Review of a challenging year in the region’s legislatures

Several states dealt with big fiscal problems in 2017; lawmakers also passed bills on road funding, opioids and health insurance

By CSG Midwest staff (csgm@csg.org)

Partisan control of Midwest’s state governments in 2017 and 2018

- Divided government: Democratic legislature and Republican governor
- Divided government: Republican legislature and Democratic governor
- Single-party government: Republican governor
- Single-party government: Democratic governor
- Nonpartisan, unicameral legislature: Republican governor

In states such as Iowa, Nebraska and North Dakota, much of this year’s legislative work centered on adjusting to new budget realities — slower-than-expected revenue growth and the need to close budget shortfalls.

For lawmakers in Illinois and Kansas, the highest-profile issues involved changes in school funding and increases in the income tax.

And across the Midwest in 2017, including in Indiana, Ohio and Wisconsin, many new laws were passed with the hope of stemming a public health crisis related to opioid addiction and overdose.

For this month’s cover story of Stateline Midwest, we provide a state-by-state review of some of the big issues and new laws that arose out of this year’s legislative sessions.

In Illinois, new budget includes higher taxes; school funding overhauls also approved

By overriding the veto of Gov. Bruce Rauner, Illinois legislators adopted a new budget in July that increases the state’s individual and corporate income taxes.

According to the Chicago Tribune, Illinois had gone a record-setting 736 days without a budget.

The budget bill raises the state’s individual income tax rate from 3.75 percent to 4.95 percent and the corporate rate from 5.25 percent to 7 percent. Those changes are estimated to bring in an additional $5 billion in revenue to the state.

Another development in Illinois was passage of a revised school funding formula (SB 1497), under which almost all new state dollars will go to high-need schools.

Also under this law, an “adequacy target” will be established for every school district based on its demographic profile — the greater the needs of the district’s students, the higher the funding target set by the state. In addition, the new formula accounts for differences in property-rich and poor districts, with the latter expected to contribute less to the overall costs of educating students. To calculate the cost of providing a quality education, the state will consider 27 evidence-based practices tied to student achievement.

Katelyn Tye serves as CSG Midwest staff liaison to the state of Illinois. She can be reached at ktye@csg.org.

Indiana lawmakers raise revenue for roads, pass bills to prevent abuse of opioids

After several years of legislative work and consideration, Indiana lawmakers approved a plan that began raising more money for the state’s roads and bridges this summer. By 2024, an additional $1.2 billion will be generated every year for the state’s transportation infrastructure.

A 10-cent increase on motor fuels took effect in July; as a result, Hoosier motorists are paying a state tax of 28 cents per gallon of gasoline. In future years, Indiana’s gas tax will be indexed to inflation, though annual increases will be limited to 1 cent per gallon.

Under HB 1002, a 515 transportation infrastructure improvement fee will be paid by car owners (that is on top of an existing motor-vehicle registration fee), and the drivers of electric and hybrid vehicles will pay additional annual fees — $150 and $50, respectively.

Also during its 2017 session, the Indiana General Assembly passed bills that aim to address the problem of opioid abuse.

SB 226 limits the amount of opioids a doctor can prescribe to a new patient, and HB 1438 allows a state tax of 28 cents per gallon of gasoline. In future years, Indiana’s gas tax will be indexed to inflation, though annual increases will be limited to 1 cent per gallon.

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Agriculture & Natural Resources

Michigan deepens investment in value-added agriculture industry

With its 1,800 dairy farms across the state, Michigan produces a lot of milk (fifth among U.S. states), but even with all of this economic activity, Michigan Sen. Mike Green sees the potential for more.

How much additional sales and revenue could be generated, for example, by adding greater value to Michigan’s homegrown milk — by diversifying or expanding the state’s dairy sector so that more buttermilk powder is being made or condensed milk is being produced for ice cream and baked goods?

The state’s new budget reflects this vision of adding more value to Michigan’s agriculture products. It includes a $4.7 million grant program for mid-sized food and agriculture processing facilities.

According to Green, many agriculture-based operations simply have not qualified for existing state programs designed to encourage business expansion. The reason: They don’t create enough jobs. Michigan’s new grant program aims to fill that gap.

While some processing facilities may be small in size (and employment numbers), they still can have a considerable economic impact because of the value they add to locally made products.

Research contracted by the Michigan Department of Agriculture & Rural Development showed that the processing of Michigan’s farm products into value-added consumer items could increase their value over farm-gate sales by at least 53 percent.

Michigan’s new budget and its $4.7 million worth of grants expand on a pilot program initiated by the Legislature in 2016. Three projects were funded under this pilot program, including help for a dairy processor to expand and produce nonfat dry milk, butter and condensed milk. The success of the pilot program led to legislative passage of this year’s $4.7 million budget, Green says.

Other examples from the Midwest of state investments in value-added agriculture include:

- Ag Invest in Illinois — Through this larger state program for the agriculture industry, the Illinois treasurer’s office can reduce the interest rate on conventional loans of up to $800,000 for value-added agriculture projects.
- Minnesota’s Agricultural Utilization Research Institute — Created by the Legislature more than 25 years ago, this institute provides technical and business assistance as well as grant funding to innovative businesses developing new uses for agricultural products.
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  - This nonprofit institute is funded by the state Legislature (a total of $4.4 million in 2016). According to the institute’s most recent annual report, it was involved in 200 different projects related to value-added agriculture last year.
  - Between 2010 and 2016, the institute says, its clients (value-added agriculture businesses in the state) created or retained more than 600 jobs and boosted annual gross sales of food and agricultural products by $76 million.
  - North Dakota’s Agricultural Products Utilization Commission — Created by the state legislature and funded by the agricultural fuel tax, the commission annually funds up to 15 programs (totaling just under $500,000) that provide new or expanded uses for the state’s agricultural products.

Great Lakes

In 2017, ‘severe’ algal blooms once again observed in Lake Erie

In May and late June, heavy rains fell on the Maumee River, which begins in Fort Wayne in Indiana, runs through agricultural areas in northeastern Ohio, and eventually flows into Lake Erie in Toledo.

The river, scientists say, has high concentrations of phosphorus, and with all of the spring and summer precipitation, those nutrients discharged into the smallest of the five Great Lakes. The end result: One of the worst observable algal blooms in Lake Erie. According to the National Oceanic and Atmospheric Administration, only the years 2011, 2013 and 2015 had more severe blooms.

The federal agency’s findings were the latest reminder of the “poor” and “deteriorating” health of Lake Erie (see table), and of the importance of states and the province of Ontario reaching their agreed-upon goal: reduce nutrient runoff into the lake by 40 percent by 2025.

Sandra Kosek-Sills, executive director of the Lake Erie Commission, says her state is taking a multifaceted approach to curb nutrient loadings. The strategies include improving operations at smaller wastewater treatment plants and better maintenance of home septic systems. Under Ohio legislation signed into law two years ago (SB 1), dredged material cannot be dumped into Lake Erie by 2020, but Kosek-Sills says the state is trying to find uses for the material now — to help create coastal wetlands, for example. But the highest priority, and biggest challenge, is reducing runoff from agricultural operations.

The western Lake Erie basin, Kosek-Sills notes, has 4 million acres of agricultural land.

“To see real progress, you need at least 50 percent, 60 percent or 70 percent implementation of [nutrient-reduction] practices by farmers in the basin,” she adds.

Government assistance (technical and/or financial) can help producers adopt these practices and keep environmentally sensitive lands out of production. In addition, recent laws in Ohio prevent manure and fertilizers from being spread on frozen, snow-covered or saturated ground and require farmers to be trained and certified before applying fertilizer to their land.

But a new study from the Alliance for the Great Lakes and other environmental groups says that in order to meet the 40 percent reduction goal, Ohio, Michigan and Ontario have to do more.

“The actions that have been taken up to now just aren’t enough; we need a more comprehensive approach,” says Melody Flanagan, the alliance’s vice president of policy. The study, “Rescuing Lake Erie: An Assessment of Progress,” details 12 policy actions and singles out three as most urgent: 1) require comprehensive nutrient-reduction planning on all farms, 2) completely ban the winter spreading of fertilizer and manure, and 3) invest in stronger water quality monitoring.

Brief written by Tim Anderson, who can be reached at tanderson@csg.org. CSG Midwest provides staffing services to the Great Lakes Legislative Caucus, a nonpartisan group of lawmakers from eight U.S. states and two Canadian provinces. The caucus chair is Wisconsin Rep. Cory Mason. More information on the caucus is available at greatlakeslegislator.org.
Nuclear Energy

Devalued, shutdown nuclear plants leave tax hole — and tough questions for lawmakers

In Midwestern communities that host nuclear power plants, the utilities generate more than just electricity. The Nuclear Energy Institute estimates that, on average, a nuclear power plant pays almost $16 million in state and local taxes each year.

Today’s energy markets are being driven by abundant and inexpensive natural gas, which is good for ratepayers, but bad for nuclear generators. “Nuclear plants make the bulk of their income by energy sales, and the average price of a megawatt hour is down sharply in energy markets around the country,” says Matt Wald, a spokesman for the institute. “In some places, this price is lower than the cost of operating the most efficient reactor.”

Unfavorable market conditions led FirstEnergy, the utility that owns the Davis-Besse and Perry nuclear power plants in Ohio, to seek a devaluation — or reduction in the taxable value — of its plants. The devaluations were granted by the Ohio Department of Taxation in early October, meaning municipalities will see the first impact of the tax payment changes in 2018. State officials approved a 73 percent reduction in the tax valuation of Davis-Besse, from $184 million to $49 million.

The affected schools should receive additional state support under provisions that were included in Ohio’s fiscal year 2017-18 budget. The first provision requires the Ohio Department of Education to adjust the state aid formula for school districts that experience a 10 percent increase or decrease in the taxable value of public utility properties. A second measure requires the department to develop and present to the General Assembly a payment plan to compensate districts that experience a 50 percent (or greater) reduction in public-utility property valuation from one year to the next.

FirstEnergy has stated that it will either sell or close the Davis-Besse and Perry plants unless the state provides subsidies for nuclear energy. Those subsidies would come under a proposal pending (as of early November) in the state General Assembly. Known as the Ohio Clean Energy Jobs Bill, HB.381 would create a “zero-emissions nuclear resource program” that provides credits to nuclear generators by increasing rates for customers.

Illinois lawmakers last year created a similar zero-emissions credit program by passing SB 2814. The state lawmakers approved HB 263, which increases the state’s Clinton and Quad Cities nuclear plants. Local school districts and county government in Kewanee, Wis., owe nearly $12 million in property tax refunds under a settlement with the owner of Kewaunee Power Station, which shut down in 2013. The owner, Dominion Energy Kewaunee Inc., filed a lawsuit over its 2015 and 2016 tax payments, arguing the plant’s assessed value of $457 million was too high. The agreement, established in January of this year, lowers the plant’s valuation to $15 million through 2024.

Health & Human Services

Report spotlights how states are responding to opioid crisis via their Medicaid programs

A n extensive new report from the Kaiser Family Foundation, “Medicaid Moving Ahead in Uncertain Times: Results from a 50-State Medicaid Budget Survey for State Fiscal Years 2017 and 2018,” provides an overview of states’ approaches to eligibility, premiums and managed care initiatives, emerging delivery system and payment reforms, long-term services and support reform, and provider rates and taxes.

The October report also examines states’ opioid strategies as covered by Medicaid. This public health insurance program covered three in 10 people with opioid addictions in 2015, thus providing many individuals with access to addiction services and any medications used as part of a treatment plan.

As a step toward prevention, more states are incorporating into their Medicaid programs the U.S. Centers for Disease Control and Prevention’s guidelines for how opioid pain medication should be prescribed in primary care settings. The goals of these federal recommendations are to ensure access to effective chronic-pain treatment and to reduce the number of people who misuse, abuse or overdose from these drugs.

In fiscal year 2017, only two states in the Midwest, Indiana and Nebraska, reported adoption of these CDC guidelines into their fee-for-service Medicaid programs, the Kaiser study found. Only Indiana required participating managed-care organizations to follow these guidelines. But for FY 2018, Iowa, Kansas and Minnesota all reported that they planned to adopt the CDC guidelines and require them of participating managed-care organizations. As part of the Kaiser study, too, states were queried about access via their Medicaid programs to the opioid antidote naloxone; specifically

- whether the three federally approved naloxone delivery systems — injectable, auto-injectable or nasal spray — were available without prior authorization in FY 2017,
- whether any changes were planned for FY 2018,
- if naloxone coverage was provided for family members and friends obtaining prescriptions on an enrollee’s behalf.

In the Midwest, all states but Illinois reported one or more such coverages. That might change in the future, however. Illinois Gov. Bruce Rauner signed an executive order in September creating an Opioid Overdose Prevention and Intervention Task Force. The panel will look at strategies to prevent expansion of the opioid crisis, treat and promote the recovery of individuals with opioid-use disorder, and reduce the number of opioid overdose deaths.

It began a statewide “listening tour” last month. Elsewhere this fall, Indiana University announced in October that it will devote $50 million over the next five years to fighting opioid addiction. And in late October, the Wisconsin Senate approved AB 355, which would add fentanyl analogs to the “synthetic opiates” category of controlled substances, making it easier for prosecutors to go after manufacturers. Possessing, manufacturing or dealing a fentanyl analog would become a felony.

All 11 Midwestern states are among 41 states that have announced investigations of, or lawsuits against, opioid manufacturers to determine their possible complicity (and legal liability) in creating the opiate addiction crisis.
Foundations of home-rule authority and state preemption are court rulings from Midwest

The legal tension between states and their municipalities traces back to the 19th century, specifically to the post-Civil War years, says Dr. Lori Riverstone-Newell, an associate professor in the Department of Politics and Government at Illinois State University. Many cities pre-date their states, and states (and the federal government) mostly ignored these local units of governments. But in the late 1800s, cities became more active and proactive — for example, issuing bonds or occasionally investing in railroads, etc. — and also increasingly fell under the control of political machines. That, in turn, prompted states to take a closer look at local governments and a more active role in their affairs. Riverstone-Newell says Dillon’s Rule, named for Iowa Supreme Court Justice John Forrest Dillon (later a federal judge appointed by President Ulysses Grant), originated in an 1868 Iowa case: Clinton v Cedar Rapids and the Missouri River Railroad.

In that decision, the Iowa Supreme Court struck down a municipal ordinance from the town of Clinton that had barred the railroad from laying track without the City Council’s permission. This local ordinance directly conflicted with a state law allowing the railroad to do so. Dillon wrote: “Municipal corporations owe their origin to, and derive their powers and rights wholly from, the legislature. It breathes into them the breath of life, without which they cannot exist. As it creates, so it may destroy. If it may destroy, it may abridge and control.”

Contrasting Dillon’s Rule is the Cooley Doctrine, named for Michigan Supreme Court Justice Thomas Cooley. The Cooley Doctrine stems from an 1871 Michigan case, People ex rel. Leroy v. Huronbt, regarding the state’s creation of a public works board for Detroit. In doing so, the Legislature named the board’s first members and gave them control over streets and parks, the construction of water and sewer systems, and public buildings except school houses. The Michigan Supreme Court ruled that move unconstitutional, agreeing in essence that the Legislature could not appoint officers for a full term whose duties were solely municipal. In his opinion, Cooley held that “local government is [a] matter of absolute right, and the state cannot take it away.”

The Cooley Doctrine underpins the concept of “home rule” that spread in the 20th century and, through state statutes or constitutions, has given local governments more discretion over their own structures, fiscal policies and regulations. However, as the National League of Cities notes in its 2017 report “City Rights in an Era of Preemption,” local governments’ power under home-rule laws are “limited to specific fields, and subject to constant judicial interpretation.”

From minimum wage to ‘soda tax,’ local policies pre-empted by states

State law sets forth X, but some municipal ordinances set forth X+1 or 2. Or some, but not all municipalities in a given state, regulate smoking, bagging materials, minimum wages or myriad other measures. Which layer of law prevails? Which should?

The tension between states and cities results in part from dueling doctrines: “Dillon’s Rule,” which holds that states are supreme; and “Cooley’s Doctrine,” which says local government is an absolute right. Both are rooted in 19th-century jurisprudence in the Midwest (see side story on this page). Increasingly in the 21st century, however, states are preempting their municipalities.

“Anecdotal, yes; preemption has increased,” says Trevor Langan, a research associate at the National League of Cities and co-author of the report “City Rights in an Era of Preemption.” Issued in February, that study found laws in:
• all 11 Midwestern states limiting local finance authority through tax and expenditure limitations;
• Indiana, Iowa, Kansas, Michigan, Nebraska, North Dakota, Ohio and Wisconsin that stop local regulation of ride-sharing companies;
• Indiana, Kansas, Michigan, Ohio and Wisconsin that prevent locally established minimum-wage rates;
• Indiana, Kansas, Michigan, Ohio and Wisconsin that preempt paid-leave ordinances by local governments; and
• Michigan, Minnesota, Nebraska and Wisconsin that block municipalities from establishing their own broadband services.

In March, Iowa joined those states preempting local minimum-wage ordinances and paid-leave requirements when HF 295 was signed into law. That new statute also preempts local governments from having plastic bag bans — ordinances that prevent grocery stores or other retailers from providing these bags to customers at checkout.

Most recently in the Midwest, in reaction to local “soda taxes” being considered across the country, Michigan’s HB 4999 was signed into law in October. It bars local municipalities from establishing their own taxes on food and drinks.

“What really enables preemption is the ‘trifecta of control,’ when one party controls both legislative chambers and the governorship,” Langan says.

Over the past few years, in the Midwest and around the country, single-party control has become more common in state legislatures. Langan adds, too, that various interest groups have pushed for state preemption via “model legislation.”

Cases of ‘super-preemption’

States sometimes go beyond simply trying to stop specific local-level policies. “Blancket” or “super” preemption is another possibility, with states threatening to withhold shared revenues if a local government passes an ordinance that “vitiates state law or the Constitution of Arizona.” A legislator’s request is enough to trigger an investigation of a local ordinance by the attorney general, who must then provide a report within 30 days.

All states, whether they claim to operate under Dillon’s Rule or Cooley’s Doctrine, “step into local affairs whenever they feel like it,” Riverstone-Newell says. That’s not necessarily a bad thing, but the difference lately is the “tone and broad brushstrokes” with which states are preempting cities, she adds.

Cases of ‘super-preemption’

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*Local governments include counties, municipalities, townships, special districts and school districts. The U.S. Census Bureau cautions that the results may include sampling and non-sampling errors, and are subject to other data limitations.

Source: U.S. Census Bureau, “2015 Annual Survey of State and Local Government Finances.”

As a result, the city of Tallahassee must fight a lawsuit brought by two gun-rights organizations without the benefit of its legal department.

Texas’ SB 4 prohibits local authorities from adopting policies that prevent police officers from asking people about their immigration status. The Texas law also strips local authorities of their right to decide when it’s appropriate to report undocumented immigrants to federal authorities, and allows for financial penalties and removal of officials who disobeyed the law. (SB 4 was set to go into effect on Sept. 1, but a preliminary injunction was granted on Aug. 30 by a U.S. District Court judge. Texas has appealed that decision.)

Under a bill passed this year by the Illinois General Assembly but vetoed by the governor (SB 1905), municipalities would have been forbidden from creating local “right-to-work” laws. Officials who ignored the law could have been charged with a Class A misdemeanor, the Chicago Tribune reports.

Then there is Arizona’s SB 1487, which has been referred to as the “mother of all preemption bills.” Signed into law last year, the measure allows the state to withhold shared revenues if a local government passes an ordinance that “vitiates state law or the Constitution of Arizona.” A legislator’s request is enough to trigger an investigation of a local ordinance by the attorney general, who must then provide a report within 30 days.

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Article written by Jon Davis, CSU Midwest assistant editor and policy analyst. He can be reached at jcadavis@csu.org.
Four years ago, Northwestern University Medicine researchers completed the largest-scale study to date of depression among postpartum women. The findings were surprising to some (including the researchers), and disturbing to most: 14 percent of women in the study screened positive for depression, a condition among new mothers that often isn’t treated or even screened in today’s U.S. health care system.

“It’s the No. 1 complication of pregnancy,” says Jamie Zahlawey Belsto, advocacy chair for the National Coalition for Maternal Mental Health.

And without effective intervention, she adds, depression during pregnancy and among new mothers can negatively impact birth outcomes, child development, and a woman’s own long-term health.

More federal resources for states to help with this public health problem will soon be on the way.

Under the U.S. 21st Century Cures Act, signed into law in late 2016, federal grants will be awarded to states to develop or strengthen programs that improve the availability of maternal depression screening and treatment.

Funding priority will be given to states that propose “to improve or enhance access to screening services … in primary care settings.”

As of late October, it was not yet known exactly how much money would be appropriated for this new competitive federal grant program. According to Belsto, it most likely will be between $1 million and $5 million annually over the next five years.

Even minus this new federal action, some state statutes and initiatives (inside and outside the Midwest) already are in place to help women and their babies affected by maternal depression.

Under a nearly 10-year-old law in Illinois, for example, hospitals and health care providers are directed to give women the chance to be screened for perinatal mental health disorders — during prenatal or postnatal visits, prior to discharge from the hospital after childbirth, or as part of a well-baby checkup.

In Minnesota, hospitals and other delivery facilities must provide new mothers with information about postpartum depression. This requirement is the result of a law passed by the Legislature in 2010.

Beyond mandates on postpartum depression screening and/or education (most states don’t have such requirements, according to a 2013 study done by the University of Iowa researchers), other policy options are available.

Iowa’s Perinatal Depression Project, for example, has been lauded by the group Postpartum Support International for improving awareness among mothers and providers alike, with the result being more screening, early identification and appropriate treatment referrals.

In Belsto’s home state of Massachusetts, the Department of Public Health funds a program that provides front-line obstetric and pediatric providers with three types of resources: 1) more training on postpartum depression, 2) real-time psychiatric consultations and care coordination, and 3) links to community resources.

“It allows the practitioner to pick up the phone and get an immediate response to help with a diagnosis and get the patient the treatment she needs,” Belsto says of Massachusetts’ MCPAP for Moms.

Another policy alternative for states is to cover maternal depression screening via their public insurance programs. In May 2016, the U.S. Centers for Medicare and Medicaid Services clarified that state Medicaid programs can pay for these screenings as part of a well-child visit. Even before release of this clarification letter, Illinois, Iowa, Minnesota, North Dakota and Ohio already were providing such coverage, according to the American Academy of Pediatrics.

This article was written as part of this year’s Midwestern Legislative Conference Chair’s Initiative of Iowa Sen. Janet Peterson. This initiative, Healthy Birth Outcomes, is examining ideas to improve the health of mothers and their babies.
2017 Year in Review: Highlights of this year’s legislative sessions in the Midwest

New Iowa laws target ‘nuisance’ suits, change collective bargaining system

Because of a slowdown in revenue growth, Iowa legislators had to make mid-year cuts to the state’s fiscal year 2017 budget, but they also passed several bills as part of what the Republican-controlled Legislature called its “pro-business agenda.”

Prior to this year, partisan control in Iowa had been split. As a result of the 2016 elections, however, Republicans took control of the state Senate while retaining their majority in the House. This change helped pave the way for the passage of a number of bills, including:

- SF 447, which aims to restrain “nuisance lawsuits” against livestock operations by allowing for an affirmative defense (permitting the producer to provide facts that allay the legal consequences of the nuisance) and limiting compensatory damages;
- HF 518, which reduces workers’ compensation benefits and changes some of the qualifications to receive benefits;
- SF 376, which limits asbestos lawsuits; and
- SF 465, which puts in place new limits on medical malpractice lawsuits, including a cap on non-economic damage awards (at $250,000) and a new process to screen for frivolous lawsuits.

Early in session, too, the Iowa Legislature overhauled the rules for collective bargaining among public employees (HF 291). With the exception of police and firefighters, these employees will only be able to bargain over base wages; health insurance, personnel evaluations and other issues are now excluded. In addition, unions will no longer be able to collect dues directly from employee paychecks and will have to be recertified each time they represent workers in contract talks.

According to The Topeka Capital-Journal, this year’s changes will generate an additional $1.2 billion in revenue over the next two years.

Also this year, the Legislature enacted a new school-finance system (SB 19) in response to a Kansas Supreme Court decision that struck down a block grant system for schools. That system had been put in place by lawmakers in 2015.

The new funding model provides a base per-pupil amount of money to each district and includes certain “weightings” for different categories of students to reflect the higher cost of educating them, for example, at-risk and special education students. The state formula also recognizes various other costs for school districts, including transportation and changes in student enrollment.

In October, however, the Kansas Supreme Court struck down the new funding formula, saying in part that the Legislature had failed to show how its funding levels were “reasonably calculated” to ensure that all students receive an adequate education. Legislators must develop a new formula by April 30.

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Michigan revamps teacher retirement system, OKs new business incentives

Michigan legislators continued to make changes to the state’s retirement systems for public employees, this year with passage of a bill that is expected to move newly hired teachers and other school employees into a 401(k)-style retirement plan.

Under SB 401, school employers will contribute an amount equal to 4 percent of each employee’s salary. On top of that amount, the state will contribute 3 percent, using dollars from its School Aid Fund. School employees will put 3 percent of their salaries toward their individual defined-contribution plan, which will be the “default option” for new hires.

A “hybrid” pension plan (part defined contribution, part defined benefit) will still be available to school workers, but under the new law, there is now a 50-50 cost share between the employee and employer. This hybrid plan will be closed if it is less than 85 percent funded for two consecutive years.

Soon after passage of the teacher-retirement legislation, Michigan lawmakers approved a three-bill package (SB 242-244) designed to attract new businesses and encourage expansions by existing firms. This new incentive plan allows qualifying businesses to “capture” part or all of the income taxes generated by the new people they hire (if certain wage requirements are met).

Businesses that get these incentives will be subject to enhanced reporting requirements.

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Constitutional showdown, help for health consumers mark Minnesota’s year

A disagreement in Minnesota over tax and budget issues this spring led to a surprising action—a line item veto by Gov. Mark Dayton of the $130 million appropriation for the House and Senate.

In 2017, the legislative and executive branches have been involved in a legal battle centered on constitutional questions about separation of powers.

As of early November, the case had made it to the state Supreme Court, but without any final resolution. Legislative leaders have requested that a county judge, who in July ruled that Dayton’s veto violated the state’s separation-of-powers clause, order the governor to restore funding for the House and Senate. Dayton has asked the judge to hold off on enforcing his July ruling until a final decision by the Minnesota Supreme Court.

Another point of contention between legislative leaders and the governor is how much money is available in reserves to keep the Legislature running.

But earlier this year, Gov. Dayton and the Republican-led Legislature were able to find agreement on two health insurance-related measures.

The first bill signed into law in Minnesota (HF 1/SF 1) in 2017 provides relief to the 125,000 residents who purchase insurance in the individual market and who are not eligible for subsidies under the Affordable Care Act. They are getting a rebate of 25 percent, at a cost of $327 million to the state.

Later in this year’s session, lawmakers agreed to establish a $542 million reinsurance program to stabilize Minnesota’s health insurance exchange (HF 5).

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Budget shortfall dominates Nebraska session; licensing reforms also approved

Slumping state revenue collections and decisions on how to cut state spending dominated much of Nebraska’s legislative year.

“We did something that was unprecedented; no one can ever remember when we have passed two budget bills in one legislative session,” Nebraska Gov. Pete Ricketts said in May as legislators adjourned for 2017.

After starting session having to make cuts to address a shortfall in the biennial budget that ended in June, lawmakers turned their attention to the new two-year budget cycle and the challenge of closing a projected deficit of about $900 million.

Strategies included making across-the-board agency cuts and dipping into various cash funds and the state’s rainy-day fund.

Near the end of session, Ricketts line-item vetoed a total of $56.5 million in spending. According to Unicameral Update (a publication of the Nebraska Legislature), those vetoes will result
in a 3 percent cut in the rates that providers get for Medicaid, child welfare, behavioral health and developmental disability services.

Proposals this year in Nebraska to change how agricultural property is taxed and to make future cuts in the income tax (tying them to future state revenue increases) did not advance.

In difficult budget year, North Dakota approves major justice reforms

In the wake of dampened oil and food commodity prices, North Dakota lawmakers passed one of the leanest budgets in recent memory. The general fund budget for the next two fiscal years authorizes $4.3 billion in spending, down nearly one-third from the biennial budget passed in 2015. But the 2017 session in North Dakota also will be remembered for a series of reforms made to the state’s criminal justice system. The goals of HB 1041 and SB 2015 include long-term reductions in costs, the prison population and recidivism rates. Both measures received bipartisan support, and were preceded by months of interim committee work examining and crafting policy solutions.

The new law is expected to reduce the number of people incarcerated for lower-level offenses — as one example, barring aggravating factors, probation will be the presumptive sentence for people convicted of Class A misdemeanors and Class C felonies.

In a move intended to reduce recidivism, the state will no longer deny Temporary Assistance for Needy Families to those convicted of felony drug offenses. There had been a seven-year wait period from the time of conviction.

Legislators also increased access to behavioral health treatment for individuals in the state’s criminal justice system (both in prison and in the community). The state hopes to save $18.1 million in corrections costs by 2022 as a result of the reforms. [Editor’s note: The CSG Justice Center provided technical assistance to North Dakota on its justice reinvestment efforts.]

Voter-approved ethics law repealed in South Dakota, replaced with 9 bills and a constitutional amendment

Voter approval in November 2016 of new campaign-finance and lobbying regulations set the stage for perhaps the most closely watched action of the South Dakota Legislature this year — its repeal of Initiated Measure 22. Among other provisions, this ballot initiative created a program to publicly finance political campaigns, established a new ethics commission, instituted new lobbying restrictions on state officials once they leave office, increased disclosure and reporting requirements, and set new limits on campaign contributions.

By March, South Dakota lawmakers had not only repealed Initiated Measure 22, but replaced it with nine new bills that Gov. Dennis Daugaard said were “constitutional” and “workable.”

For example, SB 151 creates an ethics-complaint process for individuals to report wrongdoing by elected officials and other public employees, while SB 131 increases the amount of time that must pass before elected officials and certain state employees can register as lobbyists (two years instead of one). Other measures in the package of nine bills established a campaign finance task force, placed limits on lobbyist gifts and created a government accountability board.

Wisconsin lands Foxconn plant, holds special session to address opioids

In Wisconsin, one of the biggest stories of the year involved a Taiwanese manufacturer of LCD screens and its plans to build a new manufacturing facility. To help land the Foxconn plant, the Legislature met in special session this summer and passed a $3 billion incentive package, which includes income tax credits for capital investment and job creation as well as sales and use tax exemptions.

The new factory could employ up to 13,000 people in the southeastern Wisconsin town of Mount Pleasant. Along with the Foxconn deal, two other legislative issues captured considerable attention: delay of a deal on the state budget and a special session to address the state’s problem of opioid addiction. The budget delay was due to differences over transportation funding and taxes. In September, however, an agreement was reached and Gov. Scott Walker signed the state’s $76 billion budget.

Wisconsin’s special session on opioids resulted in the signing of 11 different bills. Under SB 1, for example, school employees will be protected from lawsuits if they administer drugs designed to treat opioid overdoses. Other new laws in Wisconsin authorize the opening of a charter high school for students struggling to overcome addiction (AB 6) and fund training for school personnel to identify and help students struggling with mental health, alcohol and drug issues (AB 11).

In November, AB 335 was signed into law. It adds fentanyl analogs to the “synthetic-opiates” category of controlled substances. This change will make it easier for prosecutors to go after manufacturers.

Ohio takes series of steps to address health crisis: opioid addictions, deaths

In 2015, Ohio ranked second in the nation in the number of deaths caused by overdose.

Some of these bills reinstated parts of Initiated Measure 22. However, another proposal related to campaign finance and ethics may once again appear on South Dakota ballots in 2018.

This past year, too, lawmakers addressed two long-standing issues related to water policy. During a June special session, the Legislature passed a measure (HB 1001) to resolve a conflict over use of the state’s “non-meandered waters” (see page 9 for details). Another bill (SB 66) provides tax breaks for private landowners who help protect the state’s water resources from agricultural runoff.

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Iowa Senate President Jack Whitver
Patience, along with ability to listen and build relationships, helped elevate attorney/entrepreneur to key role in upper chamber

by Ilene Grossman (igrossman@csg.org)

When Jack Whitver was elected to the Iowa Senate in 2011, he was close to finishing law school and had a successful career as a business owner. He soon rose into leadership positions in the Senate, first as minority whip and ranking member of the Appropriations Committee and, following the 2016 election, as Senate president.

A lifelong Iowan, Whitver attended Iowa State University, where he received his B.A. and MBA, and was a three-year starter as a wide receiver on the football team. He finished his college football career ranked in his school's all-time Top 10 in receptions and receiving yards, and was named an Academic All-American.

He says his career as a lawyer and business owner has helped shape his perspective, “but that is just one piece of our whole caucus. We all come from different backgrounds, and I think you need that to have a successful caucus.” He adds, “None of us are experts in everything, so having a wide variety of backgrounds is really important and helps us build a stronger team.”

In a recent interview with CSG Midwest, Whitver talked about his priorities as Senate president as well as his approach to legislative leadership. Here are excerpts.

**Q:** How important was mentoring to you as a new legislator, and how do you mentor others?

**A:** I was very fortunate because one of the first people I met in the Senate was Bill Dix (now the Senate majority leader), and he took me under his wing and helped me learn the process. It is so important to find someone to mentor you, because unless you have been around politics, which I never had, it takes a while to understand how the process works. I try to go out and door-knock with every one of our candidates and spend some time in their districts and talk them through any issues or concerns they are having. I like to build a relationship with them even before they are elected, and once they are elected, I try to spend time with them both inside and outside the Capitol. Relationships are everything in politics.

**Q:** Why did you pursue legislative leadership, and how did you go about pursuing that leadership path?

**A:** When I was first elected, I was more into policy, especially our state budget. But we were in the minority, and we weren’t accomplishing as much as I hoped we would. I decided to run for leadership so I could help win the majority, and when we did, we were able to get some of our priorities accomplished.

**Q:** What are some of the qualities and characteristics that you see as important to being an effective legislative leader? How would you describe your legislative leadership style?

**A:** I like to listen a lot more than I talk. I think it’s really important to spend as much time as you can listening to your caucus members and your constituents to understand what drives them and what issues are important to them. Along with that, patience is really important. As the session goes along, let things play out and have patience with the people involved in the issues. As a leader, you have to build trust within your caucus and with constituents, so they know they can trust you, and that you will be up-front with them, even if they don’t agree with you all the time.

**Q:** What are one or two of the bills you have been involved with that you are most proud of?

**A:** As Senate president, I don’t floor-manage bills, but these are two I was deeply involved with. One of the issues I worked on last year was returning power to the local school districts. The school boards now will be able to run their schools as they see fit and not have to ask permission to do things differently. In a diverse state like Iowa, no matter what a district’s challenges, we treated all schools the same. With this legislation, we gave local schools more flexibility to spend funds how they need to so they can be successful.

Another bill involved a constituent whose son was killed on his bicycle by a drunk driver. The parents wanted to get a bill passed that would get drunk drivers off the road, so we worked on a bill last session that would provide drunk drivers with actual help, rather than just jailing them. The legislation gets drunk drivers into a treatment program. We called it a 24/7 program. In lieu of other punishments, the judge can have the person convicted of drunk driving [in the case of multiple offenses or certain first offenses] check into the local sheriff’s office twice a day, so they are monitored to ensure that they are alcohol-free. Over time, this type of program has been shown to help people break their addiction.

**Q:** What are your top legislative priorities for 2018?

**A:** For me, the most important thing is to reduce the individual income tax. It affects not only individuals, but every small-business owner as well. If you look across the country at those states that are growing, those states with low or no income tax are doing the best.

Longer term, it is important to look at how to modernize and reorganize state government so that it fits a 21st-century model. So many things we do were designed decades ago and aren’t the most efficient.

**Q:** What are some of your biggest frustrations, or things you’d like to change, about the Legislature?

**A:** It doesn’t move very fast. As an entrepreneur, you are used to making decisions and moving with them.

Also, a lot of the issues we have to deal with in the state of Iowa, and in the country, are not hard to find solutions for. What is sometimes difficult is to find the political will or courage to get the solutions done, so that can be frustrating at times as well.

**Q:** What do you hope Iowa will be like 15 to 20 years from now when your children are grown?

**A:** My children are 6, 4 and 2, and they are a large part of why I do what I do in the Legislature.

“My children are 6, 4 and 2, and they are a large part of why I do what I do in the Legislature.”

Bio-sketch of Sen. Whitver
✓ Elected in a 2011 special election; elected as Senate president after the 2016 election
✓ Attorney and entrepreneur
✓ Has a bachelor’s degree and MBA from Iowa State University, and a law degree from Drake University
✓ Lives in Ankeny, a suburb of Des Moines, with his wife, Rachel, and their three children.
A compromise on water use

After years of controversy, South Dakota Legislature navigates deal protecting landowners and recreational access to public waters

by South Dakota House Majority Leader Lee Qualm

It was coming up on the final week of the 2017 legislative session, and I knew that the South Dakota Supreme Court had heard a case regarding a long-running dispute over our state’s non-meandered waters.

Who has the right to control use of these waters? When would the court issue its ruling? With only four days before adjournment, I got the answer to the latter question. Justices issued their decision but, in doing so, provided no definitive answer to that first question. In Duerre v. Game, Fish & Parks/Secretary Hepler, the court stated that neither the landowners, who had lost land with the flooding that created the non-meandered waters, nor the sportmen, who were using the waters for fishing and hunting, had a “priority of use.”

To resolve the dispute, the state Supreme Court tasked the Legislature with establishing the statutory language that would resolve this “priority of use” question. We did so earlier this year, though only after forming a special task force to explore the issue, holding hearings to gather input from all affected groups, and then meeting in special session.

Now, I’m sure some of you are wondering what the difference is between meandered waters and non-meandered waters? When our state was founded in 1889, surveyors were directed to plot the whole state’s section lines and to establish which bodies of water were permanent and, therefore, would belong to the state of South Dakota. These were called meandered waters because the surveyors “meandered,” or walked around them. This lawsuit dealt with “non-meandered waters,” a term that refers to the lakes that sprang up in the 1990s after tremendous rainfall and snowfall in the northeast part of South Dakota. Tens of thousands of acres of privately owned land were flooded. When that happened, there was much dispute as to who had authority over these newly formed bodies of water.

Our South Dakota Department of Game, Fish & Parks believed it could do whatever it wanted with these new lakes, with very little regard to the landowners who had lost their very livelihood. The department’s argument centered on the Legislature’s broad policy that the public has a right to use state waters and that recreation is a beneficial use of water.

On the other hand, the landowners believed that since they had lost all of these acres due to flooding, and were still required to pay taxes on them, they should have a say as to who could use this water for fishing and hunting.

When our state Supreme Court issued its 2017 ruling, Game, Fish & Parks completely shut down all access to 25 of these non-meandered lakes because it didn’t have authority to allow access to them anymore.

The negative financial impact to nearby hotels, convenience stores, restaurants, boat mechanics, grocery stores, etc., in northeast South Dakota was immense — and potentially devastating due to very few fishermen and hunters coming to the area.

South Dakota Rep. Lee Qualm, a Republican from Platte, served as chairman of the Legislature’s Regulation of Non-Meandered Waters Interim Study Committee. He also is the majority leader in the South Dakota House.

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.
Indiana Sen. Ed Charbonneau to lead nonpartisan group of region’s legislators

Longtime lawmaker tapped to serve as Midwestern Legislative Conference chair

Longtime active in the Midwestern Legislative Conference, Indiana Sen. Ed Charbonneau has been tapped to lead this nonpartisan group of the Midwest’s state and provincial legislators in 2018.

In October, the MLC’s team of officers — Iowa Sen. Janet Petersen, current chair of the MLC, Illinois Rep. Elgie Sims, second vice chair, and Wisconsin Rep. Joan Ballweg, immediate past chair — unanimously chose Sen. Charbonneau to fill the open position. (Ohio Sen. Cliff Hite, who had been slated to be next year’s MLC chair, resigned from the Legislature this fall.)

Charbonneau already has been an important leader in the MLC, serving on its Executive Committee and as co-chair of its Midwest-Canada Relations Committee. In his role as MLC chair, he will oversee and help plan the group’s 2018 Annual Meeting, which will be held July 15-18 in Winnipeg, Manitoba.

Charbonneau’s involvement in The Council of State Governments and MLC (CSG Midwest provides staff support to the MLC) dates back nearly a decade; in 2008, he was part of the graduating class of the Bowhay Institute for Legislative Leadership Development. Three years later, he completed CSG’s national Henry Toll Fellowship Program.

Charbonneau also serves on the Executive Committee of the Great Lakes Legislative Caucus, a binational, nonpartisan group of legislators from eight U.S. states and two Canadian provinces. CSG Midwest provides staff support to this caucus.

An attorney with a legislative district that includes five counties in northwest Indiana, Charbonneau has been a leader inside the state Senate on a wide range of issues, including water infrastructure and health policy. He serves as chair of the Senate Health & Provider Services Committee and also is leading the work of an interim legislative committee in Indiana on health care.

MLC leaders next meet at CSG meeting

The MLC’s new four-member officer team will be officially installed at a Dec. 16 meeting of the group’s Executive Committee, which is meeting in conjunction with the CSG National Conference. That conference will run from Dec. 14-16 and will feature a wide array of policy academies and sessions.

This year’s keynote speaker is presidential historian Michael Beschloss. Registration for the meeting can be completed at csg.org. For information about the MLC Executive Committee, please contact CSG Midwest director Mike McCabe: mmccabe@cs.org or 630.925.1922.

CSG Midwest NEWS & EVENTS

List of recent chairs of CSG’s nonpartisan Midwestern Legislative Conference

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<thead>
<tr>
<th>Year</th>
<th>State</th>
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<tr>
<td>2018</td>
<td>Indiana</td>
<td>Sen. Ed Charbonneau</td>
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<td>2017</td>
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<td>Sen. Janet Petersen</td>
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<td>2016</td>
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<td>2015</td>
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Region’s leaders on passenger rail meet, elect new team of officers

State legislators and the heads of key state agencies came together in October as part of ongoing efforts to improve passenger rail service in the region. This year’s three-day meeting of the Midwest Intestate Passenger Rail Commission was held in Wichita, Kan.

CSG Midwest provides staff support to the commission, which was formed by a compact agreement in 2000 and currently includes nine states: Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota and Wisconsin.

The commission is made up of state legislators (appointed by legislative leadership), gubernatorial designees and private-sector representatives. At the meeting in Wichita, a three-member officer team was chosen to lead the commission.

• Beth McCluskey will serve as MIPRC chair. She is the director of the Illinois Department of Transportation’s Office of Intermodal Project Implementation.

• Tim Hoeflin is now the vice chair (he stepped down as MIPRC chair). He is director of the Michigan Department of Transportation’s Office of Rail.

• Indiana Rep. Sharon Negel is taking over as the commission’s financial officer (she succeeds Kansas Sen. Carolyn McGinn).

MIPRC’s new officer team

Clariﬁcation

In the October issue of Stateline Midwest, a map indicating the authority of legislators to call themselves into special session should have noted the following about North Dakota: The Legislative Management Committee can call a special session. However, it is constrained by the number of session days. The legislature can only meet for a total of 80 days (including any special session) during a biennium, and often uses 77 or 78 days for regular sessions. Three legislative days are required to pass a bill.

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.

From left to right: Indiana Rep. Sharon Negel, MIPRC ﬁnancial ofﬁcer; Beth McCluskey, MIPRC chair; and Tim Hoeflin, MIPRC vice chair.
Two premier national organizations for state political leaders have inked a historic agreement. With more than a century of combined leadership and service on behalf of state political leaders, The Council of State Governments and Women In Government entered into a strategic affiliation that became effective on Nov. 16.

“Women account for nearly a quarter of all state legislators,” says Colorado Sen. Nancy Todd, chair of Women In Government’s board of directors. “Our vision and experience are essential to decision-making at a time when state leadership is more important than ever before.”

The affiliation enhances the strengths of both organizations and has value-added benefits for synergy among all leaders in state government. While retaining their separate boards and missions, the two organizations will combine expertise and capacity to address the complex policy issues facing states today.

“Through this partnership, we will be able to affirm our commitment to empowering women and propelling more women into positions of leadership,” says Oregon Gov. Kate Brown, CSG’s national president in 2017.

The Women In Government Foundation, Inc., is headquartered in Washington, D.C. It is a national, nonprofit, nonpartisan organization of women state legislators that provides leadership opportunities, networking, expert forums, and educational resources to address and resolve complex public policy issues to all women state legislators.

CSG is the nation’s only organization serving all three branches of state government. It is a region-based forum that fosters the exchange of insights and ideas to help state officials shape public policy.

The Council of State Governments teams up with Women In Government

New affiliation will add value to services provided to nation’s state leaders

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“Women account for nearly a quarter of all state legislators,” says Colorado Sen. Nancy Todd, chair of Women In Government’s board of directors. “Our vision and experience are essential to decision-making at a time when state leadership is more important than ever before.”

The affiliation enhances the strengths of both organizations and has value-added benefits for synergy among all leaders in state government. While retaining their separate boards and missions, the two organizations will combine expertise and capacity to address the complex policy issues facing states today.

“Through this partnership, we will be able to affirm our commitment to empowering women and propelling more women into positions of leadership,” says Oregon Gov. Kate Brown, CSG’s national president in 2017.

The Women In Government Foundation, Inc., is headquartered in Washington, D.C. It is a national, nonprofit, nonpartisan organization of women state legislators that provides leadership opportunities, networking, expert forums, and educational resources to address and resolve complex public policy issues to all women state legislators.

CSG is the nation’s only organization serving all three branches of state government. It is a region-based forum that fosters the exchange of insights and ideas to help state officials shape public policy.

Women serving as house speaker, senate president, majority leader or minority leader in Midwest

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<thead>
<tr>
<th>State</th>
<th>Legislator</th>
<th>Position</th>
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<tbody>
<tr>
<td>Illinois</td>
<td>Barbara Flynn Currie</td>
<td>House majority leader</td>
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<tr>
<td>Iowa</td>
<td>Linda Upmeyer</td>
<td>House speaker</td>
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<tr>
<td>Iowa</td>
<td>Janet Petersen</td>
<td>Senate minority leader</td>
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<tr>
<td>Kansas</td>
<td>Susan Wagle</td>
<td>Senate president</td>
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<td>Minnesota</td>
<td>Joyce Pepoon</td>
<td>House majority leader</td>
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<tr>
<td>Minnesota</td>
<td>Melissa Hortman</td>
<td>House minority leader</td>
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<tr>
<td>North Dakota</td>
<td>Joan Heckaman</td>
<td>House minority leader</td>
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<tr>
<td>Wisconsin</td>
<td>Jennifer Shilling</td>
<td>Senate minority leader</td>
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</tbody>
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* Nationwide, 25 percent of U.S. state legislators are women

Source: Rutgers University Center for American Women and Politics

Congratulations to Midwest’s 2017 CSG Toll Fellows

Eight state legislators and officials from the Midwest successfully completed this year’s Henry Toll Fellowship Program. This national leadership program is held annually by The Council of State Governments. A special graduation ceremony for the entire 2017 Toll Fellows Class will be held in December at the CSG National Conference in Las Vegas.

Bottom row: Jessica Karl-Ruplinger, deputy director of the Wisconsin Legislative Council, and Wisconsin Rep. Dave Considine

Middle row: Nathan Sanderson, policy and operations director for the South Dakota governor’s office; Minnesota Rep. Roz Peterson and Ohio Rep. John Rogers

Top row: Taylor Gage, public relations director for the Nebraska governor’s office; Michigan Sen. Ken Horn and Nebraska Sen. Robert Hilkemann
**Minneapolis gets waiver for plan to solidify insurance exchange**

Minnesota has secured federal approval for its $542 million reinsurance program, which was created earlier this year via legislation (HF 5) and has been credited by officials with lowering premiums on the state's health insurance exchange by 20 percent.

Gov. Mark Dayton signed the “Section 1332” waiver (named for that section of the Affordable Care Act) in October. It is effective through 2022.

According to the U.S. Centers for Medicare & Medicaid Services, these waivers let states implement “innovative ways” of providing access to health care as long as they don’t increase the federal budget deficit and don’t compromise the availability of care.

**Minnesota and Wisconsin also had applied for a Section 1332 waiver, but withdrew their applications last month due to what Gov. Kim Reynolds says is the unavailability of federal funds.**

**Iowa** had also applied for a Section 1332 waiver, but withdrew its application last month due to what Gov. Kim Reynolds says is the unavailability of federal funds. Iowa, however, addressed its 2018 premium hikes by requiring those eligible for ACA cost-sharing subsidies to use them only for “Silver” plans on its exchange or at healthcare.gov — and directing insurers to add a surcharge to those plans. According to Modern Healthcare, as those premiums increase, so do the federal tax credits for qualified consumers, thus forcing the federal government to pick up the tab.

**Ohio voters change Constitution to enhance crime victims’ rights**

Ohio has become the latest state in the Midwest to change its constitution with a goal of improving the rights of crime victims.

Issue 1, also known as Mary’s Law, was approved in November by voters: 82.6 percent to 17.4 percent. Its enumerated list of rights includes privacy, notification of court proceedings, prompt conclusion of a case, protections from the accused, restitution, and the ability to refuse discovery requests made by the accused.

Like most Midwestern states (Iowa and Minnesota are the exceptions), Ohio has protections for the rights of crime victims in its constitution. In 2016, voters in North Dakota and South Dakota overwhelmingly approved adding versions of Mary’s law to their state constitutions, Illinois residents did the same in 2014.

**Wisconsin** was the first U.S. state to establish a statutory bill of rights for crime victims. In the Midwest, constitutional-level protections were added between 1988 and 1996.

Ohio voters also defeated Issue 2, by a margin of 79.3 percent to 20.7 percent. It would have required state agencies and programs to pay no more for drugs than what the U.S. Department of Veterans Affairs pays. Ohio was the first Midwestern state where this type of drug-pricing law appeared on the ballot.

**Michigan allowing more communities to become Promise Zones**

Up to 15 communities in Michigan now have the chance to become “Promise Zones,” areas of the state where local students are ensured access to college scholarships.

SB 96, signed into law in November, increased the reach of a program that has been in place since 2008. Prior to the new law, the number of communities was limited to 10. One of the new Promise Zone communities will be Flint, where private donations already have been raised. According to mlive.com, three local postsecondary schools will award tuition-free scholarships to Flint students beginning with the high school graduating class of 2018.

Under the state law, a community must provide enough funding to cover the tuition costs of Promise Zone students to at least obtain an associate’s degree. These local financial-assistance plans also can go further and cover the costs of obtaining a bachelor’s degree. For local communities that successfully raise the scholarship money, Michigan then provides extra assistance, using a portion of annual growth in state educational tax-credit property taxes within the Promise Zone.

According to the College Board, average yearly tuition and fees to attend a four-year public university vary from state to state in the Midwest — a high of $13,621 among Illinois schools and a low of $4,197 in North Dakota.

**Iowa gets ideas for advancing computer science instruction**

A work group established earlier this year by the Iowa Legislature has issued a series of recommendations for strengthening computer science education in the state’s K-12 schools. Ideas include:

- allowing students to use computer science to meet certain math credit requirements (after they’ve taken courses that cover the state’s required math standards);
- better integrating computer science courses into schools’ career and technical education pathways; and
- eventually making computer science a part of the state’s high school graduation requirement.

In addition to creating the work group, Iowa’s SF 274 encourages computer science instruction in every Iowa school by July 2019, creates a professional development fund for teachers, and establishes computer science standards and a new teacher endorsement in this subject area.

The national, nonprofit group code.org identifies nine specific state actions related to computer science. They include requiring that high schools offer such instruction, developing statewide standards and certifications, and funding training in this subject area for current and future teachers.