s report, about 39 percent of Michigan’s total GDP comes from trade, and 65 percent of that trade is with Canada and Mexico. In Wisconsin, close to half of the products from the state’s manufacturing sector go to Canada or Mexico, and Mexico is the largest export market for the state’s dairy industry.

Economic Development

In many Midwestern states, the big policy question surrounding economic development these days isn’t how to create jobs, but how to make sure enough workers are available and ready to fill them.

Most of the region’s governors touched on this challenge in their State of the State addresses, and discussions this year in Iowa and Wisconsin highlight two ways of bolstering workforces — building talent from within the state, and doing more to keep it.

Iowa has set a goal of having 70 percent of its workers with education or training beyond high school by 2025, and two measures under consideration this year (HB 602 and SSB 3087) seek to meet this “Future Ready” target. They include:

• offering new incentives for smaller businesses to develop apprenticeship programs;

• establishing a pilot initiative for at-risk youths to take part in summer internship programs related to high-demand careers;

• encouraging employers to provide more training and education opportunities in high-demand careers via a newly created innovation fund; and

• giving high school students more opportunities to attend summer classes at community colleges that align with high-demand careers.

In Wisconsin, lawmakers heard testimony this year on a pair of bills (which did not pass) aimed at retaining more young people who come to the state for school.

“With nearly 100,000 job openings and an aging workforce, it’s urgent that we take action to recruit and retain new talent,” Rep. Dave Murphy said in committee testimony on AB 888.

The state’s universities and technical colleges annually graduate 3,000 out-of-state students, but only 1 in 10 of them remain in Wisconsin upon graduation. Under AB 888 and SB 732, these individuals would get new financial incentives to stay and work in Wisconsin — annual grants for up to five years, equal to 50 percent of the difference between in-state tuition and nonresident tuition rates.

Brief written by Laura Tomaka, CSG Midwest staff liaison to the Midwestern Legislative Conference Economic Development Committee. She can be reached at ltomaka@csg.org. The committee’s co-chairs are Illinois Sen. Elgie Sims and Michigan Sen. Ken Horn; its vice chair is South Dakota Sen. Kevin Keller.
Great Lakes Legislative Caucus

Michigan proposes partnership to help pay for Asian carp controls

Michigan has 3,000 miles of coastline and more Great Lakes water within its jurisdiction than any other state or province in the basin. But one of the big ecological threats to this fresh-water system is well outside the state’s borders — in Illinois and Indiana, where invasive species of Asian carp would be most likely to enter the Great Lakes basin, via the Chicago Area Waterway System.

"It’s not just the Great Lakes that are at risk; it’s all of the tributaries as well as our inland lakes," says Tammy Newcombe, a senior water policy adviser for the Michigan Department of Natural Resources.

Michigan wants another layer of protection to prevent an Asian carp invasion — namely, the Army Corps of Engineers’ proposal to install a mix of new fish barriers, navigation, potentially causing more Great Lakes water within its jurisdiction.

A "nonfederal sponsor" would typically be a host state or one its political subdivisions. However, Illinois opposes the Corps’ plan and does not want a new electric barrier installed at Brandon Road.

In a December 2017 letter to the federal agency, Illinois Lt. Gov. Evelyn Sanguinetti said the plan lacks "adequate scientific justification" and would disrupt navigation, potentially causing "irreparable economic harm to regional industries that depend on the $28 billion of commodities transported along the Illinois River every year." According to Sanguinetti, the state would support a scaled-back plan that focuses on increased commercial fishing and processing of Asian carp and that adds some new structural controls (but not an electric barrier) — provided that the federal government fully funds construction and ongoing operations and maintenance.

Agriculture & Natural Resources

Farm-income losses hurting Midwestern states’ budgets; no turnaround for sector in sight

The U.S. Department of Commerce reported that real gross domestic product increased 2.3 percent nationally between 2016 and 2017, but agriculture subtracted from overall economic growth in every state in the Midwest — most notably Iowa, Nebraska and South Dakota.

"It’s a big deal in Nebraska when our farmers are hurting," says Tony Fulton, the state’s tax commissioner and a former state legislator. Last year, Nebraska had to close a nearly $1 billion shortfall for the biennium that began July 1, and lagging tax collections opened an additional $200 million shortfall.

In neighboring Iowa, Rep. Pat Grasso, chair of the House Appropriations Committee, says his state’s current fiscal challenges are the result of a downturn in the farm economy and its ripple effects.

"It isn’t just your corn and soybeans and your hogs and cattle and your chickens," Grasso says. "It’s the fact then you have a plant that makes a tractor. If [the plant] lays off people, those layoffs impact you as well."

David Roederer, the state’s budget director, provides the eye-catching numbers behind the dip in economic activity: "The average total net farm income in Iowa from 2006 through 2013 was $3.7 billion. From 2011 through 2014 it averaged $7.6 billion, and has since dropped below $2.5 billion."

Ernie Goss, an economics professor at Creighton University, says net farm income in the Midwest has been falling since 2013 and, for many states, contributed to less-than-expected sales tax revenues. "Farmers are just not purchasing," he adds, "and that shows up in the economy."

A turnaround doesn’t appear in sight, at least over the near term. U.S. Department of Agriculture deputy secretary Steven Censky reports that, nationally, farm income is expected to fall 6.8 percent in 2018 (income levels have dropped nearly 50 percent since 2013). Why is the Midwest’s farm economy struggling? For starters, commodity prices have fallen due to record production and a glut of corn, wheat and soybeans on the global market. At the same time, the costs of production (fuel, loan interest, labor, etc.) have risen. In response, farmers have reduced spending on inputs while also tapping savings, using off-farm income, and/or borrowing more.

Farm debt has increased by 22 percent since 2013 and has reached levels not seen since the 1980s. Nathan Kaufman, assistant vice president of the Federal Reserve Bank of Kansas City, notes that agricultural lenders continued to have high demand for loans, even as repayment rates have deteriorated. Given all these challenges, he says, farm spending has fallen at an accelerated pace.

States whose agricultural economies are tied more to dairy haven’t had as many highs and lows over the past decade, says Mark Stephenson, an economist with the University of Wisconsin.

Still, the dairy industry is clearly facing struggles as well. Federal court data shows the Western District of Wisconsin, which covers more than half the geographic area of the state, had 28 Chapter 12 (family farm) bankruptcy filings in 2017, the highest number in the country. The Eastern District of Wisconsin had 17 cases and the Minnesota District had 19.

Farmers are trying various ways to make it through this difficult period — for example, planting more niche and organic crops, accepting wind turbines on their property, relying on off-farm income, or raising chickens or hogs on contract (this latter strategy, though, requires taking out loans of up to $1 million). According to Jay Rempe, an economist for the Nebraska Farm Bureau, a growth in livestock processing also should help stabilize the agriculture sector.

Even with these efforts, the stagnant farm economy doesn’t bode well for the region’s state economies for the next few years.
Congress dips its toes in blockchain waters; Estonia dives head first

The federal government’s exploration of blockchain technology is, so far, limited to a handful of contracts and requests for information issued by individual agencies. In June 2016, the U.S. Department of Homeland Security awarded $199,000 to Factom, Inc., of Austin, Texas, for blockchain software to authenticate data from devices and secure their identities, as well as authenticating the devices and making them harder to spoof (an attack in which the attacker is disguised as someone or something else by using falsified data).

In October 2017, the U.S. Food & Drug Administration issued a “Small Business Sources Sought” notice for a project to add blockchain to the agency’s Real Time Application for Portable Interactive Devices capacity. The project’s stated goals are to establish secure connections between the FDA and its partners in the United States Critical Illness and Injury Trials Group network, which is now called the Discovery network, and test data connections “in order to send information in real-time as it relates to safety with regard to severe respiratory infections using influenza as the case model.”

And the $700 billion defense spending bill signed by President Trump in December calls on the U.S. Department of Defense to study “potential offensive and defensive cyber applications of blockchain technology and other distributed database technologies” and report its findings within six months.

Then there’s Estonia.

The Baltic republic of 1.3 million people, which regained its independence just 27 years ago, is, like any good millennials, going full digital in a blockchain-based effort to put government services online. Known as e-Estonia, the system allows Estonians (and even foreigners who qualify for “e-residency”) to access myriad services with a personal digital ID card, which stores a unique identifier in a “key pair” — a widely used public key and a private key known only to the user. Estonians can access land, tax, health and educational records, pay or contest fines, and even authenticate data from devices and secure their interactions with government, “the report states.

In February, the task force’s co-chair, Rep. Michael Zalewski, introduced HB 5553, the Blockchain Technology Act. It would allow the technology to be used in transactions and proceedings and establish where it cannot. In addition, local governments would be barred from taxing blockchain or smart contracts, and from requiring licenses or imposing restrictions for their use.

In Nebraska, a trio of bills introduced by Sen. Carol Blood are pending in the Unicameral Legislature’s current session:

• LB 695 would give blockchain and smart contracts a type of electronic record for the purposes of the Idaho blockchain.

• LB 694 would bar local governments from taxing or regulating distributed ledger technology; and

• LB 695 would give blockchain and smart contracts equal legal status to paper or digital contracts.

Nebraska has a bigger tech community than people realize, Blood says, adding her measures would be a signal to entrepreneurs “that not only do we accept [the technology], we embrace it.”

In other words, one database or master copy, from one source.

With blockchain, “Every node in the network is coming to the same conclusion, each updating the record independently, with the most popular record becoming the de-facto [sic] official record in lieu of there being a master copy,” the website says.

While the “how” of blockchain might be difficult to understand, “it is clear that distributed ledgers can begin a transition to a smarter, cheaper and safer way to administer government,” the Illinois report says.

Outside the Midwest, many states have introduced or adopted blockchain-related legislation over the past two years.

With passage of HB 2417, Arizona established guidelines for blockchain-based electronic signatures. Delawares SB 69, signed into law on July 7, 2017, lets corporations use blockchain to create and maintain corporate records, including the stock ledger, while Nevadas SB 398 recognizes blockchain technology as a type of electronic record for the purposes of the Uniform Electronic Transactions Act.

Colorado’s SB 86, introduced last month, would direct the state’s chief information security officer to evaluate the costs and benefits of using distributed ledgers in various government systems, and to determine blockchain’s capability in handling cyberattacks compared to traditional computer systems.

New York legislators are pondering bills to define blockchain (AB 8780), study its use to protect voter records and election results (AB 8792), and create an Illinois-style task force (AB 8793), as well as a task force to study the impact of cryptocurrencies on the state’s financial markets (AB 8783).

‘Silicon Prairie’? Midwest states start looking at blockchain’s possibilities

Bitcoin grabs the headlines, but blockchain — the distributed ledger technology underlying cryptocurrencies — is beginning to get some serious attention from Midwestern legislators for its potential to rewire state governments.

The Illinois Blockchain and Distributed Ledger Task Force, created last June by a resolution (HJR 25), issued its report to the state’s General Assembly on Jan. 31. The 34-page document provides an overview of what blockchain is, how it works, and how Illinois can and should approach this cutting-edge technology.

“To broadly summarize our findings, this task force believes that blockchain technology and its built-in encryption can facilitate highly secure methods for interacting with government and keeping paperless records, increasing data accuracy and providing better cybersecurity protections for Illinois residents,” the report states.

For example, blockchain could revamp the delivery of services, from state grants and student loans, to Medicaid and food stamps. The use of blockchain-based smart contracts could mean waste management and snow removal happens automatically based on to-the-minute demand, while disaster recovery eligibility could be automated.

“Though the technology still needs refinement, government has an opportunity to help shape and adopt innovative solutions,” the report states.

In Nebraska, a trio of bills introduced by Sen. Carol Blood are pending in the Unicameral Legislature’s current session:

• LB 691 would make the use of distributed ledger technology-based cryptocurrencies for illegal purposes unlawful, and require cryptocurrency users to report transactions of $10,000 or more to the state’s Department of Revenue;

• LB 694 would bar local governments from taxing or regulating distributed ledger technology; and

• LB 695 would give blockchain and smart contracts equal legal status to paper or digital contracts.

Nebraska has a bigger tech community than people realize, Blood says, adding her measures would be a signal to entrepreneurs “that not only do we accept [the technology], we embrace it.”

Legislators should learn about blockchain technology because it’s transparent, efficient and safe, she said. “As a step to fiscal conservatism … it’s the golden goose,” Blood adds. “It’s the most disruptive technology since the Internet, and it’s moving much faster.”

What is blockchain?
CoinDesk.com, a news website covering blockchain and cryptocurrencies, says blockchain shares some similarities with Wikipedia: Both rely on continuous updates by a community of users, and no one person controls the information.

Wikipedia is a “client-server” model — a client (user) with permission to edit can access a Wikipedia entry and make changes that everyone can see. But “control of the database remains with Wikipedia administrators, allowing for access and permissions to be maintained by a central authority.”

In other words, one database or master copy, from one source.

With blockchain, “Every node in the network is coming to the same conclusion, each updating the record independently, with the most popular record becoming the de-facto [sic] official record in lieu of there being a master copy,” the website says.

Nebraska’s LB 695 defines distributed ledger technology as “an electronic record of transactions or other data which is: 1) uniformly ordered; 2) redundantly maintained or processed by one or more computers or machines to guarantee the consistency or nonrepudiation of the recorded transactions or other data; and 3) validated by the use of cryptography.”

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Unanticipated candidate filings in Kansas spark debate over qualifications

by Tim Anderson (tanderson@csg.org)

The race for governor in Kansas got off to an unusual start this election cycle — the unexpected candidacies of six teenagers, the editor of an alternative weekly newspaper in Oregon, and even a dog.

The canine’s run was stopped, but at least as of early this year, nothing in the state’s Constitution or statutes prevented minors and out-of-state residents from seeking the governorship.

“If this isn’t changed, people in prison could run,” adds Kansas Rep. Blake Carpenter, noting the lack of a requirement that a gubernatorial candidate be a “qualified elector.”

Carpenter’s HB 2539, which as of late February had passed the House by a wide margin and was awaiting action in the Senate, adds the “qualifying elector” requirement for anyone running for statewide office. (His bill wouldn’t take effect until January 2019, thus not impacting the campaigns of teens or out-of-state residents running this year.)

Under the original proposal, gubernatorial candidates also had to live in Kansas for the last four years. Representatives struck this language from the final House bill, though, while adding a new requirement for attorney general candidates that they be licensed to practice law in the state.

In most U.S. states, the attorney general must be a licensed attorney, though this requirement isn’t as common in the 11-state Midwest (see map). Kansas stands out more for its lack of criteria on who can be governor. As of 2016, it was one of only three U.S. states without a residency requirement (along with Massachusetts and Virginia) and one of three that didn’t set a minimum age (Tennessee and Arkansas are the others).

Last year, as he began working on new statutory language, Carpenter reached out to one of the teenage gubernatorial candidates for input. The two had at least one thing in common: Both got the itch to run for office at an early age. Three years ago, Carpenter was the state’s youngest legislator, at age 23.

Among the questions for Carpenter when crafting HB 2539 was where to set the minimum age for governor. It’s as high as 30 in some Midwestern states, but Carpenter chose 18.

“At that age, you are an adult in the eyes of the government,” he says. “You can be charged as an adult, you can vote, you can serve in the military, you can enter into contracts.”

Capital Closeup is an ongoing series of articles focusing on institutional issues in state governments and legislatures. Previous articles are available at csgmidwest.org.

QUESTION OF THE MONTH

QUESTION: What mechanisms do states in the Midwest use to provide funding for preschool programs?

According to the National Institute for Early Education Research, 18 states had at least 30 percent of 4-year-olds enrolled in state-funded preschool as of 2016. That compares to only two states in 2002. In the Midwest, Wisconsin and Iowa have the highest rates. (Nationally, only Florida and Oklahoma rank ahead of Wisconsin.)

The Wisconsin Constitution calls for schools to be “free and without charge for tuition to all children between the ages of 4 and 20 years,” and local districts receive state dollars for 4-year-old kindergarteners via the K-12 funding formula (aid is equivalent to 0.5 or 0.6 dollars per child). Nearly all of Wisconsin’s school districts now provide voluntary, universal kindergarten to 4-year-olds.

Iowa also is among the nine U.S. states that provide districts with preschool dollars via their K-12 funding formulas, according to the Education Commission of the States. School districts in Iowa receive foundation aid based on their enrollment count for 4-year-olds (50 percent per child). The number of children served through Iowa’s preschool program has more than quadrupled since its inception in 2007, with about 98 percent of the state’s school districts now participating.

In Michigan, which ranks third in the region in terms of 4-year-olds’ access to state-funded preschool, the amount of state dollars going to the Great Start Readiness Program has risen from $174 million to $244 million over the past five years. The state’s intermediate school districts get this money via a state funding formula; in turn, they administer local preschool programs for 4-year-olds at risk for educational failure.

In 2006, Nebraska established an Early Education Endowment Fund of $60 million — $40 million from the state (the result of legislation and a voter-approved constitutional amendment) and $20 million from private donations. The Legislature now supplements endowment income with general fund appropriations of $5 million a year. The endowment fund supports local programs for at-risk children, ages birth to 3.

Nebraska’s state-funded Early Childhood Education Grant Program provides preschool for ages 3 to 5, and in 2016, lawmakers established school readiness tax credits (LB 889) for qualifying early-childhood programs and workers.

Illinois has the Midwest’s highest percentage of 3-year-olds enrolled in state-funded preschool — 19.9 percent, second-highest rate in the nation. Its Preschool for All Program prioritizes services for children between the ages of 3 and 5 who have been “identified as being at risk of academic failure.”

Indiana and Minnesota legislators made significant new investments in early learning in 2017. Indiana’s HB 1004 calls for $20 million to be spent over the biennium on the On My Way Pre-K program, which is for 4-year-olds from low-income households. Minnesota’s HF 2 included more money for early-childhood programs (scholarships for families as well as aid to school districts for school readiness initiatives and voluntary prekindergarten) and created a new School Readiness Plus initiative for at-risk 4-year-olds.

General funds are used to pay for many of these pre-K programs, but the Education Commission of the States points to other revenue sources being employed by states: lottery proceeds (five states), gambling revenue (Missouri), a dedicated portion of the sales tax (South Carolina), and tobacco settlement dollars (three states, including Kansas).

Article written by Tim Anderson (tanderson@csg.org), CSG Midwest publications manager. Question of the Month highlights an inquiry sent to the CSG Midwest Information Help Line: csgm@csg.org or 630.923.1922.

Nebraska: 18.3% 19.9% 21.6%

Illinois: 12.7% 19.9% 26.1%

Minnesota: 9.6% 12.5% 16.4%

Iowa: 11.5% 14.0% 17.8%

Wisconsin: 9.4% 11.8% 15.1%

Michigan: 10.7% 10.9% 11.1%

North Dakota: n.d.

South Dakota: 3.0% 4.4% 6.3%

Greater use of evidence-based programs central to changes in juvenile justice

Though the work of an ongoing initiative of its Justice Center, The Council of State Governments is helping states examine their juvenile justice systems and make improvements to them. The comprehensive, data-driven Improving Outcomes for Youth project provides technical assistance and focuses on three questions:  
1) What are the recidivism rates and other outcomes for youth under supervision of the justice system, and is data collected and used to track, analyze and improve these outcomes?  
2) Are resources used efficiently to provide services for youth most at risk of reoffending, and are the services that young people receive demonstrated to be effective?  
3) Are young people matched with the appropriate level and length of supervision based on their reoffending risks and needs?

Since launching the IOYouth, The CSG Justice Center has worked in two states, Nevada and New Mexico, bringing together bipartisan groups of stakeholders to develop consensus-based policy solutions.  

As a result of the project’s findings in Nevada, Gov. Brian Sandoval signed AB 472 into law last year. It requires the state and local departments of probation to implement a “validated risk-assessment instrument” to ensure young people receive the appropriate level of supervision (based on their risk of reoffending) and are matched with the appropriate type of services based on their criminogenic needs. The Nevada law also allocates state dollars for evidence-based practices and requires the collection, tracking and reporting of uniform performance measures.  

The Justice Center has been in discussions with a number of states interested in the IOYouth process. For more information, contact Nina Salomon: nrsalomon@cs.org.

**KS working with states to improve juvenile justice**

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**Offense profile of juvenile offenders committed to or detained in state facilities (2015)**

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*Offenses such as assault, homicide, rape and robbery*
*Offenses such as burglary, larceny-theft and motor vehicle theft*
*Offenses such as escape, obstruct and dissemble conduct*
*Violations based on the fact that the youth is a minor — for example, curfew, truancy or alcohol consumption*

Source: U.S. Office of Juvenile Justice and Delinquency Prevention

Passage of South Dakota’s SB 73, known as the Juvenile Justice Public Safety Improvement Act, was the result in part of an interbranch work group. It found that although juvenile commitments to the state Department of Corrections were declining, South Dakota still had the second-highest youth incarceration rate in the country. Further, the majority of youth commitments were for status offenses (crimes based on the age of the offender, such as truancy or curfew), misdemeanor offenses and probation violations. “Before SB 73, we cast a very wide-open net,” Bunkers says. “Overresponding was definitely something that we did here in South Dakota.”

The state law has several overarching goals:

- prevent the deeper involvement of youth in the juvenile justice system,  
- expand access to evidence-based interventions in the community,  
- focus residential placements on juveniles who are a public-safety risk, and  
- improve outcomes in areas such as educational attainment, behavioral and mental health, and family relations.

What the state has seen so far is promising: Between 2014 and 2017, the number of youths newly committed to a Department of Corrections facility has
Fewer juveniles are being adjudicated for a new offense within the first three years after being discharged from probation.

Last year, the state’s recidivism rate for youths on probation has decreased in recent years from 59 percent to 32 percent, while the rate for those released from state custody dropped from 20 percent to just 8 percent.

In 2017, more than 3,000 citations were issued for offenses related to alcohol possession, truancy, property damage and petty theft. Youth who receive a citation may be required by the court to participate in a diversion program, pay a fine or complete community service.

In addition, new guidelines and a graduated response matrix (established by SB 73) have helped the state improve probation outcomes by holding juvenile probationers more accountable through swift, certain and proportional responses to violations.

In the years since SB 73 was enacted, the number of youths successfully completing their term of probation has steadily increased — from 85 percent to 96 percent. State data also show that juveniles are being adjudicated for a new offense within the first three years after being discharged from probation.

Looking ahead, South Dakota officials will continue to monitor the outcomes of the parole reforms and make decisions about where to direct the money saved by diverting youth from correctional facilities.

“In my opinion, the only way to reinvest [that money] is back into the communities where these children live and provide the programs that can help them stay out of trouble, stay in school and go on to college or a career after high school,” Bartling says.

Pursuing a new ‘Wisconsin Model’

Wisconsin took steps this year to become another Midwestern state to overhaul its juvenile justice system. In February, before adjourning for the year, the state Assembly voted unanimously in favor of AB 953.

The bipartisan bill calls for the closure of the two of the state’s juvenile detention centers by July 2020 and requires each of Wisconsin’s 72 counties to establish a plan for housing low-level offenders. The bill also would create a study committee to develop recommendations on locations for the new local detention facilities and rules for how to govern them.

The proposal comes after a federal judge, in response to allegations of inmate abuse at one of the state’s juvenile facilities (Lincoln Hills), ordered the state Department of Corrections to make significant changes, including reducing the use of solitary confinement and pepper spray.

In January, Wisconsin Gov. Scott Walker announced plans to convert Lincoln Hills into an adult correctional building and build six smaller youth facilities around the state for Wisconsin’s most serious juvenile offenders, including one new mental health center in Madison for girls.

In a press release, Rep. Michael Schraa, chief Republican sponsor of AB 953, said the “trail-blazing legislation” would “address public safety with secure facilities, while treating underlying causes and rebuilding lives, close to home and close to the community.”

He and the bill’s chief Democratic sponsor, Rep. Evan Goyke, say AB 953 will create the state’s own approach to juvenile justice reform called the “Wisconsin Model.” At the time of publication, AB 953 was pending approval by the state Senate.
**STATELINE PROFILE**

**Minnesota Sen. Paul Gazelka**

Majority leader has made improving partisan climate in St. Paul a priority since his unexpected rise to top leadership post

by Katelyn Tyw-Skworonski (ktye@csg.org)

Paul Gazelka had never thought about running for elected office. That changed, however, one day in 2004, when Gazelka — already at the time a respected community and business leader in his central Minnesota district — was approached by then-state Rep. Dale Watz.

“I had never met with him before, but he asked to meet with me,” Gazelka recalls. “He told me that he had a serious medical condition and would not be running for re-election, and asked if I would run in his place.”

Gazelka talked it over with his wife and, although it would be a struggle with five kids at home and an insurance agency to run, decided to say “yes.”

“It seemed like the right thing to do.”

Gazelka won the race for the Minnesota House seat that year, but was defeated when he ran for re-election. He sat out of politics for four years before deciding to try again, this time for the state Senate.

He was sworn in to the upper chamber and found himself in the majority party; it was the first time Republicans had controlled the Senate in 40 years. Later that year, Gazelka was selected by his peers to serve as assistant majority leader. In 2013, when Democrats regained control of the Senate, Gazelka served as assistant majority leader.

Last year, the Republicans won back control of the Minnesota Senate, but then-Republican Leader Sen. David Hann lost his election and the caucus was unexpectedly left without a clear leader.

Gazelka found himself in a familiar position — he had no previous plans to serve as one of the state’s top four legislative leaders, but, as he had done in 2004, decided to take on the new challenge.

Above and beyond his goals for the caucus, he had one other objective after being chosen as Senate majority leader: Change the tone inside the Minnesota Capitol and eliminate what he saw as some of the unnecessary partisan discord.

“If someone is doing something right, we can acknowledge it, no matter what side of the aisle they’re on,” Gazelka says. “If we can build bridges to do what’s best for Minnesota, then we should.”

That’s not to say there isn’t plenty of partisan disagreement in one of the only two Midwestern states where control of the legislature and governor’s office is split between Democrats and Republicans. (Illinois is the other; see map.)

Still, Gazelka points to several major accomplishments last year, from passage of the largest tax relief bill in decades and the largest transportation funding package in nearly 10 years, to measures that implement REAL ID license standards and education reforms.

“People are not doing things that they would once have argued about, which is incredibly rewarding to know that you’re influencing the state, both in policy and style,” Gazelka says.

In a recent interview with CSG Midwest, Gazelka reflected on his work in the Legislature, his role as leader, and his legislative priorities for 2018. Here are excerpts.

**Q:** How would you describe your approach to being a legislator and a legislative leader?

**A:** I’m a follower of Christ, and I believe faith is important in everything we do, including the political realm and how we treat people. … My leadership style is “servant-leader”: How do you help the people around you be the best that they can be?

**Q:** What is an accomplishment that stands out to you, one that you are particularly proud of?

**A:** In Minnesota, for more than 20 years, the pensions of those who served in our armed forces were subject to state income taxes. We were one of a shrinking number of states that did that, so more and more career military folks were moving [out of the state]. In 2015, I worked across the aisle with then-Sen. Rod Skoe, who chaired the Taxes Committee. He ended up putting my language (to provide a military pension tax exemption) into the budget bill, based on its importance to me and our working relationship. That was particularly rewarding because it was something the Legislature had worked on for years, and I somehow got it done while being in the minority.

**Q:** Regarding this year’s legislative session, what do you see as being an important policy challenge to address before you adjourn?

**A:** Minnesota must adapt to changes in the federal tax law. If we do nothing, the state’s tax preparation will be extremely complicated, but if we conform to the federal changes, it will lead to a tax increase at the state level. It will be complicated to navigate this with a Senate that is split 34-33 [Republicans hold a one-seat advantage] and a pending lawsuit that attempts to flip that majority to the other side of the aisle. So we’ll try to dance through some partisan gamesmanship and, at the same time, do what’s best for Minnesota.

**Bio-sketch of Sen. Paul Gazelka**

- majority leader since 2017; first elected to Minnesota Senate in 2010 and previously elected to House in 2004, serving one term
- longtime owner of insurance agency in central Minnesota town of Baxter
- bachelor’s degree in business management from Oral Roberts University
- he and his wife, Maralee, have been married 35 years; they have five children and three grandchildren

“In the end, power shifts back and forth, and you should treat people the way you want to be treated.”

**Partisan control in Midwest**

- Divided government: Democratic legislature and Republican governor
- Divided government: Republican legislature and Democratic governor
- Single-g pellets: Republican governor: Republican control of legislature, Republican governor
- Nonpartisan, unicameral legislature; Republican governor

**Q:** When you talk to new lawmakers, what advice do you tend to give them based on your own experience in the Legislature?

**A:** I tell them that building relationships, whether it’s across the aisle, within your caucus, or with lobbyists, is really important in a place that is often very partisan. I’ve been able to navigate through the things that are important for my district while being in the minority and majority because I haven’t unnecessarily created enemies. In the end, power shifts back and forth, and you should treat people the way you want to be treated.

**Q:** What is an accomplishment that stands out to you, one that you are particularly proud of?

**A:** In Minnesota, for more than 20 years, the pensions of those who served in our armed forces were subject to state income taxes. We were one of a shrinking number of states that did that, so more and more career military folks were moving [out of the state]. In 2015, I worked across the aisle with then-Sen. Rod Skoe, who chaired the Taxes Committee. He ended up putting my language (to provide a military pension tax exemption) into the budget bill, based on its importance to me and our working relationship. That was particularly rewarding because it was something the Legislature had worked on for years, and I somehow got it done while being in the minority.
Better balance on civil forfeiture

With probable-cause requirement and new deadlines for prosecutors, Indiana can do more to protect property owners

by Indiana Sen. Rodric Bray (Senator.Bray@iga.in.gov)

I t’s no secret civil forfeiture is a valuable tool in fighting crime. By allowing our law enforcement officers to seize the property of criminals, gang members or drug dealers, police are able to diminish the opportunity for further crimes to be committed.

While civil forfeiture is a powerful tool, we must also acknowledge the personal property rights of individuals whose property has been seized.

Say I lend my car to someone, and that person commits a crime. My property has now been seized despite me not committing any crime. Is that fair? What if law enforcement wrongly seizes my property and I’m not able to recover my property for months? What recourse do I have?

In 2017, Indiana was already studying how to improve our civil forfeiture laws. During that process, a federal court struck down a portion of our law. Essentially, the court found Indiana law was lacking due process.

In that case, a plaintiff whose vehicle was seized in Indianapolis sued for a class of all owners with vehicles seized by Marion County law enforcement, claiming that Indiana’s forfeiture laws didn’t provide constitutional due-process protections.

The court found in the plaintiff’s favor.

Specifically, the court found that far too much time passed before the property owner had the case reviewed by a judge, had a day in court or even before a formal petition needed to be filed in court.

Through this lens, the Indiana General Assembly has looked at reforming our civil forfeiture laws to balance the interests of law enforcement officers and property owners. If the legislature did not update our laws, the federal ruling could ultimately prevent law enforcement from conducting civil forfeitures entirely.

In light of this situation, I authored SB 99 this session to reform our civil forfeiture laws. This measure is the result of months of work by the Interim Study Committee on Courts and Judiciary, of which I served as chair. This bill recently passed the Indiana Senate and is now being considered by the House of Representatives. (Editor’s note: As of March 8, the bill had passed the legislature and was awaiting Gov. Eric Holcomb’s signature.)

New timelines, notification procedures

Under this bill, a prosecutor will be required to file an affidavit of probable cause within seven days of property being seized. The bill also requires property to be returned to the owner if a court does not find probable cause to believe the property was used in connection with a crime. Under the law that was partially struck down, there was no probable-cause requirement.

SB 99 also speeds up the timeline for forfeiture cases to move forward. Instead of 90 days for a prosecutor to file a forfeiture action, it must now be filed within 21 days if the owner has filed a written demand for return of the property. If a property owner has not filed a written demand for return of the property, the prosecutor must file the action for seized property within 90 days instead of 180 days.

If a prosecutor doesn’t meet these deadlines, the property must be immediately returned to its owner, and the owner is not liable for the costs incurred during the investigation or prosecution.

The bill also establishes new procedures aimed at protecting the rights of a property owner if the owner was not in possession of the property when it was seized.

It requires a prosecutor to notify the owner within seven days of the seizure, and the owner could then petition the court for custody of the property pending the outcome of the forfeiture action.

Currently, property owners have almost no recourse to reclaim their property in a timely manner if it was wrongly seized. They would have to wait months and months until the entire case was finished, even if the property shouldn’t have been seized in the first place.

SB 99 also sets up parameters for how the proceeds from the sale of seized property can be used should the state win a forfeiture case.

The funds would first be used to pay attorney fees if outside counsel were used. After that, one-third would be deposited in the prosecutor’s forfeiture fund in order to offset any expenses incurred during the investigation or prosecution.

Then, a percentage would be paid to either the state general fund, local general fund or county drug task force fund, as determined by the court.

Any remainder would be deposited into the state common school fund, which is a constitutional requirement in Indiana.

The bill also prohibits prosecutors and deputy prosecutors from receiving contingency fees for handling forfeiture cases, and prohibits deputy prosecutors from being retained to represent the state in a forfeiture case.

In addition, SB 99 limits the amount of any contingency fees that an attorney can receive for representing the state in a forfeiture case.

Finally, we added reporting requirements so the Indiana General Assembly will better understand how civil forfeiture is playing out across our state rather than relying on anecdotal evidence.

I’m proud of the work the Interim Study Committee did in evaluating this issue and drafting a proposed bill. Throughout the process, I’ve met with many different agencies and people to address any concerns they had with the bill.

The end result is a bill that allows our law enforcement agencies to crack down on organized crime while outlining a way for citizens to get their property back.

Indiana Sen. Rodric Bray was first elected in 2012. He serves as majority floor leader and also serves as chair of the Senate Judiciary Committee.

Submissions welcome

This page is designed to be a forum for legislators and constitutional officers. The opinions expressed on this page do not reflect those of the Council of State Governments or the Midwestern Legislative Conference. Responses to any FirstPerson article are welcome, as are pieces written on other topics. For more information, contact Tim Anderson at 630.925.1922 or tanderson@csg.org.
From politics to space travel, diverse mix of presenters part of July meeting of MLC

Speaker lineup complements four days of sessions on public policy; meeting of Midwest’s state and provincial legislators will be held July 15-18 in Winnipeg

This year’s Midwestern Legislative Conference Annual Meeting will feature talks by a leading historian, Canada’s first woman to fly in space, a highly respected writer on U.S. politics, and a former Manitoba premier.

The 73rd MLC Annual Meeting will be held July 15-18 in Manitoba’s culturally vibrant capital city of Winnipeg. It is the only event designed by and for the Midwest’s state and provincial legislators. A registration discount for legislators is available through May 14. Registration can be completed at csgmidwest.org.

The MLC’s four-day business program will feature sessions on numerous policy issues: budgets, cross-border trade and relations, education, criminal justice, economic development, health care, renewable energy, agriculture and transportation. Mixed in with these sessions is a lineup of speakers that will both inspire and inform attendees:

• Gary Doer, former Manitoba premier and former Canadian ambassador to the United States, will deliver this year’s opening keynote address. He will provide his perspective on the distinct, important relationship between the two countries (which represent the largest bilateral trade partnership in the world), as well as the role of the Midwest’s states and provinces in this partnership.

• Amy Walter, national editor of the Cook Political Report, will preview what’s at stake in this November’s U.S. elections and explore key factors likely to determine partisan control of the U.S. Congress, state legislatures and governors’ offices. Roberta Bondar, the first Canadian woman and neurologist to fly in space, will speak on “The Art of Leading Through Continuous Change.”

• Brian Tennyson will provide historical perspective on the U.S.-Canada relationship. Listed in the “Who’s Who in Canada,” he is a noted expert on early-20th-century Canadian political history.

Activities for guests of all ages

Now in its 73rd year, the MLC Annual Meeting provides a nonpartisan, welcoming setting for legislators to examine key public policies with each other as well as renowned policy experts.

The family-friendly event also offers numerous daytime events for guests of all ages — for example, outdoor adventures and trips to a planetarium for children, and tours of Winnipeg museums and neighborhoods for adult guests.

Evening events for everyone will be held at the Manitoba Legislative Building, the Canadian Museum for Human Rights and Assiniboine Park Zoo’s Journey to Churchill Exhibit.

BILLD leadership program has April 4 deadline to apply for fellowship

April 4 is the deadline to apply for the Bowhay Institute for Legislative Leadership Development, the only program of its kind for newer lawmakers representing the Midwest’s 11 states.

This year’s institute will be held Aug. 10-14 in Minneapolis on the campus of the University of Minnesota. The university’s Center for the Study of Politics and Governance at the Humphrey School of Public Affairs serves as academic partner for the BILLD program, which is run by the Midwestern Office of The Council of State Governments.

The application, available at csgmidwest.org, includes a written essay and letters of recommendation from colleagues.

A bipartisan group of legislators from each of the Midwest’s 11 states oversees the program and its competitive application process. The BILLD Steering Committee is led by two co-chairs, Indiana Rep. Ed Cler and Iowa Rep. Rod Taylor, and a vice chair, Nebraska Sen. Sara Howard.

BILLD’s highly interactive curriculum includes a mix of sessions on public policy, professional development and leadership — for example, training on conflict resolution, media relations, consensus building and negotiation, as well as sessions led by top policy experts and legislative leaders in the Midwest.

Its goal is to help newer legislators develop the skills necessary to become effective leaders, informed decision-makers and astute policy analysts.

More than 800 lawmakers have graduated from the 24-year-old institute, including many who have gone on to serve in key leadership positions in their respective states. Others have been elected to the U.S. Congress.

CSG also has a national leadership program for state officials, including legislators, in all three branches of state government. The Toll Fellows Program will be held Aug. 24-28 in Lexington, Ky. It is designed for more-experienced lawmakers and as a “graduate-level” program that complements BILLD and CSG’s other leadership development programs.

The application deadline is April 30. For more information on Toll Fellows, contact Kelley Arnold at karnold@csg.org.

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The Council of State Governments was founded in 1933 as a national, nonpartisan organization to assist and advance state government. The headquarters office, in Lexington, Ky., is responsible for a variety of national programs and services, including research, reference publications, innovations transfer, suggested state legislation and interstate consulting services. The Midwestern Office supports several groups of state officials, including the Midwestern Legislative Conference, an association of all legislators in 11 states: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin. The Canadian provinces of Alberta, Manitoba, Ontario and Saskatchewan are MLC affiliate members.
On April 17, the same day that the U.S. Supreme Court will hear oral argument in South Dakota v. Wayfair, state legislators will have the chance to learn about what’s at stake and the latest developments.

The State and Local Legal Center is hosting this webinar. More information is available at www.state.locals.all.org or by contacting the center’s executive director, Lisa Soronen: lsoronen@sso.org.

In this closely watched case, South Dakota is seeking the authority to require out-of-state retailers to collect the state sales tax. Minus congressional action, such a ruling is needed because of a 1992 decision involving another Midwestern state. In Quill Corp. v. North Dakota, justices limited the ability of states to collect taxes from the remote sales of out-of-state retailers.

Two years ago, South Dakota lawmakers passed a bill requiring most retailers without a physical presence in the state to remit the state’s sales tax. Legislators wanting to secure this taxing authority say it is critical to maintaining state revenue bases and helping brick-and-mortar businesses. E-commerce sales accounted for 9.1% of U.S. retail sales during the last quarter of 2017, compared to 3.5 percent a decade ago, according to the Federal Reserve Bank of St. Louis.

The State and Local Legal Center files amicus curiae briefs in support of states and local governments in the U.S. Supreme Court, conducts moot courts for attorneys arguing before the court, and provides other related assistance to states and local governments.

“The states’ current inability to collect sales and use taxes from remote sales therefore stifles a vital source of support for state services related to public safety, infrastructure, education and other government services,” the center notes in the brief that it filed in the Wayfair case.

CSG and the other “Big Seven” organizations representing state and local elected and appointed officials are members of the State and Local Legal Center.

In July, Soronen will update the region’s legislators on the Wayfair decision. She will speak at the CSG’s Midwestern Legislative Conference Annual Meeting in Winnipeg (see page 10 for details on this event).

CSG study examines ballot tracking for overseas voters

As part of a continued effort by The Council of State Governments, the U.S. Department of Defense and other groups to improve the elections process for U.S. military and overseas citizens, a new study has been released on a pilot program that fully tracked the absentee ballots of overseas military voters.

The program involved 1,588 ballots from six U.S. counties. It provided military personnel with full tracking and visibility of their blank ballots. A subsequent study on this Military Ballot Tracking Pilot by CSG’s Overseas Voting Initiative included the following findings:

• An estimated 85 to 90 percent of ballots were successfully delivered to destination military post offices.
• Ninety-eight percent of overseas military voters were satisfied or very satisfied with the conduct of the Military Ballot Tracking Pilot.
• The average period for ballots to be transmitted and returned from theaters of operation was four days (the service-level target is seven days).

These findings will be used to address problems with the current elections system serving overseas voters. Based on the success of the pilot program, too, the U.S. Postal Service is examining the development of new products or services to enable local election officials to offer a similar ballot tracking experience in future elections.

This type of tracking can help improve customer service for overseas voters while also dispelling the myth that their ballots are only counted in close elections.

CSG has worked for several years with the U.S. Department of Defense’s Federal Voting Assistance Program.

“CSG is honored that through our collaboration with the FVAP to create the Overseas Voting Initiative and implement its many successful projects like MBTP, we have been able to convene some of the best election administrators in the states to improve the military absentee voting process,” says Kamanzi Kalisa, director of the initiative for CSG.
Minnesota meets its renewable energy goal seven years early

A quarter of Minnesota’s energy was being generated by renewable sources as of March 1, according to a report from Bloomberg New Energy Finance.

That meets the state’s target for the year 2025, Gov. Mark Dayton’s office announced. In the same statement, Dayton also endorsed an effort by some legislators to set a new standard: that 50 percent of its electricity come from renewable by 2050. Just 17.2 percent came from renewables as recently as 2011, his office noted.

Minnesota is one of six Midwestern states with renewable portfolio standards. According to a Lawrence Berkeley National Laboratory report from July 2017, the others include:

- Michigan, 15 percent by 2021;
- Illinois, 25 percent by 2025; and
- Ohio, 12.5 percent by 2026.

Indiana has a renewable portfolio goal of 10 percent by 2025; it includes energy generated by non-renewable alternatives to hydrocarbon fuels. According to the U.S. Energy Information Administration, Iowa (the nation’s leader in wind energy use) exceeds its target of 105 megawatts of renewable energy, and Wisconsin is meeting its RPS standard of 10 percent.

Midwest is home to four of U.S. News’ 2018 top 10 ‘Best States’

U.S. News & World Report magazine issued its “Best States” rankings at the end of February, with good news for the Midwest: Iowa and Minnesota are Nos. 1 and 2, with North Dakota in fourth place and Nebraska in seventh.

Iowa jumped five slots from the 2017 rankings to grab the top position, while Minnesota moved up one slot. North Dakota held steady, and Nebraska joined the top 10.

As for the rest of the region, Wisconsin placed 11th, South Dakota 14th; Kansas 29th, Indiana 33rd, Illinois 35th, Michigan 37th, and Ohio 40th.

Rankings were based on scores of 77 metrics in eight categories (highest Midwest state in parentheses) — health care (Iowa, No. 3), education (Iowa, No. 5), economy (Iowa, No. 17), opportunity (Minnesota, No. 1), infrastructure (Iowa, No. 1), crime and corrections (Minnesota, No. 11), fiscal stability (North Dakota, No. 2), and quality of life (North Dakota, No. 1). Data for the rankings came from McKinsey & Co. and its “Leading States Index.”

The rankings, detailed rundowns of each state’s scores, and in-depth state pages can be viewed at usnews.com/news/best-states/rankings.

With new law, Indiana increases penalties for dealers in drug deaths

Criminal penalties for drug dealers whose products cause a death will increase under a measure expected to take effect later this year.

HB 1359 targets individuals who make or deal cocaine, methamphetamine and certain other controlled substances that result in the death of users. Gov. Eric Holcomb said he was looking “forward to signing this bill that is a key part of our comprehensive work to enhance prevention, treatment and enforcement to curb the opioid epidemic.”

According to The Times of Northwest Indiana, the bill’s proponents say it will help the fight against heroin and opiate abuse by making a direct connection between dealers and fatal overdose victims. Opponents said the enhanced penalties go too far, given a recent revamp of the Indiana criminal code aimed at better aligning charges and penalties. A similar bill was approved this year by South Dakota legislators. Under SB 65, a dealer’s principal charge would be bumped up two felony levels if a death results from his or her dealing a controlled or counterfeited substance.

Federal data show that the nation’s rate of drug overdose deaths tripled between 1999 and 2016; Indiana, Ohio and Michigan have rates higher than the national average.

Wisconsin is latest Midwest state to fund reinsurance plan

Wisconsin became the second Midwestern state to adopt reinsurance as a way to knock down health insurance premiums when Gov. Scott Walker signed SB 770 into law in February. The bill, which commits up to $200 million annually starting in 2019, received overwhelming bipartisan support in the state Senate and Assembly.

As part of the new law, the state will now seek a federal waiver to launch a reinsurance program covering 50 percent to 80 percent of medical costs between $50,000 and $250,000 — the same range as Minnesota’s two-year, $542 million reinsurance program (approved by the Legislature in March 2017, please see the May 2017 edition of StateLine Midwest for more information).

Under reinsurance programs, insurance companies reinsure portions of their coverage with other insurers so they won’t be on the hook for 100 percent of all costs in a given cost range. In an editorial earlier this year, the Minneapolis StarTribune credited Minnesota’s state-funded reinsurance program with holding 2018 health insurance premiums steady, or even decreasing them.

Proposals for reinsurance and subsidies are pending in the U.S. Congress, but no votes have been taken. Insurers could start issuing 2019 plan prices as early as April.

Go to www.csg.org for more information.

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