Changing market conditions, state laws help give rise to solar

Net metering policies, tax credits and renewable standards being used in Midwest to encourage smaller-scale systems

by Ilene Grossman (igrossman@csg.org)

The Midwest is not known as a center of solar energy development, but in fact, electricity from the sun is being generated across the region. And at the same time, perceptions about solar energy are changing — including which parts of the country can be leaders in further developing and using this renewable power source.

Of the top 10 solar-producing states in the nation, for example, three are in the Northeast, and the Midwest could soon see more growth as well.

Most new solar capacity in this region currently comes from photovoltaic (PV) systems installed on the rooftops of homes and businesses. These smaller-scale systems are known as “distributed generation” because the power is produced at or near the same location where it is used. Various market forces have driven down the costs of installing rooftop PVs, and various state policies are also encouraging an increased use of solar energy — tax exemptions and deductions, for example, as well as renewable portfolio standards and net metering laws (see table on page 6 for state policy options and examples).

Debate over net metering

Because solar energy in the Midwest comes largely from small-scale, distributed generation, policies on net metering are especially important. With net metering, electricity customers who have installed a PV rooftop system can provide power to the grid — and get credit for it.

During daylight hours, if the system is producing excess power (more than the customer needs), the electric meter at a home or office “runs backward” as power is fed into the electric grid. The customer’s utility bill then reflects his or her “net usage” — the difference between what was fed into the grid and the electricity consumed by the home or business (during evening hours, for example, when the PV system cannot produce power). “Net metering is a powerful incentive to encourage the installation of renewable sources by consumers,” says Sean Gallagher, vice president of state affairs at the Solar Energy Industries Association.

But he adds that these policies also raise another important consideration for state lawmakers: “Is it sustainable for utilities?”

Forty-four states, including 10 of 11 in the Midwest (South Dakota, which gets much of its electricity from hydro, is the lone exception), provide for net metering. But the specific provisions — and their impact on solar development — can vary considerably from one state to the next.

According to the Interstate Renewable Energy Council, Ohio’s net metering rules are among the strongest in the nation. In that state, Ohio solar users get full retail credit for their production and don’t get charged any fees by the utility. These consumers also can receive a refund for accumulated credits over a 12-month period.

In other states, net metering laws are often more limited. For example, utilities sometimes do not have to credit the full value of the solar power produced; some states, too, place limits on the size of a PV system or
Health & Human Services

Plan for U.S. to pay tribal health costs could help fund Medicaid expansion in South Dakota

Twice in recent history, South Dakota governors tried and failed to fix what they saw as an unfair shift in health care costs from the federal government to their state.

But as of early 2016, Gov. Dennis Daugaard appeared close to making the third time a charm.

An agreement being worked out by state and federal officials would change how some health care services for Native Americans are funded, while also freeing up state dollars to expand Medicaid.

The governor’s plan, if approved by the federal government and state Legislature, would make South Dakota the eighth Midwestern state to approve a Medicaid expansion under the Affordable Care Act. No other state, though, has taken a path quite like South Dakota’s — the state with the region’s highest percentage of Native American residents.

The U.S. Indian Health Service is responsible for providing care to members of federally recognized tribes across the country. But when Medicaid-eligible Native Americans seek care from providers outside the IHS, South Dakota pays part of the cost with its share of the state-federal Medicaid match.

“When South Dakota must cover these costs, it is because the federal government is not meeting its treaty obligation,” Daugaard said in a column leading up to the start of this year’s legislative session.

There are various reasons why someone might seek services outside the federal system — limited specialty care, for example, or lack of access to an IHS facility.

As envisioned under Daugaard’s plan, access to IHS services would be enhanced through a greater utilization of telemedicine along with new partnerships with non-IHS providers.

Right now, the accessibility of care for tribal residents can be very limited, even when IHS builds new, modern facilities, South Dakota Sen. Craig Tieszen says.

He recently visited one of these facilities on the Cheyenne River Indian Reservation. While the hospital had 22 rooms equipped to provide full dental services, Tieszen says, only one dentist was on the IHS staff.

Daugaard has said the new agreement is a win-win: better services for Native Americans and the chance for the state to resolve its longstanding concerns about the health care cost shift. He estimates that the agreement could save the state up to $67 million a year — enough to fully cover a Medicaid expansion.

According to Lynne Valenti, South Dakota’s secretary of social services, a final answer from the federal government on the governor’s Medicaid expansion proposal was expected in February. A federal waiver is not required, she says, only the much simpler process of amending the state’s Medicaid plan.

The proposal, which also requires the support of the South Dakota Legislature, quickly emerged as one of the dominant policy issues in Pierre this year.

“There are two camps of opposition,” Tieszen explains. “One opposes all things Obamacare. The other is very fiscally conservative and opposes any proposal that will increase the federal debt, even if it doesn’t cost the South Dakota government.”

Others have been reluctant, he adds, because they believe the federal government should have lived up to its treaty obligation a long time ago.

Brief written by Debra Miller, CSG director of health policy. She can be reached at dmiller@csg.org. The co-chairs of the Midwestern Legislative Conference Health & Human Services Committee are Kansas Rep. Susan Concanon and Illinois Rep. Robyn Gabel.

Education

Incarcerated youths often denied access to educational opportunities, study finds

Each year, tens of thousands of incarcerated youths rely on state residential facilities to provide them with essential services during their time of commitment, including education.

But according to a 2015 study by The Council of State Governments Justice Center and the Council of Juvenile Correctional Administrators, most of these youths lack access to many of the same educational opportunities as their peers in the community — such as credit recovery programs, GED preparation, and career and technical education courses.

The 50-state analysis (“Locked Up: Improving Educational and Vocational Outcomes for Incarcerated Youth”) has a number of recommendations to address this imbalance, including holding juvenile facility schools and educators accountable for providing services that adhere to state curricular standards.

In 2012, the Indiana Department of Correction’s Division of Youth Services had that goal in mind when it implemented a new model for evaluating its teachers. The model, known as RISE, is the same one used in Indiana’s public schools.

“It has raised the bar when it comes to instruction and ongoing data analysis,” says Susan Lockwood, the division’s director of juvenile education. “It allows administrators to provide specific feedback to teachers, and this helps the teachers develop specific skills.”

Use of RISE, or an approved equivalent, is required by Indiana’s public schools under a 2011 state law. This mandate did not extend to juvenile facilities, but the Department of Correction chose to adopt it.

As part of the evaluation process, administrators conduct a minimum of five classroom observations over the course of the school year. Each teacher is then rated on 23 different competencies. Student academic progress is assessed through multiple measures, such as scores on statewide assessments and progress toward specific learning objectives.

For the Department of Correction’s Division of Youth Services, progress is measured by each student’s individualized education goals, which are determined at the start of a youth’s commitment to a state facility.

The hope among state officials is that a stronger teacher evaluation system will lead to better outcomes for young people in Indiana’s detention facilities.

Brief written by Katelyn Tye, staff liaison to the Midwestern Legislative Conference Education Committee. She can be reached at ktye@csg.org. The committee’s co-chairs are North Dakota Sen. Kyle Davson and South Dakota Rep. Jacqueline Sly.
Minnesota progressing, though slowly, in extending broadband access to underserved rural areas

Ask Minnesota Sen. Matt Schmit what his rural communities in Greater Minnesota need to prosper, and it doesn’t take long before the discussion turns to the importance of having high-speed Internet.

“A good chunk of our rural homes and businesses are still lacking access to [our] very modest speed goals,” he says. Schmit is not the only state lawmaker concerned about this lack of connectivity. Six years ago, the Legislature passed a bill calling for all Minnesotans to have access to those “modest speed goals” (download speeds of 10 megabits per second and upload speeds of 3 Mbps) by 2015. As of last year, however, only a few households met that standard.

“Anchor institutions like schools and hospitals have pretty decent coverage,” Schmit says. “But connecting the schools isn’t enough, because they are constrained by the student with the slowest or least coverage.

“We need at-home connectivity.”

Standing in the way is the higher cost of building those connections to homes and businesses in rural areas about triple the cost of construction in urban areas, according to the Minnesota High Tech Association. But while progress may not be as fast as lawmakers envisioned under the 2010 law, it is being made. Between 2010 and 2015, the state’s high-speed connectivity rate jumped from 56 percent to 78 percent, in part because of increased investment by the state.

Between 2010 and 2015, the state’s high-speed connectivity rate jumped from 56 percent to 78 percent, in part because of increased investment by the state.

State laws in place in Illinois and seven other Midwestern states, though, can still apply to intrastate activity.

The state laws in place in Illinois and seven other Midwestern states, though, can still apply to intrastate activity.

“The most challenging aspect of running a business is having access to an adequate line of credit for the typical business-cash ebbs and flows,” says Illinois Rep. Carol Sente, a sponsor of HB 3429.

With equity crowdfunding, the pool of potential investors for a small business or startup is greatly expanded. That is because crowdfunding investors don’t have to meet typical accreditation requirements (net worth and income, for example) or go through the lengthy, expensive process of becoming accredited. HB 3429 passed with large bipartisan support, as well as with the help of a Small Business Caucus that Sente helped start in the Illinois House (it now counts 23 members).

“Access to capital remains one of the top five issues for small to medium-size businesses in our state,” Sente says.

Under the Illinois law, a business can receive up to $4 million in intrastate crowdfunding every year. This cap is higher than in most other states — the typical limit is $2 million, and under Iowa’s new law (which took effect around the same time as Illinois’s), the maximum is $1 million.

These state laws also restrict how much a nonaccredited investor can give to a single business. Most states set this cap at $5,000 annually per business. But there are exceptions (see table above). In the Midwest, three states allow nonaccredited investors to give up to $10,000 per business.

“We need to have local partnerships, energy and visioning,” Schmit says. The RS Fiber Cooperative is one example. With involvement by 10 cities and 17 townships in rural Sibley and other counties, its goal is to provide 6,200 homes and businesses with speeds of 1 gigabit per second (the equivalent of 1,000 Mbps).

These local governments agreed to sell a general obligation bond of $13.7 million to provide a loan to RS Fiber Cooperative. The bond is helping support the first phase of network construction.

By the end of 2016, most of the area will have improved service. The second phase of the project, which will begin in 2018, includes wiring each rural farm, business and home. The project is expected to cost a total of $45 million and be completed by 2021.

And for rural business owners and farmers, such investments may be necessary for economic success.

“Technology is one of the four key factors limiting growth and prosperity in rural America,” Diane Smith, CEO of American Rural, told state lawmakers in January at the 2016 Legislative Ag Chairs Summit. (The Council of State Governments helps support this event.)

“If you have access to technology, you have access to information and the global marketplace. People don’t have to find your front door [for you] to have a successful business.”

Wireless access is also becoming essential to farmers.

“Almost every piece of farm equipment that rolls off the assembly line today is set up for wireless connectivity,” Nick Tindell of the Association of Equipment Managers said at the Ag Chairs Summit. “Those cornfields are vital economic zones in the Midwest, and they need wireless signal coverage as well.”

Intrastate crowdfunding limits in the Midwest

<table>
<thead>
<tr>
<th>State</th>
<th>Annual maximum a business can receive</th>
<th>Annual maximum a nonaccredited investor can give a business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illinois</td>
<td>$4 million</td>
<td>$5,000</td>
</tr>
<tr>
<td>Indiana</td>
<td>$2 million</td>
<td>$5,000</td>
</tr>
<tr>
<td>Iowa</td>
<td>$1 million</td>
<td>$5,000</td>
</tr>
<tr>
<td>Kansas</td>
<td>$1 million</td>
<td>$1,000</td>
</tr>
<tr>
<td>Michigan</td>
<td>$2 million</td>
<td>$10,000</td>
</tr>
<tr>
<td>Minnesota</td>
<td>$5 million</td>
<td>$10,000</td>
</tr>
<tr>
<td>Nebraska</td>
<td>$2 million</td>
<td>$5,000</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>$2 million</td>
<td>$10,000</td>
</tr>
</tbody>
</table>

* North Dakota and South Dakota have not passed legislation providing exceptions for non-accredited investors.

Source: North American Securities Administrators Association; crowdfundingsolutions.com

Economic Development

Illinois joins regional trend with law allowing businesses to raise capital via ‘crowdfunding’

Starting on Jan. 1, nearly all Illinois residents became eligible to invest in businesses in the state looking to raise capital. The reason: recently enacted legislation (HB 3429) that provides an exemption for nonaccredited investors to participate in intrastate “equity crowdfunding.”

This alternative investment model has received more and more attention in state capitols in recent years, in part because policymakers and small-business groups grew restless over the wait for final federal rules on equity crowdfunding.

Those final Securities and Exchange Commission rules will begin to take effect this spring, four years after passage of federal legislation that paved the way for interstate crowdfunding investments.

The state laws in place in Illinois and seven other Midwestern states, though, can still apply to intrastate activity.

“As a small-business owner, I know one of the most challenging aspects of running a business is having access to an adequate line of credit for the typical business-cash ebbs and flows,” says Illinois Rep. Carol Sente, a sponsor of HB 3429.

With equity crowdfunding, the pool of potential investors for a small business or startup is greatly expanded. That is because crowdfunding investors don’t have to meet typical accreditation requirements (net worth and income, for example) or go through the lengthy, expensive process of becoming accredited. HB 3429 passed with large bipartisan support, as well as with the help of a Small Business Caucus that Sente helped start in the Illinois House (it now counts 23 members).

“Access to capital remains one of the top five issues for small to medium-size businesses in our state,” Sente says.

Under the Illinois law, a business can receive up to $4 million in intrastate crowdfunding every year. This cap is higher than in most other states — the typical limit is $2 million, and under Iowa’s new law (which took effect around the same time as Illinois’s), the maximum is $1 million.

These state laws also restrict how much a nonaccredited investor can give to a single business. Most states set this cap at $5,000 annually per business. But there are exceptions (see table above). In the Midwest, three states allow nonaccredited investors to give up to $10,000 per business.

“Almost every piece of farm equipment that rolls off the assembly line today is set up for wireless connectivity,” Nick Tindell of the Association of Equipment Managers said at the Ag Chairs Summit. “Those cornfields are vital economic zones in the Midwest, and they need wireless signal coverage as well.”

Agriculture & Natural Resources

Brief written by Laura Tomaka, staff liaison to the Midwestern Legislative Conference Economic Development Committee. She can be reached at itomaka@csg.org. The committee’s co-chairs are Michigan Sen. Ken Hum and Nebraska Sen. Heath Mello.
Exposure to high levels of lead still a health problem nationwide

At least 4 million households across the United States have high levels of exposure to lead, and at least half a million children ages 1-5 have blood lead levels above the point where public health actions should be taken, according to the U.S. Centers for Disease Control and Prevention.

The CDC recommends action for blood lead levels at or above 5 micrograms per deciliter (abbreviated “µg/dL”), but it also warns that “no safe blood lead level in children has been identified.”

Because there are no overt symptoms, lead poisoning can go unrecognized. A blood lead test is the only way to determine whether a child has lead in his or her blood and, if so, how much. Lead can be swallowed or breathed in; once in the body it affects the brain and nervous system and can slow growth and development; damage speech and hearing; and lead to attention, behavior and learning disorders.

Myriad studies have shown that exposure to leaded gasoline was a direct cause of the crime wave of the late 1960s and 1970s. Amherst College researchers (among others) found that as lead levels in the ambient environment dropped during the 1980s, so did violent crimes during the 1990s.

While the primary source of lead poisoning today remains old paint in houses built before 1978, plenty of municipal water systems still have lead pipes. Madison, Wis., spent $35.5 million over 11 years to remove all lead pipes in the late 1990s and early 2000s; Lansing, Mich., is doing so now and has offered technical assistance to Flint.

A federal interagency strategy, “Healthy People 2020,” has set the goal of eliminating lead poisoning as a public health problem by that year. Its goals are to identify and control lead paint hazards, care for children with “elevated” blood lead levels, track those to identify and control lead paint hazards, and conduct research to improve lead poisoning prevention.

Over the past few decades, the prevalence of elevated blood lead levels in children has dropped considerably (see state-by-state data below). According to the U.S. Environmental Protection Agency, a mix of federal and state policies has helped to reduce the amount of lead in air, drinking water, soil, consumer products, food and occupational settings.

As Michigan water crisis boils, legislators mull ‘right to water’

As the realization that a generation of children in Flint, Mich., has been exposed to lead poisoning by their own water sets in, some Michigan lawmakers are pushing to enshrine access to clean, safe water in state law as a basic human right.

If such a law is enacted, Michigan would be the second state to do so, following California, whose 2012 statute declaring “every human being has the right to clean, affordable and accessible water adequate for human consumption, cooking, and sanitary purposes” requires state agencies to consider this right when formulating policies, regulations and grant programs that impact water for domestic consumption.

Michigan’s version is HB 5101, introduced in December 2015 by Rep. Julie Plawecki to frame a 10-bill package dealing with — among other subjects — water access, billing, service shutoffs and testing. (An identical bill, SB 643, was filed in the state’s upper chamber by Sen. Coleman Young III.)

Taken word for word from California’s law, the proposed “human right to water act” would require state agencies to “employ all reasonable means” to adapt their policies, regulations and grant criteria “by establishing water affordability criteria as appropriate, to the extent that those actions do not affect eligibility for federal funds.”

Like a mission statement, the proposed law would underlie all future water policy, Plawecki says.

“We’ve had so many issues with water that I felt we had to make a bold statement,” she says. “Anything that could possibly affect drinking water should be held up to that standard.”

The key language in California’s law is that state agencies “shall consider,” which in and of itself isn’t enough to really protect the rights it guarantees, says Roxanna Altholz, an assistant clinical professor of law at the University of California-Berkeley Law School and associate director of the International Human Rights Law Clinic.

So far, Altholz says, the law’s greatest impact has been threefold: changing how state agency leadership in California thinks about priorities and agendas, cementing public participation as part of that process, and reprioritizing how grants are distributed.

“Anything that could possibly affect drinking water should be held up to that [water-right] standard.” Michigan Rep. Julie Plawecki

“The bottom line is we think the law provides a moral compass to state agencies involved in water issues and policies.”

A new group, the National Coalition for Legislation on Affordable Water, is watching California’s struggle to integrate its law into policy, says Alice Jennings, an attorney representing several Detroit residents in a class action lawsuit against the city alleging that the pattern of water shutoffs there discriminates against African American residents.

The notion of clean water as a human right includes access and affordability, and if water utilities won’t adopt affordability plans to help those willing but unable to pay in full when presented with four- or five-figure bills, a human right to water law will help force their hand, Jennings says.

“The idea here is the same one underlying food stamps, or the Low Income Home Energy Assistance Program for electric and gas utility customers, she says. Since those programs have been around for decades to provide temporary help to those who need it, “there is a statutory basis that already exists in federal law” that would allow municipalities in Michigan to begin similar initiatives for water utilities, Jennings adds.

Several thousand Detroiters are still without water after having service shut off, which is priming a potential public health crisis, Jennings says. Between that and aging water infrastructure, “this is a problem that’s not going away,” she says.

Sources of Midwest’s drinking water

<table>
<thead>
<tr>
<th>State</th>
<th>Population</th>
<th>% from groundwater</th>
<th>% from surface water</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illinois</td>
<td>12,495,073</td>
<td>28.6%</td>
<td>71.3%</td>
</tr>
<tr>
<td>Indiana</td>
<td>5,271,705</td>
<td>55.3%</td>
<td>44.6%</td>
</tr>
<tr>
<td>Iowa</td>
<td>2,782,342</td>
<td>54.2%</td>
<td>45.7%</td>
</tr>
<tr>
<td>Kansas</td>
<td>2,595,791</td>
<td>27.4%</td>
<td>72.6%</td>
</tr>
<tr>
<td>Michigan</td>
<td>8,933,126</td>
<td>34.3%</td>
<td>65.6%</td>
</tr>
<tr>
<td>Minnesota</td>
<td>4,789,891</td>
<td>72.1%</td>
<td>27.9%</td>
</tr>
<tr>
<td>Nebraska</td>
<td>1,525,008</td>
<td>48.3%</td>
<td>51.7%</td>
</tr>
<tr>
<td>North Dakota</td>
<td>579,838</td>
<td>44.5%</td>
<td>55.5%</td>
</tr>
<tr>
<td>Ohio</td>
<td>11,007,564</td>
<td>33.6%</td>
<td>68.4%</td>
</tr>
<tr>
<td>South Dakota</td>
<td>715,150</td>
<td>64.1%</td>
<td>35.9%</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>5,271,705</td>
<td>62.3%</td>
<td>37.7%</td>
</tr>
</tbody>
</table>


“Any number of drinking water systems are provided with four- or five-figure bills, a human right to water law will help force their hand,” Jennings says.

“A new group, the National Coalition for Legislation on Affordable Water, is watching California’s struggle to integrate its law into policy, says Alice Jennings, an attorney representing several Detroit residents in a class action lawsuit against the city alleging that the pattern of water shutoffs there discriminates against African American residents.”

The notion of clean water as a human right includes access and affordability, and if water utilities won’t adopt affordability plans to help those willing but unable to pay in full when presented with four- or five-figure bills, a human right to water law will help force their hand, Jennings says.

“The idea here is the same one underlying food stamps, or the Low Income Home Energy Assistance Program for electric and gas utility customers, she says. Since those programs have been around for decades to provide temporary help to those who need it, “there is a statutory basis that already exists in federal law” that would allow municipalities in Michigan to begin similar initiatives for water utilities, Jennings adds.

Several thousand Detroiters are still without water after having service shut off, which is priming a potential public health crisis, Jennings says. Between that and aging water infrastructure, “this is a problem that’s not going away,” she says.

Article written by Jon Davis, a CGS Midwest policy analyst and assistant editor. He can be reached at jdavis@csg.org.
QUESTION OF THE MONTH

QUESTION: Do states have statutory provisions allowing paramedics to provide non-emergency health services?

Community paramedicine programs — sometimes known as field emergency medical services (EMS) or mobile integrated health care — expand the role of certified paramedics and allow them to provide non-emergency, preventative health care services to patients in their communities.

The expanded functions of a community paramedic can include providing primary care, chronic disease management, mental health and dental care, according to the American Nurses Association. Customarily, the role of a paramedic is to respond in emergency situations only, but the push for an expanded role is gaining momentum — particularly in rural areas that have fewer traditional health care providers.

Some community paramedic programs operate on a small scale without specific statutory authority. However, a handful of state legislatures have developed pilot programs or task forces. In Minnesota, for example, they have passed laws in recent years to authorize these programs on a statewide level.

In 2011, Minnesota became the first state to pass legislation (SF 119) defining the role of community paramedics and creating a process of certification and reimbursement for their services. That same year, Minnesota also established the country’s first certification program for community paramedics (at Hennepin Technical College). Program enrollees must complete 96 hours of classroom training and 196 hours of clinical training in areas such as health screening, immunization practices and community outreach.

A subsequent bill (SF 1543) was passed in 2012 to establish the array of community paramedic services that are eligible for reimbursement under Minnesota’s Medicaid program.

Other states, such as California, Idaho, Maine, Massachusetts, Michigan, Missouri and Minnesota, have developed pilot programs or task forces. In 2013, the North Dakota Legislative Assembly passed a resolution (SCR 4002) creating the Community Paramedic Pilot Project. Three years later, the state’s Department of Health is accepting applications from licensed EMS providers to participate in a pilot program.

Many states, however, do not have statutory language that expressly allows or prohibits community paramedics. In these cases, state health officials must make their own determinations on the permissible role of these health workers.

The Michigan Department of Health and Human Services, for example, recently determined that state laws did not prohibit the use of community paramedics; it then began allowing EMS agencies to perform those activities as part of a three-year pilot program.

The Ohio Department of Public Safety determined that state law would need to be changed before EMS providers could deliver care in non-emergency situations. As a result, Ohio lawmakers last year included language in the state’s budget bill to allow for community paramedicine. Under HB 64, local EMS and fire departments can work on patients in non-emergency situations. These services must be performed under the direction of the emergency technician’s medical director or a cooperating physician advisory board.

How South Dakota pioneered the idea of a ‘People’s Legislature’

by Mike McCabe (mmccabe@csg.org)

Shortly before the close of the 19th century, the citizens of South Dakota approved a constitutional amendment authorizing the use of two new tools of direct democracy, the voter initiative and the popular referendum.

The first-of-its-kind state constitutional provision heralded a new era in voter participation in the lawmaking process, even as it reflected longstanding American traditions of civic engagement dating back to New England’s earliest town hall meetings.

Long before the founding of the United States, New Englanders were accustomed to establishing or ratifying local ordinances through direct participation in citizen meetings. That tradition eventually gave rise to the legislative referendum process, under which citizens are empowered to approve or reject laws and amendments proposed by their elected officials.

Though not uncommon at the local level, even during the infancy of the American republic, the means of direct citizen participation in the lawmaking process were slow to take root at the state level. As early as 1775, a proposal authorizing a legislative referendum process in Virginia was championed by Thomas Jefferson, but ultimately, it was not included in his state’s constitution.

Three years later, Massachusetts became the first state to ratify its new constitution by means of a statewide referendum. Several other states soon followed suit, and eventually, Congress required all states entering the union after 1857 to use the legislative referendum as a means of enacting any constitutional changes.

But until the Gilded Age of the late 19th century began to give way to the Progressive Era of the earlier 20th, the use of direct democracy at the state level remained limited to the enactment or amendment of state constitutions.

That limitation began to be tested with the rise of the Populist Movement in the 1890s. Fueled by a growing disenchantment with government and the influence wielded by special-interest groups, the Populists began advocating for a comprehensive set of political reforms, typically including women’s suffrage, the direct election of U.S. senators and greater involvement by citizens in the lawmaking process.

South Dakota proved to be fertile ground for the direct-democracy campaign. As early as 1885, Father Robert W. Haire, an activist Catholic priest from Aberdeen, had envisioned the establishment of a “People’s Legislature,” which incorporated the basic tenets of the modern day “initiative,” a voter-created proposal that is placed on the ballot for approval by the citizens; and the “legislative referendum,” a process under which a proposal generated by the legislature is subsequently referred to the voters for acceptance or rejection.

Following South Dakota’s admission to statehood in 1889, the Populist Party incorporated the initiative and referendum idea into its platform in 1892.

A year later, the state’s first legislative proposal to establish these tools was formally introduced, but it was defeated by the Republican-controlled Legislature. A second attempt in 1895 also failed. Only after the Populists joined forces with Democrats to seize control of the South Dakota Legislature in 1896 did the tide begin to turn. A proposed constitutional amendment authorizing the initiative and referendum was introduced in January 1897. It passed the House before the end of the month and won final approval in the Senate at the end of February.

Appropriately, the citizens of the state had the last word when the proposed amendment was referred to voters, who overwhelmingly ratified it in 1898.

Today, voter initiatives and referendums are permitted in 24 states, and renewed interest in direct democracy has resulted in a sharp increase in the use of these mechanisms.

Nationwide, more than 375 voter initiatives were considered during the 1990s alone, and almost as many were considered during the first decade of this century.

Previous articles from CSG Midwest’s First in the Midwest series are available at www.csgmidwest.org.
do not require certain types of utilities (municipal or cooperatives) to credit customers.

According to the Edison Electric Institute (the trade association for electric utilities), distributed power (including rooftop PV) is not as cost-effective as utility-scale systems.

And the institute warns that net metering policies can lead to a shift in costs — from the consumers with solar panels to those without them. The reason: There are fixed costs (such as for wires and meters) that aren’t accounted for when customers get full credit for the power they feed into the grid.

“There is a big fight in Minnesota over cost shifting — whether net metering is essential to solar development in the state, or whether it shifts costs from wealthier customers to other customers,” notes state Rep. Pat Garofalo.

He and other state legislators have been working on a policy alternative. Under his proposal (part of HF 843), consumers with rooftop PVs would continue to receive payments, but the revenue source would change.

Right now, the money comes from other energy customers. The money would instead come from a Minnesota Energy Fund supported in part by a general-fund appropriation.

In addition to providing an alternative revenue stream for net metering, Garofalo says, the fund includes a competitive grant program for innovative projects that advance solar and other energy-related technologies.

In Illinois, as part of a broader legislative package to promote the development of renewables and increase energy efficiency, lawmakers are looking for ways to expand the state’s use of solar.

State Rep. Elaine Nekritz, one of the lead sponsors of the Clean Jobs Bill (SB 1485 and HB 2607), says the legislation will help her home state “set the table [to meet] the new requirements of the president’s Clean Power Plan.”

That plan, a new federal rule developed by the U.S. Environmental Protection Agency, requires every U.S. state to reduce carbon emissions from power plants between now and 2030 (see article on page 7).

Illinois’ Clean Jobs Bill would increase the state’s renewable energy requirement — from 25 percent of generation by 2025 to 35 percent by 2030.

This higher standard, Nekritz believes, will

Rise in solar power generates interest in Midwest, including Minnesota, Illinois and Iowa

Net electricity generation, by source, (September 2015)*

<table>
<thead>
<tr>
<th>State</th>
<th>Coal</th>
<th>Hydro</th>
<th>Natural gas</th>
<th>Nuclear</th>
<th>Renewable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illinois</td>
<td>39%</td>
<td>*</td>
<td>7%</td>
<td>49%</td>
<td>4%</td>
</tr>
<tr>
<td>Indiana</td>
<td>79%</td>
<td>*</td>
<td>13%</td>
<td>*</td>
<td>3%</td>
</tr>
<tr>
<td>Iowa</td>
<td>55%</td>
<td>1%</td>
<td>5%</td>
<td>9%</td>
<td>29%</td>
</tr>
<tr>
<td>Kansas</td>
<td>52%</td>
<td>*</td>
<td>4%</td>
<td>21%</td>
<td>24%</td>
</tr>
<tr>
<td>Michigan</td>
<td>49%</td>
<td>1%</td>
<td>29%</td>
<td>21%</td>
<td>5%</td>
</tr>
<tr>
<td>Minnesota</td>
<td>38%</td>
<td>*</td>
<td>18%</td>
<td>25%</td>
<td>17%</td>
</tr>
<tr>
<td>Nebraska</td>
<td>62%</td>
<td>2%</td>
<td>2%</td>
<td>27%</td>
<td>8%</td>
</tr>
<tr>
<td>North Dakota</td>
<td>76%</td>
<td>1%</td>
<td>2%</td>
<td>31%</td>
<td>1%</td>
</tr>
<tr>
<td>Ohio</td>
<td>63%</td>
<td>2%</td>
<td>22%</td>
<td>34%</td>
<td>1%</td>
</tr>
<tr>
<td>South Dakota</td>
<td>71%</td>
<td>10%</td>
<td>3%</td>
<td>22%</td>
<td>22%</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>59%</td>
<td>2%</td>
<td>20%</td>
<td>35%</td>
<td>4%</td>
</tr>
</tbody>
</table>

*Sources that make up less than 1 percent of generation are omitted. State figures also may not add to 100 percent due to rounding.

Source: U.S. Energy Information Administration

Investing in ‘solar gardens’

Across the country, sometimes as a part of net metering laws, states have also been opening up new opportunities for residents unable to install PV rooftops of their own — those who live in apartments, for example, or whose homes are on shaded property.

These individuals are instead able to invest in shares of a solar energy system, and receive a credit on their bill for their portion of the electricity generated by a solar garden.

In 2013, Minnesota legislators passed a measure (part of an omnibus bill, HF 729) requiring the state’s largest electric utility, Xcel Energy, to purchase power from solar gardens.

Energy companies develop and market the solar gardens, and customers can then buy shares. In Minnesota, these shares are valid for 25 years.

Xcel’s program is different from some of the state’s other community solar programs — the utility buys the power from the solar gardens that its customers have invested in.

Several other utilities in Minnesota, including power cooperatives, are also developing community solar facilities.

Illinois’ Clean Jobs Bill

In Illinois, as part of a broader legislative package to promote the development of renewables and increase energy efficiency, lawmakers are looking for ways to expand the state’s use of solar.

State Rep. Elaine Nekritz, one of the lead sponsors of the Clean Jobs Bill (SB 1485 and HB 2607), says the legislation will help her home state “set the table [to meet] the new requirements of the president’s Clean Power Plan.”

That plan, a new federal rule developed by the U.S. Environmental Protection Agency, requires every U.S. state to reduce carbon emissions from power plants between now and 2030 (see article on page 7).

Illinois’ Clean Jobs Bill would increase the state’s renewable energy requirement — from 25 percent of generation by 2025 to 35 percent by 2030.

This higher standard, Nekritz believes, will

State incentives and policies that encourage small-scale solar projects

✓ Property tax exemptions — Most states in the Midwest have this type of incentive in place — for example, exempting solar energy systems from property taxes (Indiana, Kansas, Nebraska and South Dakota) or exempting increases in property valuations due to the installation of solar energy systems (Iowa, Minnesota, North Dakota and Wisconsin).

✓ Sales tax exemptions — States such as Indiana, Iowa, Minnesota, Ohio and Wisconsin waive the sales tax for purchases of equipment needed to install solar energy systems.

✓ Income tax deductions — In states such as Indiana, Iowa, Nebraska and Wisconsin, individuals can receive deductions for installing solar systems and/or purchasing solar equipment. In Iowa, for example, the maximum tax credit is $5,000 for residences.

✓ Consumer rebates — These rebates, which usually come from utilities, offset the cost of installing solar energy systems. In its most recent national analysis of state policies, Solar Power Rocks lists Illinois, Minnesota and Wisconsin as having robust rebate programs. In Illinois’ program, though, was closed for fiscal year 2016. In Minnesota and Wisconsin, the rebates are capped (depending on the utility) at anywhere from $2,000 to $5,000 per customer.

✓ Net metering — The Solar Energy Industries Association describes net metering as “a billing mechanism that credits solar energy system owners for the electricity they add to the grid.” With the exception of South Dakota, every state in the Midwest has a net-metering policy in place. In Ohio, customers receive a credit to offset charges in future months. They also can receive a refund for accumulated credits over a 12-month period.

✓ Interconnection standards — Standard, transparent interconnection standards help homes and businesses connect their small-scale systems to the utility grid. In Ohio, for example, the owners of smaller-scale solar energy systems qualify for a simplified review process in advance of connecting to the grid.

Sources: Database of State Incentives for Renewables & Efficiency, Solar Power Rocks, U.S. Department of Energy and CSG Midwest research
In some states, laws on renewables include ‘carve-outs’ for solar

<table>
<thead>
<tr>
<th>State</th>
<th>RPS (requirement or goal)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illinois</td>
<td>25% by 2025 (requirement)</td>
</tr>
<tr>
<td>Indiana</td>
<td>10% by 2025 (goal)</td>
</tr>
<tr>
<td>Iowa</td>
<td>105 megawatts (requirement)</td>
</tr>
<tr>
<td>Kansas</td>
<td>20% by 2020 (goal)</td>
</tr>
<tr>
<td>Michigan</td>
<td>10% by 2015 (requirement)</td>
</tr>
<tr>
<td>Minnesota</td>
<td>26.5% by 2025 for investor-owned utilities; 31.5% by 2025 for largest utility (requirement)</td>
</tr>
<tr>
<td>Nebraska</td>
<td>None</td>
</tr>
<tr>
<td>North Dakota</td>
<td>10% by 2015 (goal)</td>
</tr>
<tr>
<td>Ohio</td>
<td>12.5% by 2026 (requirement, suspended)</td>
</tr>
<tr>
<td>South Dakota</td>
<td>10% by 2015 (goal)</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>10% by 2015 (requirement)</td>
</tr>
</tbody>
</table>

Source: Database of State Incentives for Renewable Energy

The future of solar energy, other renewable power sources and state energy policy in general is tied to the fate of a new federal rule finalized in August 2015.

Under the Clean Power Plan, states are required to reduce greenhouse gas emissions from power plants. Compliance plans are due by September of this year, and the mandatory reductions must be met by 2030.

“[It is] the long-term federal policy that is going to drive renewables,” says Sean Gallagher, vice president of state affairs for the Solar Energy Industries Association.

But first, the Clean Power Plan must survive ongoing legal challenges.

In June, the U.S. Court of Appeals will hear arguments in a lawsuit brought by 24 states, including seven from the Midwest: Indiana, Kansas, Michigan, Nebraska, Ohio, South Dakota and Wisconsin. (North Dakota is pursuing separate legal action.)

These states say the U.S. Environmental Protection Agency has gone far beyond the authority granted to it by the U.S. Congress under the Clean Air Act.

Earlier this year, the Court of Appeals refused a request to freeze the rule; a group of states has since asked the Supreme Court to do so.

In contrast, a coalition of 25 states and cities (including the attorneys general from Illinois, Iowa and Minnesota) have filed a motion in support of the Clean Power Plan. The goal of the new federal rule is to move away from the use of fossil fuels and to instead rely more on low- and zero-emission sources: wind, solar, hydropower and nuclear energy.

The Clean Power Plan has three steps, or “building blocks”:

• improve the efficiency of existing coal-fired power plants;
• transition from the use of coal- and oil-fired plants to lower-emitting gas-fired plants; and
• expand the use of renewable sources for electricity generation.

Using 2005 emissions levels as a baseline, the Clean Power Plan calls for a 32 percent cut in U.S. carbon pollution by 2030.

Each state’s compliance plan must include interim goals as well as “enforceable CO2 emission limits.” For states that do not provide a comprehensive, enforceable plan, the EPA will develop one for them.

The plan’s mandatory cuts in carbon pollution vary from state to state. These differences are based on each state’s current mix of power sources and an estimate of the “reasonable cost” to reduce carbon emissions.

Future of Clean Power Plan, and state energy policy, now in courts’ hands

The future of solar energy, other renewable power sources and state energy policy in general is tied to the fate of a new federal rule finalized in August 2015.

Under the Clean Power Plan, states are required to reduce greenhouse gas emissions from power plants. Compliance plans are due by September of this year, and the mandatory reductions must be met by 2030.

“It is the long-term federal policy that is going to drive renewables,” says Sean Gallagher, vice president of state affairs for the Solar Energy Industries Association.

But first, the Clean Power Plan must survive ongoing legal challenges.

In June, the U.S. Court of Appeals will hear arguments in a lawsuit brought by 24 states, including seven from the Midwest: Indiana, Kansas, Michigan, Nebraska, Ohio, South Dakota and Wisconsin. (North Dakota is pursuing separate legal action.)

These states say the U.S. Environmental Protection Agency has gone far beyond the authority granted to it by the U.S. Congress under the Clean Air Act.

Earlier this year, the Court of Appeals refused a request to freeze the rule; a group of states has since asked the Supreme Court to do so.

In contrast, a coalition of 25 states and cities (including the attorneys general from Illinois, Iowa and Minnesota) have filed a motion in support of the Clean Power Plan. The goal of the new federal rule is to move away from the use of fossil fuels and to instead rely more on low- and zero-emission sources: wind, solar, hydropower and nuclear energy.

The Clean Power Plan has three steps, or “building blocks”:

• improve the efficiency of existing coal-fired power plants;
• transition from the use of coal- and oil-fired plants to lower-emitting gas-fired plants; and
• expand the use of renewable sources for electricity generation.

Using 2005 emissions levels as a baseline, the Clean Power Plan calls for a 32 percent cut in U.S. carbon pollution by 2030.

Each state’s compliance plan must include interim goals as well as “enforceable CO2 emission limits.” For states that do not provide a comprehensive, enforceable plan, the EPA will develop one for them.

The plan’s mandatory cuts in carbon pollution vary from state to state. These differences are based on each state’s current mix of power sources and an estimate of the “reasonable cost” to reduce carbon emissions.
Ohio Sen. Larry Obhof

Over span of five years, ‘policy wonk’ has gone from political newcomer to helping lead the state Senate as its majority whip

by Laura Tomaka (ltomaka@csg.org)

L ong before he joined the Ohio Senate, Larry Obhof enjoyed thinking, talking and writing about public policy. Over the past five years, he has made the most of the chance to shape and make it.

The self-described “policy wonk” first joined the legislature in 2011, and it didn’t take him long to move from political newcomer to legislative leader.

Obhof had never served in elected office before joining the Senate, but two years later, his legislative colleagues made him majority whip — a position that he still holds today and that ideally fits his wide range of interests.

“I enjoy working on a lot of different issues,” Obhof says.

His interest in politics dates back at least to his teenage years, when he first started volunteering for campaigns and immersing himself in public policy, economics and the law.

A practicing attorney, his most notable legal work came as part of the team of lawyers who argued against implementation of the Affordable Care Act, with the case ultimately ending up before the U.S. Supreme Court. The Supreme Court upheld the act.

But in the Ohio legislature, Obhof and his fellow Republicans have been enjoying electoral victories — and, as a result, full control of state government since 2011. In a recent interview with CSG Midwest, he reflected on legislative accomplishments over that time, as well as some policy priorities for the year ahead.

Here are excerpts from the interview.

Q: Your state was hit particularly hard by the national recession. How is it doing now?
A: Ohio is doing better than it was five years ago when I joined the Senate. Ohio has cut income taxes over the past five years by about $5 billion — I think that is about the highest of any of the states in the country during that span. We’ve also really tried to change the way we do regulations, so we do cost-benefit analyses and performance audits of state agencies. Those things, combined, have helped turn the state around economically.

When I was sworn in, the unemployment rate in Ohio was about 9.3 percent; now it’s 4.4 percent. But there is still a lot more work to do. The unemployment numbers have fallen significantly, but I always wonder how many of those people who are working are under-employed, who don’t necessarily have the job that they want, or who aren’t necessarily earning the kind of salary that they need to support their family.

Q: Are there other policy changes you would like made to spur economic growth?
A: Our income tax system is fairly complex; we have nine different brackets. I’d like to lower the number of brackets overall while also providing tax relief to average Ohioans.

Q: What do you view as some of your most significant legislative accomplishments to date?
A: The things that I’m most proud of have been the efforts to protect women and children from sexual predators. In our state, we had a significant backlog of DNA kits from rapes and other sexual assaults. In some cases, kits had been sitting around upward of 10 years.

We passed legislation to require local law enforcement to get those tested in a timely fashion, and also to require local law enforcement to work together with the state to get rid of the backlog and make sure all of the old kits were getting tested and run against the DNA database.

In the last five years, the attorney general has tested over 9,000 of those old kits, and we get a positive hit rate on more than one out of three.

As a complement to that legislation, we increased the statute of limitations for bringing charges of rape, so if you have been able to evade justice for the past 20 years, you don’t get to escape with just the passage of time. That’s been pretty important in bringing justice for some of the victims of these crimes.

Q: Looking ahead to this year, what will be some of the big issues that the legislature will be trying to address?
A: On the criminal justice side, the thing that is probably most important is combating the opioid epidemic. We’ve had a significant problem in Ohio, and I suspect it’s similar throughout the country with different opioids, particularly heroin and fentanyl.

We’ve taken some steps to try to prevent overdoses by allowing first-responders to carry Narcan and then, in follow-up legislation, to allow family members and friends of someone who is at risk of an overdose to also carry Narcan so you can prevent overdoses and save some lives. Here in my local community, we’ve had dozens of lives saved [as a result of the new laws]. It’s a complex problem, and we have to attack it from all angles. [We] need to educate kids at the front end and let them know that not only are drugs bad in general, but heroin in particular is something that cannot be dabbed in. It’s incredibly addictive and people just need to stay away from it.

But for people who have unfortunately fallen into that trap, we need to focus as much as possible to get the treatment they need to break the cycle of addiction and get their lives back together. And we want to step up law enforcement efforts and increase seizures and prevent that stuff from being on the street in the first place.

Q: How do you view your leadership role as a majority whip in the Ohio Senate?
A: I try to take an active role in legislation in a lot of different areas, even pretty early on, to see what bills are pending in their committees, which ones they want to move, and what some of the potential pitfalls might be with some bills that are pending. And then I sit down and actually try to work those things out. I enjoy doing it.

I also think if you’re in leadership, you have to care about the politics side of things outside — help out your colleagues, go to their districts, and meet with leaders and constituencies throughout the state. You make sure that everybody in Ohio, no matter where you are or which county you are visiting, understand what’s going on in Columbus and understand what we are trying to do to turn the state around.

There is a lot of expertise out there on a lot of different issues, and I think the best thing you can do is keep an open ear and listen to people around the state and try to take good advice when you hear it.

Q: What do you think the best thing you can do is keep an open ear and listen to people around the state and try to take good advice when you hear it.”
The case for direct primary care

Nebraska legislation seeks reform of health care system by allowing doctors, patients to contract for care outside of insurance

by Nebraska Sen. Merv Riepe (mriepe@leg.ne.gov)

Fee-for-service health care is not working in the United States, and that includes Nebraska. Health care reform is needed before it consumes even more of our GDP. The key to bending the cost curve for health care is to re-focus on primary care.

Nebraska is not the first and will not be the last state to introduce legislation that enables licensed practitioners to directly contract with patients for primary care and eliminate the hassle of insurance.

Proponents of direct primary care, or DPC, believe it will be part of health care delivery reform by providing personal, affordable and accessible primary care services. Happy and healthy patients + happy practitioners = DPC.

In a meeting with Senate Democrats in 2009, President Obama stated, “It is not sufficient for us simply to add more people to Medicare and Medicaid to increase the rolls, to increase coverage in the absence of cost controls and reform. … We can’t simply put more people into a broken system that doesn’t work.”

A key component of needed reform

One part of the “fix” of health care delivery is DPC, which is a contract between a patient and a practitioner to pay a retainer fee — monthly is common — for primary care services. The retainer fee is similar to the price of a standard utility bill. The practitioner generally provides unlimited office visits and an annual physical.

Patients are also encouraged to purchase a catastrophic health plan that meets current federal requirements.

DPC has been likened to automobile insurance: coverage for what one cannot afford to lose but not for day-to-day maintenance costs. Also, DPC has been compared to concierge medicine, but concierge medicine is the pricey Hudson automobile — accessible to a few — while DPC is Henry Ford’s Model T, affordable for the “common man.”

DPC practices exist in 42 states and are supported by Nebraska labor groups, as all are being asked to pay more of their own costs.

The 2016 legislation enables, not mandates, DPC in Nebraska. The legislation will establish DPC in statute to ensure its long-term viability and provide consumer protection language. The legislation will seek to minimize regulation and be at no cost to the state.

In January 2016, LB 817, the Direct Primary Care Agreement Act, was introduced with nine co-sponsors. LB 817, which I prioritized, was referenced to the Banking, Insurance and Commerce Committee. I also introduced LR 415, which urges the Nebraska congressional delegation to support and co-sponsor SB 1899, the Primary Care Enhancement Act of 2015, which supports DPC payments under Medicare, and removes barriers regarding Health Savings Accounts.

In Nebraska, we understand that, given an opportunity, the free market can and will work. We understand the importance of the patient-practitioner relationship. We understand one size does not fit all. We understand that we must reform Medicaid and the entire health care delivery model before we can expand Medicaid.

I believe this recent DPC legislation shows that the unicameral Legislature is working on innovative solutions to reform health care in Nebraska for patients and practitioners.

DPC is a contract by which a patient pays a retainer fee for primary care services, such as office visits and an annual physical

We have gotten and continue to receive support for the legislation and have addressed several concerns. Some of the benefits of DPC include:

- a free-market option in health care;
- happier practitioners (better work-life balance; connection with patients; no insurance to bill; keeping seasoned practitioners from retiring too early out of frustration; revitalizing primary care as being very important; and encouraging medical students and residents to become primary-care physicians);
- happier patients (focus on prevention; monitoring of chronic conditions; improved patient-practitioner relationship); and
- better health outcomes (a DPC provider in Washington state reported reductions of 14 percent in emergency-room visits, 60 percent in inpatient stays and 14 percent in specialist visits, for an average saving of over 19 percent per patient).

Critics say DPC will result in fewer practitioners available to the public because the model leads to a reduced patient panel size per doctor. In Nebraska, this is especially concerning given the shortage of primary-care practitioners. Practitioners are not indentured servants and may elect to retire earlier than desired because the bureaucracy in medicine has provided too many challenges.

Panel sizes may be smaller, but if DPC practitioners are able to improve their work-life balance, the net gain could be more practitioners available to serve for additional years.

Model could have wide appeal

Nebraska DPC might appeal to farmers, ranchers and other employers — and especially small businesses, individuals and labor groups, as all are being asked to pay more of the cost of health care.

And DPC is not an all-or-nothing proposition for the practitioner, because he or she might have a hybrid practice that includes DPC, Medicare, Medicaid, commercial and uninsured patients. In Nebraska, where some rural communities might have only one physician, it is not our intent to exclude Medicare patients or others from the practitioner.

Sen. Merv Riepe of Ralston was first-elected to the Nebraska unicameral Legislature in 2014.

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 First Person article are welcome, as are pieces written on other topics. For more information, contact Tim Anderson at 630.925.1022 or tanderson@csg.org.
Midwest’s newer legislators encouraged to apply for 5-day leadership institute

BILLD program has trained more than 730 lawmakers since its inception

Legislators in their first four years of service are encouraged to apply now for a BILLD fellowship and the chance to take part in a five-day summer program designed to advance their leadership skills.

This year’s BILLD program (the Bowhay Institute for Legislative Leadership Development) will be held Aug. 12-16 in Madison, Wis. The application deadline is April 6. Applications are available at www.csgmidwest.org.

The program includes a mix of sessions on public policy, professional development and leadership skills. These sessions are led by nationally renowned policy experts, legislative leaders from the Midwest; and specialists in areas such as media training, consensus building and time management.

The highly interactive curriculum also gives participants the chance to meet, learn from and work with lawmakers from across the region.

Each fellowship covers the cost of tuition, lodging and meals to attend the five-day institute. In addition, BILLD fellows receive a nominal travel stipend, which helps cover a portion of the cost of traveling to Madison, Wis.

More than 730 lawmakers from the Midwest have gone through the leadership program, which began in 1995. Many BILLD graduates have gone on to hold key leadership positions in their legislatures; others are now serving in the U.S. Congress and in other state government positions.

BILLD is conducted by CSG Midwest’s Midwestern Legislative Conference in partnership with The Robert M. La Follette School of Public Affairs at the University of Wisconsin-Madison. The BILLD Steering Committee, a bipartisan group of the Midwest’s legislators, oversees the program, including the annual selection of BILLD fellows.

Each year’s class includes legislators from all 11 Midwestern states and four Canadian provinces.

In 2017, BILLD will have a new academic partner: the University of Minnesota

After a months-long review and evaluation process, the BILLD Steering Committee selected the Hubert H. Humphrey School of Public Affairs at the University of Minnesota to serve as the program’s new academic partner.

This partnership between the Humphrey School and CSG Midwest’s Midwestern Legislative Conference will begin in 2017.

The University of Minnesota was one of four universities to submit proposals to the BILLD Steering Committee: the bipartisan group of Midwestern state legislators that oversees the leadership institute.

Kansas Sen. Laura Kelly served as chair of a subcommittee that reviewed the proposals and then made a recommendation to the full Steering Committee.

Located in Minneapolis, the Humphrey School is one of the country’s top-ranked professional public policy and planning schools. Faculty at the Humphrey School will lead the various policy sessions held during the five-day institute. The university will also provide CSG Midwest with other staff support.

Key dates for BILLD program in 2016

- deadline to apply is April 6
- BILLD Steering Committee will meet April 30
- program will be held Aug. 12-16 in Madison, Wis.

CSG planning 10 policy academies in year ahead

Legislators and other state leaders from across the country will once again have the chance to learn from one another and national experts at a CSG Policy Academy event.

The Council of State Governments is planning 10 of these academies in 2016. The series kicks off with two events this spring. The first will be held May 18-20 in Washington, D.C., and will focus on state-federal transportation policy. The second academy will be held May 23-25 in Seattle and cover cyber-security and privacy issues.

Topics for the eight other academies in 2016 are:

- consumer product safety
- transitioning veterans to the workforce
- natural-gas policy
- the future of American electricity
- legislative leadership on Medicaid
- global affairs
- Medicaid 101
- improving employment outcomes for people with disabilities

Last year, more than 800 state officials took part in a CSG policy academy.

CSG also has an ongoing eCademy series: free online workshops that focus on the latest trends in state policymaking and cutting-edge state solutions. These events are held bimonthly on Tuesday afternoons. Previous webinars also can be accessed at www.csg.org.

CSG’s mission and values

- “champion excellence in state government for the common good”
- pursue the priorities of member states
- be nonpartisan and inclusive
- engage leaders from all three branches of government
- have a regional focus, national presence and global reach
- be a respected and trusted source for best practices and policy expertise
- convene leader-to-leader interactions and foster leadership development
- facilitate multistate solutions
- advocate for states in the nation’s federal system of government
- adhere to the highest ethical standards
- respect diversity and act with civility
- partner and collaborate with others

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 MCC affiliate members.
MLC Annual Meeting registration begins; discount available through May 10

Registration for the only event designed by and for the Midwest’s state legislators has now begun.

Now in its 71st year, the Midwestern Legislative Conference Annual Meeting offers a unique mix of highly renowned speakers, policy sessions that focus on the region and its states, and professional development workshops tailored to meet the needs of state and provincial legislators.

The nonpartisan, family-friendly conference will be held July 17-20 in downtown Milwaukee. It is for all legislators representing 11 Midwestern states and four Canadian provinces.

A registration discount is available through May 10. Registration can be completed at www.csgmidwest.org.

Speakers include Jamieson, Lucas

Two of this year’s featured meeting speakers have already been confirmed: Kathleen Hall Jamieson and University of Wisconsin professor Stephen Lucas.

Jamieson serves as director of the Annenberg Public Policy Center at the University of Pennsylvania and is the co-founder of factcheck.org — the much-cited, nonpartisan “consumer advocate” for voters that aims to reduce the level of confusion and deception in U.S. politics. A nationally recognized authority on political campaigns and rhetoric, she will speak on the topic of “Effective Communication in a Polarized Environment.”

Professor Lucas, an expert on the history of American discourse, will provide a luncheon speech titled “The Art of Public Speaking: History’s Greatest Speeches.”

Activities for guests of all ages

Throughout the meeting, special daytime spouse and youth activities will be held. Evening social events, meanwhile, will be held for all participants and their guests. They will include an Opening Night Reception at the Milwaukee Public Museum, Family Night at Discovery World and the State Dinner at the historic Mackie Building.

Staff support for the MLC and its Annual Meeting is provided by CSG Midwest.

Wisconsin Rep. Joan Ballweg is leading the host state’s planning efforts as chair of the MLC.

Midwestern Legislative Conference helps bring ethics training to Indiana Capitol

As part of its ongoing commitment to deliver customized training to legislators in the region’s state capitols, the Midwestern Legislative Conference brought a leading expert on ethics to Indianapolis earlier this year.

Michael Josephson gave his presentation on the floor of the Indiana House. The event, held at the start of this year’s legislative session, was attended by state representatives and senators.

Josephson leads a national, nonpartisan institute devoted to improving personal and organizational ethics in schools, sports business and public service. The MLC brought Josephson to Indiana at the request of the state’s legislative leaders as part of the nonpartisan organization’s Under the Dome initiative.

The goal of Under the Dome is to bring in-state training to members of the MLC — namely, the Midwest’s state legislators. (CSG Midwest provides staff support to the MLC.) Developed with input from each state’s legislative leaders, this training can focus on professional development or public policy.

Other recent Under the Dome programming has covered topics such as state budgets, entrepreneurship policy, Great Lakes protection, Medicaid and public health, and legislative civility.

For information, please contact CSG director Mike McCabe at 630.925.1922 or mmccabe@csg.org.

Kathleen Hall Jamieson  Stephen Lucas

Michael Josephson addresses Indiana state legislators in early January during a presentation that focused on ethics in public service.
### Nebraska keeps unique method of selecting legislative leaders

Nebraska lawmakers voted in early 2016 to maintain the unicameral legislature's secret-ballot method of selecting committee chairs and other leaders. Every two years, each of the state's 49 senators casts votes for these leadership positions (including the top position of speaker). Under this system, the jockeying among members to become speaker or chair of one of the 14 standing committees can go on for months.

Some legislators, though, have called for the process to be more transparent, by making the leadership selections a roll-call vote. The latest attempt to make this rules change failed by a vote of 38-17, the Lincoln Journal Star reports.

Proponents of the secret-ballot method say it limits the influence of party politics — an essential part of maintaining the state’s nonpartisan, unicameral legislative branch.

In most of the Midwest’s legislatures, committee chairs are chosen by the top leader of the majority party caucus. But there are some exceptions, a 2012 CSG Midwest survey found. In the Kansas, Minnesota and Wisconsin senates, selections are made through committees made up of legislative leaders.

### Minnesota launches refinancing program to relieve student debt

Minnesota struggling with high student debt and monthly payments can now get some assistance from their state government.

Launched in January, the Self Refi program is the result of legislation (HF 3172) passed in 2014. That law gave Minnesota’s Office of Higher Education the authority to refinance student loans through the sale of revenue bonds.

Five-, 10- and 15-year loans will be available, with current interest rates ranging from 3 percent for a 5-year variable to 6.95 percent for a 15-year fixed rate. According to the Minnesota governor’s office, a graduate with $40,000 in student loans at an 8 percent interest rate could save as much as $200 per month.

To be eligible for the program, the borrower must be a state resident and meet certain credit criteria (or have a credit-worthy co-signer). In a 2015 study of student-loan refinancing, the Minnesota Office of Higher Education listed Iowa and North Dakota as other states with similar programs in place.

In every Midwestern state, most students graduate from college with debt. Their average debt load ranges from $25,521 in Kansas to $31,579 in Minnesota, the Institute for College Access and Success reports. Between 2004 and 2014, the average debt for U.S. students rose at more than twice the rate of inflation.

### Proposals would use state budget reserves to fund road projects

Governors in two Midwestern states are asking legislators to consider using a new source for funding transportation projects — state budget reserves.

In Nebraska, Gov. Pete Ricketts has proposed creation of a transportation infrastructure bank to accelerate the completion of highway repairs, fix county bridges, and fund projects that help new or expanding businesses. Under LB 690, up to $750 million in cash reserves would be transferred to the infrastructure bank. According to the American Association of State Highway and Transportation Officials, Nebraska is one of four Midwestern states (along with Iowa, North Dakota and South Dakota) that relies entirely on a “pay as you go” model for transportation funding (no bonding).

Indiana Gov. Mike Pence’s $1 billion plan for roads and bridges includes using about $241 million in budget reserves. But legislators are also considering competing proposals. HB 1001, approved by a House committee in January, would increase the state’s cigarette and gas taxes, The Indianapolis Star reports. (This plan would also direct “excess budget reserves” to transportation projects.)

### Police reforms, new rules on body cameras take hold in Illinois

An Illinois law that sets guidelines for how police use body cameras and establishes new training and reporting requirements for law enforcement took effect in January.

These statutory changes do not require the use of body cameras, but they do establish new statewide protocols. For example, the devices must be turned on at all times when an officer responds to a call or is engaged in other law enforcement activities. (Crime victims or witnesses can ask that the cameras be turned off.) New rules on the disclosure and retention of the cameras’ recordings are also now in place.

Signed into law in August, SB 1304 establishes a fund to equip police officers with body cameras, the Chicago Tribune reports; money will come from an extra $5 fee on traffic tickets.

Other provisions include:
- a requirement that independent investigators be used in cases of officer-involved deaths;
- mandatory officer training on use of force and on cultural competency;
- a ban on police use of chokeholds;
- statewide data collection on officer-involved deaths and on officers who have been dismissed due to misconduct.