States trying to tackle legality of daily fantasy sports activity

Recent bills seek to remove statutory bans or ambiguity while adding rules for operators and new protections for participants

by Tim Anderson (tanderson@csg.org)

To see just how different the environment for daily fantasy sports operators and participants can be from one U.S. state to the next, the Midwest is a good place to start.

In Minnesota, fantasy sports of some kind are being played by upward of 1 million people, and that includes participation in the shorter-term, "daily" versions of games run by leading operators such as FanDuel and DraftKings.

"We have this reputation of being straight-laced in Minnesota, but we like our charitable gaming and we like our fantasy sports," Rep. Joe Atkins says. "Minnesota is tops in the country in terms of participation."

Perhaps the state's long, cold winters explain the games' popularity, he adds.

But neighboring Iowa has plenty of months of snow and ice, and few if any residents in that state are playing daily fantasy sports. The reason: The operators of these contests don't offer them as a result of Iowa's statutory language on gambling.

"Something like fantasy sports is considered illegal until we expressly authorize it," explains Sen. Jeff Danielson, who introduced legislation this year to do just that.

With fantasy sports, players typically select a "virtual team" of athletes from a particular sport and then compete against one another, with the outcomes based on the statistical performance of those chosen athletes. The playing of fantasy sports has been going on for decades, but for much of that time, it mostly involved competitions among friends, family and co-workers.

The rise of daily fantasy sports has changed the game.

Through the websites and mobile apps offered by various game operators, players can compete against strangers from across the country, and around the world, in shorter-term contests.

A Minnesotan, for example, famously won $1 million this past fall on a $25 payment that he made in a contest based on a single week of play in the NFL. His huge win raised some important questions about Minnesota law.

We have ambiguity in our statute about whether this is gambling or not, and depending on who you talk to, you get different answers," Atkins says.

There are big stakes in the answer, for daily fantasy sports operators and players alike.

"If it's not legal, you can't collect," notes Atkins, who has backed a measure this year to remove that ambiguity (by legalizing fantasy sports in Minnesota) and to add new state regulations.

The legality of daily fantasy sports is unclear in many other states as well, and that uncertainty has led to numerous legislative proposals across the country.

In March, Indiana became one of the first U.S. states to take the two-step approach of legalizing and regulating.

"First, you see how many people are really playing this, and then you realize there are no consumer protections," says Sen. Jon Ford, the author of Indiana's SB 139.

"Then it becomes clear that you have to do something. That's how I came at this — looking at this as a way to protect consumers."

In the months leading up to this year's state legislative sessions, there were high-profile stories of "insider trading" (an employee of one daily fantasy site using confidential information to win games offered by another operator) and

Money Skills Gambling Lose

In states across the Midwest, legislators are considering laws to legalize and regulate daily fantasy sports. One reason why is the big increase in participation levels — between 2014 and 2015, the number of people in the United States and Canada playing fantasy sports of some kind (including daily fantasy sports) rose 40 percent.
New ‘Protein Highway’ initiative looks to capitalize on region’s unique agricultural strengths

Farmers in the states and provinces that make up CSG Midwest’s Midwestern Legislative Conference are the most prolific producers of edible protein in the world. This is an enviable position to be in, especially at a time when demand for high-protein diets is on the rise, and a new binational partnership is seeking to make the most of this regional economic advantage.

Developed by the Consulate General of Canada in Minneapolis, the “Protein Highway” initiative encompasses three Canadian provinces (Alberta, Manitoba and Saskatchewan) and six U.S. states (Iowa, Minnesota, Montana, Nebraska, North Dakota and South Dakota).

“It is a great way to not only connect research between universities, but to tie in the private industries and producers that can benefit from the research and from the increasing demand and profitability due to value-added products,” says Kevin Kephart, vice president of economic development at South Dakota State University.

“It is an effort that really makes sense for the region.”

States such as Iowa and Nebraska are known as global leaders in meat production, but less recognized is this region’s pre-eminent role in growing high-protein plants — for example, North Dakota is the largest producer of dry beans in North America, and Saskatchewan leads the world in canola and pea production.

“The goal of this new initiative (which includes participation from university faculty and agricultural producers) is not only to improve research capabilities and cooperation, but to create a regionwide brand built around protein production.

If successful, says Jamshed Merchant, Canadian consul general in Minneapolis, the initiative will “increase the demand for regional farm products and lead to a more diverse array of crops to choose from during planting season.”

The first step is to encourage research and entrepreneurship that centers on high-protein crops in the region.

Experts around the world agree that innovation in agriculture production is needed to meet the food demands of future generations. But it also can open new markets. For example, with improvements to palatability, aroma, digestibility and functionality, a wide variety of protein-rich crops could be incorporated into popular items such as cereals, granola bars and snack items — a potentially huge market opportunity for the Midwest’s farmers.

Another area of interest is animal feeds. South Dakota-based Prairie Aquatech, for instance, is working to expand the use of plant-based commodities, such as soybean meal and distillers grain, in fish and other animal feeds.

By encouraging more collaboration and innovation across state and provincial borders (whether it be better marketing plant-protein products or improving their production), the initiative hopes to spur economic growth in agricultural communities across the Midwest.

Small-business barriers to exporting inspire ‘hackathon’ to improve border procedures

For many small businesses, trying to export goods across the U.S.-Canada border for the first time can be both time-consuming and discouraging.

“Its first experience may be its last,” Adam Schlosser says about a business and its initial experience with the “paperwork and difficulties at the border”.

But could there be an “app” to help fix that?

Earlier this year, the U.S. Chamber of Commerce helped organize a “hackathon” in Chicago and Toronto. The goal of the two-day event was to find innovative ways of simplifying customs and border procedures for small and medium-sized enterprises. (A “hackathon” is an event that brings together people who then use their technological skills and creativity to solve a specific problem.)

A Chicago-based team, Trade Shinta, won the event’s first-place prize.

Its application programming interface allows more data sharing to ease the paperwork burden for exporters. Once an exporter creates an invoice, that information would be automatically transferred to a customs form. The data would then be sent to the appropriate government agency and to the firm transporting the shipment.

Schlosser, senior director of the chamber’s Center for Global Regulatory Cooperation, says his organization is now working to connect the hackathon winner with officials at the U.S. Commerce Department.

“Small firms, bigger challenges

Completing the necessary paperwork and navigating the countries’ “divergent rules and processes” are required of all exporters, Schlosser says, but it can be especially burdensome for smaller firms with limited staff and fewer specialists.

Other common obstacles include brokerage and inspection fees; tolls at the border; and delays due to inspections, traffic tie-ups and incorrect paperwork.

In a recent survey done by the Canadian Federation of Independent Business, one-third of Canada’s small and medium-sized businesses said they would not have traded across the border had they realized the costs involved (in terms of time and money). About one-fourth of them say border crossing speeds are “poor” (see bar graph above).

These smaller firms play a big part in the two countries’ integrated supply chain, one in which manufacturers have reduced their inventories of component parts and are instead relying on just-in-time deliveries.

“Shipment delays cost money,” Schlosser says, “and wait times [at the border] disrupt modern manufacturing practices.”
Economic Development

3 states’ recent laws part of regional push to bring Internet access to more households

In recent years, state government has taken a more active role in helping provide citizens with greater access to reliable broadband Internet. By using funding or incentives to encourage providers to expand broadband into underserved areas, policymakers hope to address equity issues involving access, as well as the role that access plays in terms of improved education, economic development and even public safety.

In June of last year, Iowa lawmakers approved legislation (HF 655) that provides property tax abatements to companies that install equipment to build out broadband infrastructure throughout the state. In August, Gov. Terry Branstad announced that an additional 90,000 Iowa households would have access to high-speed internet as a result of the plan.

This session, lawmakers in Wisconsin and Minnesota have also weighed proposals for making broadband service more available throughout their states. Wisconsin’s AB 820, signed into law in March, seeks to expedite development in the state’s most remote areas by reducing bureaucratic and fiscal barriers for service providers.

Under the new law, the state will certify communities as “Broadband Forward!” if they limit application fees and streamline the application process — for example, providing a timeline and a single point of contact for service providers. A separate bill (AB 798) would have increased annual funding for the state’s Broadband Expansion Grant Program from $1.5 million to $10 million. It did not pass prior to this year’s legislative adjournment.

In Minnesota, Gov. Mark Dayton is proposing to add $100 million to the state’s Border-to-Border broadband grant program; a separate measure proposes a more modest boost of $35 million. Rep. Dave Baker, sponsor of the latter proposal, says his position in the broadband debate is largely about prioritizing available resources, as well as taking a long-term approach to an ever-evolving technology. “[There is] never enough money,” he says. “The governor wants $100 million. I would like that, too. However, we have many priorities in the state … that also need money.”

Despite improvement efforts in recent years, Minnesota lags behind national numbers measuring high-speed availability. According to the Federal Communications Commission, 17 percent of the U.S. population (or 55 million people) lacks adequate access to high-speed broadband service, defined by the FCC as download speeds of 25 megabits per second, or Mbps, and upload speeds of 3 Mbps.

As of February of this year, 20 percent of Minnesota households lacked access to a download speed of at least 10 Mbps — a goal set in statute in 2010. Last year, the Governor’s Task Force on Broadband recommended a new download goal of 25 Mbps.

“Speed goals are the tool we are using to identify unserved and underserved areas,” Baker says. “The broadband gap is widest in rural communities, where half of Americans can’t get advanced broadband service, but Baker says other areas of Minnesota are hampered by the lack of high-speed access.

“My bill also identifies low-income areas as a priority,” he says. “The poorest areas should not be forgotten.” Wherever the state’s grant dollars go, he adds, it’s important that the broadband-related work done with them can meet future demands and changes.

“The goal is to do this once; we don’t want to ever go back and re-do a Medicaid program,” Baker says. “Keeping residents in rural Minnesota for job retention and growth is key. Having acceptable broadband has a big impact on quality of life, not to mention more home-based businesses that need better speeds. Minnesota will lag far behind our other states if we don’t assist when private industry can’t or won’t.”

Health & Human Services

Iowa joins majori ty of states by switching to managed care; some legislators seek more oversight

After some bumps along the way, the Iowa Medicaid program — and some 560,000 low- and transitioned to a managed-care model of care in April.

Iowa now joins the majority of U.S. states nationally, and within the Midwest, that depend on private entities called managed-care organiza- tions — or MCOs — to deliver Medicaid services to most enrollees in their public insurance programs for low-income families and individuals (see map).

Under managed care, states do not pay health care providers on a fee-for-service basis. Instead, MCOs are paid an agreed-upon amount for each member’s health care expenses. Adjustments can be made to the per- member fee based on the health status of the member. Savings are shared between the state and the MCO, which would have been considered in Iowa during its journey to managed care by issuing a request for proposals early last year. The RFP indicated that the state was looking for $100 million in savings, but Gov. Terry Branstad received criticism for making the decision to privatize Medicaid without legislative input.

Iowa Sen. Liz Mathis, chair of the Human Resources

Committee, said a bill was then passed last year calling for public meetings to review the transition. “We were shocked and appalled at how little communication had been absorbed by enrollees,” she adds.

The scope and speed of the move to managed care also concerned legislators; Mathis and two others traveled to Washington, D.C., last year and asked federal officials to slow the transition.

Iowa’s transition was indeed delayed because it did not meet federal readiness metrics, its move to managed care, though, ultimately got the go-ahead from U.S. health officials and took effect April 1.

“Benefits do not change under managed care,” Gov. Branstad said in announcing the switch. He also highlighted 80 new “value-added benefits,” such as a 24-hour nurse hot line and new preventative services.

Mathis, though, remains concerned. “First and foremost is the care of our citizens — 560,000 of our most vulnerable,” she says. “We have 57,000 on waivers for services for persons who are the most complex cases. We will need to ask, ‘Are you still providing services in a way that is satisfactory?’

As an example, she points to some of those “most complex cases” — those 57,000 low- and transitioned to a managed-care model — and she says they are receiving Medicaid care via a federal waiver. Medicaid waivers allow states flexibility to design and test services for a particular population or to provide care in particular settings, such as community-based services for individuals with disabilities or the aging population.

“How can [the MCOs] show better outcomes? Can they show savings?” Mathis asks.

Her committee proposed an oversight bill (SF 2213) with provisions to protect consumers, preserve provider networks and ensure accountability. The measure passed the Senate but stalled in the House. As of early April, other legislative oversight proposals were being considered.
Update on passenger rail construction in Midwest

Here is a brief look at passenger rail improvements and service studies around the Midwest.

- In Illinois, track, bridge and right-of-way work continues in the Chicago-St. Louis corridor to upgrade most of the route for 110 mph operation by the end of 2017. The $1.89 billion project will result in increased safety, decreased travel times and improved on-time performance.

The Illinois Department of Transportation was also awarded $3 million from the Federal Railroad Administration in 2015 for a Chicago Union Station planning study, which will benefit freight and passenger traffic and include recommendations for a future regionwide operating plan.

- Indiana contracted with Amtrak and Iowa Pacific Holdings in August 2015 to operate the IndianaChapel-Hoosier State for two years. The state and local partners pay roughly $3.2 million per year. Iowa Pacific is providing the rolling stock, maintenance and food/beverage marketing. Amtrak is providing crew and service as the trains operate. Meanwhile, work on the $71.4 million Indiana Gateway project is scheduled to wrap up by the end of 2016. It will ease rail traffic snarls between Porter, Ind., and the Indiana-Illinois state line.

- Kansas is participating in the $21.8 million Southwest Chief Route Improvement Project to restore 79-mph service through western Kansas and eastern Colorado. Kansas’ share of the tab is $3 million (the project was awarded a $12.5 million federal TIGER grant in 2014; Amtrak, BNSF and local governments also provided matching funds). Work is scheduled to end in November. Kansas is also providing matching funds for a continuation of the project for the portion of the city between the La Junta, Colo., and a $15.2 million 2015 TIGER grant.

- A recently completed $15.8 million project in Michigan now allows Amtrak’s Wolverine service to bypass a busy rail junction. In addition, track, signal and train control work continues between Dearborn and Kalamazoo for 110-mph service. Work is scheduled to be done by March. The Michigan Department of Transportation is also partnering with third parties to study two potential new passenger rail routes: Detroit-Lansing-Grand Rapids and Ann Arbor-Traverse City.

- Minnesota's Northern Lights Express connecting the Twin Cities with Duluth and Superior, Wis., received a $15.2 million 2015 TIGER grant.

- A recently completed $15.8 million project in Michigan now allows Amtrak’s Wolverine service to bypass a busy rail junction. In addition, track, signal and train control work continues between Dearborn and Kalamazoo for 110-mph service. Work is scheduled to be done by March. The Michigan Department of Transportation is also partnering with third parties to study two potential new passenger rail routes: Detroit-Lansing-Grand Rapids and Ann Arbor-Traverse City.

Midwest survey finds support, opportunity for passenger rail

Passenger rail ridership among college students in the Midwest could grow from a small, dedicated nucleus of current passengers to a bigger portion of the student travel market, according to the results of a new survey conducted by the Midwest Interstate Passenger Rail Commission (MIPRC).

The survey of 19,194 respondents from 30 four-year colleges and universities along Amtrak routes in this region found there is a small but dedicated group that rides trains regularly to and from school, and a bigger group open to taking the train. Moreover, that latter group can be persuaded to do so with the right mix of marketing, education and incentives.

MIPRC’s analysis of the results suggests that focused marketing of Amtrak service and schedules, cooperation between Amtrak and schools to get that information into students’ hands, and, in some cases, to make transportation to and from campus and the train station easier, would induce more students to take the train. So, too, would more frequent service.

The survey found that reasons from respondents who said they’ve never taken the train to or from school tilted toward a perceived lack of convenience rather than indifference or personal animosity toward that particular travel mode. Asked for reasons, and to mark all applicable answers, almost half said the available train route is inconvenient either because it isn’t direct, or because travel takes longer than driving or flying.

Lack of a station close to home drove 35 percent, but 24 percent said they “don’t know where/how to catch a train near my school.”

Information is key to improving service

- Missouri Sen. David Pearce

Information is also key to improving service. The survey also found that 75 percent of respondents would support an annual pass, and 74 percent indicated they would use the service frequently if a station was added to their campus. More than three-quarters (75 percent) of respondents reported as students; of them, almost all (90 percent) reported they were full-time students.

Respondents who said they had recently taken a train were invited to take a secondary survey about their most recent trip. That survey found 71 percent saying they enjoyed their trip (or enjoyed it a lot), 70 percent saying onboard WiFi is “very” or “extremely” important, and 55 percent saying it was very easy or extremely easy to get between school and an Amtrak station.

Each participating school received a copy of its survey results along with the analysis. Regional and state analyses were also drafted, and can be seen at MIPRC’s newly redesigned website, www.mipr.org. (MIPRC is also now on Twitter: @MW_Rail.)

Results were released on April 14 in part via Thunderclap, a website that allows organizations to simultaneously send one message across the social media platforms of those who sign up to participate.

Article written by Jon Davis, a CSG Midwest policy analyst. He can be reached at jdavis@csg.org.


Almost 180 years ago, Ohio opened the door to bilingual education

by Mike McCabe (mmccabe@csg.org)

ew issues related to American education policy have consistently stirred more controversy over as many years as has the question of how best to teach students whose first language is something other than English.

In a nation whose history is marked by waves of newcomers arriving from countries around the world, the appropriate language of public education has been debated since the first European settlers arrived in the 17th century, and the pendulum of public opinion on the subject has swung many times.

The debate over bilingual education and competing models for the instruction of non-English speaking students may be rooted in our colonial past, but it wasn't until 1839 that Ohio became the nation's first state to formally authorize bilingual teaching in public schools.

Prior to that time, English and the favored languages of various immigrant groups frequently coexisted in close proximity. English was commonly the language of instruction in public schools, but other languages were just as likely to be used exclusively in private or parochial schools serving immigrant populations clustered in specific areas.

By the time Ohio entered the union in 1802, the new state was home to a large and politically influential population of German immigrants. State laws were routinely published in German as well as English, for example, and the German community was well-represented in the state legislature.

These factors helped fuel a growing demand for German to be taught and spoken in the public schools wherever large German populations lived. The goal was not to replace English (many German immigrants were quick to adopt the English language) as much as it was to preserve the German tongue while also making it easier for German-language speakers to learn in American schools.

As taxpayers who contributed significant financial support for public schools, the German community eventually prevailed, and the statute adopted by the legislature in 1839 (which permitted German instruction in public schools upon the request of a sufficient number of parents) was soon emulated in other states and territories.

By the end of the 19th century, at least a dozen states had adopted laws authorizing bilingual education in their public schools.

German was the leading alternative to English at the time, with more than 600,000 primary education students receiving instruction in that language. Representing 4 percent of all elementary students nationwide, that was a larger share of the total than the portion of U.S. students who were receiving instruction in Spanish a century later.

The proponents of bilingual education have always argued that exclusive instruction in a second language (through a language immersion program, for example) is not enough to ensure the acquisition of that language. They contend that bilingual education, on the other hand, helps to facilitate a dual language learner's academic success, as well as the eventual acquisition of a second language.

But opponents contend that dual language learning merely slows the assimilation process that many view as essential to the long-term economic and cultural success of newly arrived immigrants.

The outlines of this familiar divide were apparent long before Ohio adopted its groundbreaking statute in 1839, and bilingual education has fallen in and out of favor numerous times through the decades. The First World War ushered in a wave of anti-German sentiment and temporarily ended the expansion of non-English education nationwide.

But opponents contend that dual language approaches. Michigan's HB 4868 doesn't include the phrase "weaponized drone," but would ban myriad uses of drones, including "for the purpose of committing an act that is punishable as a felony or misdemeanor under the law of this state."

HF 3577 in Minnesota would make operating drones "in such a manner as to indicate either a willful or wanton disregard for the safety of persons or property" or "carrying 'any explosive substance' on drones (unless permitted by federal law) misdemeanors. Ohio's HB 228 would establish a new crime — "engaging in criminal activity through use of a drone" — and make it an unspecified felony to use a drone, or direct or supervise use of a drone by someone else, in the commission of 28 underlying offenses.

Drones-related legislation in the Midwest also addresses privacy concerns or would restrict their uses by law enforcement agencies. Some bills would ban drones from being flown near or over airports, or over state prisons. Others would ban the use of drones to interfere with legitimate hunting or fishing, or even ban their use to actually hunt or fish.

Illinois and Wisconsin would criminalize flying drones over state prisons; Illinois' HB 4538 and SB 2344 would also make the dropping of contraband from a drone punishable by an additional year added to current felony penalties for delivering contraband. Wisconsin's SB 497 and AB 671 would create enhanced penalty provisions for using a drone in commission of a controlled-substance-related crime.

Nebraska's LB 720 would make the person operating a drone liable for invasion of privacy if his or her drone flies less than 200 feet above the ground level of private property without the owner's consent "while capturing any type of visual image, sound recording, or other such physical impression."

First in the Midwest: Ohio and bilingual education laws

Estimated economic impact of drones, 2015-2025 (U.S. rank in parentheses)*

\[
\begin{array}{|c|c|c|}
\hline
\text{State} & \text{DJI} & \text{BFS} & \text{HS} \\
\hline
\text{Michigan} & $583M (48) & $850M (22) & $278M (54) \\
\text{Minnesota} & $566M (49) & $660M (24) & $123M (92) \\
\text{Ohio} & $149M (44) & $120M (21) & $2.15B (1) \\
\text{Wisconsin} & $2.94B (7) & $1.13B (28) & $2.15B (1) \\
\hline
\end{array}
\]

* The projected national economic impact of drone manufacturing, if drones are integrated into the National Airspace System, is $82.1 billion.

Source: Association for Unmanned Vehicle Systems International (2014)

The outlines of this familiar divide were apparent long before Ohio adopted its groundbreaking statute in 1839, and bilingual education has fallen in and out of favor numerous times through the decades. The First World War ushered in a wave of anti-German sentiment and temporarily ended the expansion of non-English education nationwide.

By 1923, 34 states had passed "English-only" laws mandating the exclusive use of English in public school instruction, and — until the Supreme Court intervened by striking down one such law — some even banned the study of foreign languages entirely.

Not until after World War II did the United States begin warming again to the concept of bilingual education. The Bilingual Education Act of 1968, for example, provided funding for the establishment of bilingual education programs for English-language learners. A landmark U.S. Supreme Court decision six years later required public schools to adopt strategies to meet the educational needs of their non-English speaking students, and a wave of state bilingual education laws soon followed.

More recently, though, the scales shifted again with passage of the No Child Left Behind Act; it effectively supplanted the Bilingual Education Act and made clear that acquisition of the English language should be the primary objective of any bilingual education strategy.

Previous articles from CSG Midwest's First in the Midwest series are available at www.csgmidwest.org.
Federal gambling law from 2006 has put future of fantasy sports in the hands of states

Without new laws, daily fantasy sports stops in some states

As of early April, Indiana was one of only a few states where daily fantasy sports legislation had become law. If this inaction persists, one potential consequence is that daily fantasy sports activity gets shut down in more jurisdictions. (According to Legal Sports Report, as of March, there were already 10 states, including Iowa, where most or all daily fantasy sports operators did not take customers.)

In late 2015, Illinois Attorney General Lisa Madigan issued a legal opinion that daily fantasy sports were illegal under her state’s criminal code, which prohibits the playing of “games of chance or skill for money.”

A handful of other attorneys general have reached similar conclusions about the legal status of daily fantasy sports in their states.

“I think a significant amount of the population will not be able to take part in the games due to restrictions at the state level,” Chris Grove, publisher of Legal Sports Report, says about the near-term future for daily fantasy sports.

“Across the states where the activity is allowed, there will be a patchwork of regulatory approaches that share some DNA, but differ on key points like age, level of regulation and so on. It’s also possible that we’ll see some states restrict [daily fantasy sports] to intrastate play only.”

The future of daily fantasy sports is in the hands of states because of a 2006 federal law: the Unlawful Internet Gambling Enforcement Act, which makes it illegal to bet on any fantasy sports game. So while the federal government currently forbids most states from allowing sports betting (under the Professional and Amateur Sports Protection Act), this does not apply to fantasy sports.

In the 2006 federal legislation became law before the proliferation of daily fantasy sports operators, but most observers do not expect the U.S. Congress to revisit the “fantasy exception” anytime soon.

“I have a hard time imagining this issue being resolved at the federal level,” Grove says. In the state legislation introduced this year, some of the language from that 10-year-old federal law is often used — for example, defining fantasy contests as ones in which “all winning outcomes reflect the relative knowledge and skill of the participants.”

That word “skill” is especially important in states where the legal status of a game can depend on whether its outcome is predominantly based on “chance” or the “skill” of participants.

MinnesoTa Rep. Joe Atkins

“Across the states where [daily fantasy sports] is allowed, there will be a patchwork of regulatory approaches.”

Chris Grove, publisher of Legal Sports Report

Indiana Sen. Jon Ford

**Numbers on fantasy sports and the people who play it**

- In 2015, there were more than 56 million people playing fantasy sports in the United States and Canada
- The average age of a fantasy sports player is 37; most are men (66 percent)
- On average, a fantasy sports player spends $465 on this activity in a year’s time ($257 on daily contests, $162 on traditional fantasy sports and $46 on materials)
- Football is the most popular fantasy sport

**Daily fantasy sports: Recent laws, legislation and legal opinions in Midwest**

- According to Legal Sports Report, Illinois is one of eight U.S. states where a state attorney general has said or has issued a legal opinion concluding that daily fantasy sports is illegal gambling. As of early April, Illinois lawmakers were considering three bills (HB 4312, SB 2713 and SB 2843) to legalize and regulate this activity. Current Illinois criminal code prohibits the playing of “games of chance or skill for money.”

- Iowa’s SB 339 became one of the first U.S. states this year to pass a bill legalizing and regulating daily fantasy sports. Signed into law in March, SB 339 includes an initial licensing fee for game operators ($50,000 to $75,000). It also requires the operators of fantasy sports games to verify the age of participants (must be 18 or older), divulge up-front the games’ prizes and awards, and maintain the security of each participant’s financial information, among other regulations.

- Indiana’s SB 339, for instance, prohibits the employees of a fantasy game operator from competing in contests with cash prizes that exceed $5.

- Game operators must also contract with a certified public accountant for annual financial audits, and they must segregate their operational funds from the funds of game participants.

- Another provision in the Indiana law requires that game participants be at least 18 years old, and a newly created fantasy sports division, housed within the Indiana Gaming Commission, will handle oversight responsibilities.

- Operators will have to pay an initial licensing fee of between $50,000 and $75,000, as well as a yearly fee of $5,000.

- Ford says these fees were included to offset the cost of oversight and regulation; proposals in some other states have included these provisions as well.

- But Marc Edelman, an associate professor of law at Baruch College’s Zicklin School of Business, warns that if a state establishes high licensing fees, it could be “in essence excluding all but the largest daily fantasy sports companies.”

- In late 2015, Wisconsin legislators passed HB 2155, which exempts daily fantasy sports from the state’s gambling code. Prior to the bill’s passage, Attorney General Derek Schmidt issued an opinion stating that fantasy sports operators are games of skill and are not lotteries. (Under the Kansas Constitution, lotteries must be state-owned and operated.)

- In late 2015, the Mississippi Gaming Board initiated a study of daily fantasy sports in the state, including a review of its legality under current law, its impact on casinos, and taxation of the activity. SB 459 has also been introduced to legalize activity related to fantasy sports.

- As of early April, bills (HF 2540 and SF 700) to legalize daily fantasy sports and regulate the operators were making their way through the Minnesota Legislature. According to Rep. Joe Atkins, some of the key differences in the competing proposals included whether to require game operators to register with the state, complete background checks, and submit annual accounting audits done by a third party.

- According to the Omaha World-Herald, legislative efforts in Nebraska to define and classify fantasy sports as a “game of skill” ended in defeat in February. Opposition centered on concerns that the bills (LB 662 and LB 970) expanded gambling in the state and conflicted with the Nebraska Constitution.

- Minnesota legislators adjourned earlier this year without acting on proposals to legalize “fantasy games,” in part by defining them as neither betting nor a lottery. The operators of daily fantasy games would have been required to register with the state and pay an initial fee of $15,000 and annual fee of $30,000. The bills set various other rules — for example, verifying that players are at least 18 years old and preventing the relatives of game operator from playing.

- Last year, Kansas legislators passed HB 2155, which exempts daily fantasy sports from the state’s gambling code. Prior to the bill’s passage, Attorney General Derek Schmidt issued an opinion stating that fantasy sports operators are games of skill and are not lotteries. (Under the Kansas Constitution, lotteries must be state-owned and operated.)

- In late 2015, the Missouri Gaming Board initiated a study of daily fantasy sports in the state, including a review of its legality under current law, its impact on casinos, and taxation of the activity. SB 459 has also been introduced to legalize activity related to fantasy sports.

- As of early April, bills (HF 2540 and SF 700) to legalize daily fantasy sports and regulate the operators were making their way through the Minnesota Legislature. According to Rep. Joe Atkins, some of the key differences in the competing proposals included whether to require game operators to register with the state, complete background checks, and submit annual accounting audits done by a third party.

- According to the Omaha World-Herald, legislative efforts in Nebraska to define and classify fantasy sports as a “game of skill” ended in defeat in February. Opposition centered on concerns that the bills (LB 662 and LB 970) expanded gambling in the state and conflicted with the Nebraska Constitution.

- Wisconsin legislators adjourned earlier this year without acting on proposals to legalize “fantasy games,” in part by defining them as neither betting nor a lottery. The operators of daily fantasy games would have been required to register with the state and pay an initial fee of $15,000 and annual fee of $30,000. The bills set various other rules — for example, verifying that players are at least 18 years old and preventing the relatives of game operator from playing.

- Last year, Kansas legislators passed HB 2155, which exempts daily fantasy sports from the state’s gambling code. Prior to the bill’s passage, Attorney General Derek Schmidt issued an opinion stating that fantasy sports operators are games of skill and are not lotteries. (Under the Kansas Constitution, lotteries must be state-owned and operated.)
“It’s basically peer-to-peer, variable-in-market predictions,” he says. “It gives you the opportunity to do your homework and come up with better predictions than your peers.”

Last year, Danielson introduced a bill to not only legalize fantasy sports, but to authorize fantasy prediction markets in politics (contests based on the race for president, for example).

Rep. Atkins, too, says the debate this year in state capitols over fantasy sports reflects a larger policy issue that legislators likely will be tackling for years to come.

“It’s this entire area of online participation of games that have participation fees and payouts,” he says. “We’ve only seen the tip of the iceberg.”

He adds that some key lawmakers in Minnesota, Republican and Democrat, have expressed interest in exploring the legalization of sports betting.

“It’s somewhat akin to the arguments for fantasy sports,” Atkins explains. “It’s already occurring, and yet there’s no oversight and no assurances for players that they’re going to get paid. They are very similar arguments.

“But the one difference is that there is no ambiguity about sports bookmaking: It is illegal.”

At least for now.

According to Edelman, bigger changes might be coming sooner rather than later.

“I would not be surprised if five years from now, state and federal laws change substantially to allow for widespread sports gambling of all types,” he says.

Traditionally, professional sports leagues have been among the leading opponents of legalized sports betting (in contrast, they have supported fantasy sports).

But what if the NFL expands to England, a country with legalized sports betting? Edelman asks. Would the league’s stance soften or change? Could that, in turn, change the minds of members of U.S. Congress? Or what if the state of New Jersey prevails in its current legal fight (now pending in federal court) to legalize sports betting? Would more states see legalization as a way to tax and regulate this activity?

Wording of state laws on fantasy sports can make big difference

Of the various state regulations on daily fantasy sports, Edelman points to Massachusetts as having among the nation’s strongest. Those provisions (established by the Massachusetts attorney general) include:

• setting the minimum age for playing in fantasy sports games at 21 and not allowing operators to promote the activities on schools and college campuses;
• requiring any advertising of daily fantasy sports that mentions average individual winnings to also disclose the average net winnings of all players;
• limiting deposits of game players to $1,000 (unless the operator can verify that an individual player can sustain losses higher than that amount); and
• setting aside games for beginners only (excluding experienced players who tend to win most of the prizes).

But the first step in most of this year’s state proposals is to legalize, and that can be tricky. Based on the wording of the bills or the types of daily fantasy sports being offered, Edelman says, a state’s intent to legalize may or may not withstand legal scrutiny.

If these new laws only allow for games of skill, for example, that still leaves open the question of whether a particular fantasy contest meets this definition.

“If it can be shown that a particular format does not meet the necessary state threshold of skill,” he says, “the game remains illegal.”

Edelman points in particular to certain “against the house” games for individual sporting events (contests involving a golf tournament or a NASCAR race) that could remain illegal, depending on a state’s statute on gambling and how its lawmakers ultimately define fantasy sports.

Timeline of trends, changes in state gaming activity and laws in the Midwest

1972: Michigan at Forefront of State-Run Lotteries

With voters’ approval of a constitutional amendment, Michigan became an early adopter of a state lottery. All other states in the Midwest eventually followed Michigan’s lead, with North Dakota being the last to do so in 2003.

1988: South Dakota Brings Gaming to Deadwood

South Dakota voters approved limited-stake gaming in the historic Old West town of Deadwood — an important milestone in U.S. gambling expansion.

1988: U.S. Congress Passes Law on Indian Gaming

Passage of the federal Indian Gaming Regulatory Act provided the regulatory framework for tribal authorities to conduct gambling operations (state consent is required in some instances). Twenty-eight U.S. states now have Indian gaming, including Iowa, Kansas, Michigan, Minnesota, Nebraska, North Dakota, South Dakota and Wisconsin.

1989: Iowa Takes Riverboat Plunge

Iowa became the first U.S. state to legalize riverboat gaming. Today, Illinois, Indiana, Kansas, Michigan and Ohio are now among the other states that have riverboat and/or land-based commercial casinos. Iowa also was the first Midwestern state, and one of the first in the United States, to legalize casino-type gambling inside racetracks. “Racinos” are now allowed in Indiana and Ohio as well.

2012: Illinois Launches Online Lottery Sales

Illinois was the first U.S. state to sell lottery tickets over the Internet. Since 2014, the Illinois Lottery has also made a mobile app available for use on smart phones. Lottery spokesman Steve Rossi told the Chicago Tribune in March that online sales have brought in $68 million for education and construction projects in the state.

2015: Kansas Green-Lights Fantasy Sports

Kansas became one of the first U.S. states to make statutory changes in the wake of the dramatic rise in popularity of fantasy sports. Its law legalized fantasy sports; many other proposals are now under consideration in the Midwest (see page 6).
North Dakota Rep. Kenton Onstad

Lawmaker from heart of Bakken oil boom reflects on changes to his home district, looks ahead to state’s fiscal and leadership challenges

by Laura Tomaka (ltomaka@cg.org)

For more than 100 years, Kenton Onstad’s family has called western North Dakota home—a place that for decades was a quiet, sparsely populated area made up mostly of family farmers.

Then came the oil boom.

“Before, I maybe would get the mailman, my neighbor and his hired man driving on the road by me;” Onstad recalls. “Now overnight, an oil well comes and all of a sudden you have 100 to 200 trucks driving daily by your place.”

Onstad’s hometown of Parshall is where the oil boom started in 2006 (the first well was drilled just a few miles from his home), and ever since then, the changes from hydraulic fracturing activity have transformed his district and shaped his work in the legislature.

“To take a community of 1,000 [people], and then its 5,000 six years later, you didn’t have a water system compatible for that. You didn’t have a school system compatible,” Onstad says.

“You created a whole new town in five years. My only comparison is back when the railroad came in and developed the country, and every seven miles they needed a town, and towns sprung up and [provided] services. … But that took many, many years. All this [development in North Dakota] happened here in a short period. Nothing like this has ever happened.”

The Onstad family began farming near Parshall more than a century ago (the family farm was designated a “North Dakota Centennial Farm” in 2013), and he has proudly carried on the family tradition of being an active part of the community.

Onstad has been a math teacher at the local high school, coached the football team and, later on, got involved in local politics. Then came his first election to the North Dakota House in 2000.

“I thought I was only going to do this for 12 years, and if I lasted for 12 years, that would be good,” he recalls.

But Onstad now has been in the North Dakota House for a decade and a half, and has been serving as minority leader since 2013.

As one of the few members in his caucus from the western part of the state, and the only House Democrat in a district that is actively producing oil, he has a unique voice and perspective. In a recent interview with CSG Midwest, Onstad reflected on his legislative career, North Dakota’s oil boom and recent downturn, and what he sees as likely topics in the 2017 session. Here are excerpts from that interview.

Q: North Dakota has swung from budget surpluses to a projected $1 billion deficit for this biennium. How do you feel North Dakota has positioned itself to face the global decline in oil prices?

A: We became more dependent on oil … and I just think we went the route of trying to lower some revenues [such as income tax] … and now we are in that crunch right now because of how much we cut some revenues. I think that we could have done a better job recognizing that this is a commodity and those prices go up and down and it’s a world market. If we could control that world market, yeah, that’s wonderful, but you can’t. The state of North Dakota can’t.

Q: How do you view your role as minority leader and your leadership style?

A: We have to lead our party and our caucus into the next generation. I saw this need and that’s why I sought the leadership position. I don’t want to be here forever. That was never my intent. We need to transition and get our younger caucus members more involved, and develop and use their energy, their social skills, and their IT skills. I was a football coach for a number of years and I use coaching analogies a lot: The head coach leaves, the next head coach comes in, and the team carries on. That’s what I’m trying to do with our caucus — keep them excited and have them understand their role and cultivate them so you have a winning team.

Q: Democrats currently have 23 of 94 members in the House, and your caucus has been in the minority for many years. How do you motivate your caucus and help ensure that members feel relevant to the process?

A: You have to understand who you are representing. Your constituents, whichever district you came from, elected you to represent them. So when you go to vote and think about a bill, always remember who you are representing; and that’s your driving force to be their voice.

When I first came, everybody worked together. They weren’t all about who is taking credit. You saw across-the-aisle stuff, and then all of a sudden it gets to be partisan … I disagree with that. People elect you and they expect you to go to Bismarck to make policy that is good for everyone. If we are not getting along in Bismarck, they look at it and [ask about] what is going on.

My point is that we are not here to play games; it is not a power struggle. I just want to get good legislation. And I encourage my caucus [members] that if they want good legislation, then they vote for what is good for their constituents.
Higher pay for teachers coming as part of legislative actions in 2016

Laws also aim to improve school efficiency, teacher retention

by South Dakota Rep. Jacqueline Sly

The statements have been loud and clear: South Dakota does not have enough teachers to fill open positions.

“Districts once had many applicants for openings, but now there are only a few or even none ...”

“Our state’s teacher pay is the lowest in the nation ...”

“Teachers are leaving the state to teach elsewhere ...”

Our governor created a task force to address these and other concerns of South Dakotans about teacher pay and school funding, but he wanted data to guide our decision-making and policy recommendations. He charged the task force (of which I served as the co-chair, along with Sen. Deb Soholt) with re-evaluating our current school funding formula, collecting and analyzing data, engaging with stakeholders and seeking public input.

During the course of almost a year, through listening sessions and meetings with educators, business leaders and community members, some very clear themes emerged:

• Schools matter to a community.
• The most important factor in student success is the presence of a highly qualified teacher.
• All students should have equal access to learning opportunities.
• South Dakota faces a teacher shortage.
• No one plan will fit the needs of all districts, and funding equity is essential.
• Citizens expect that tax dollars are to be used cost-effectively.

Furthermore, any sustainable solution for the issues we faced would require significant ongoing revenues. In addition, quantitative data were presented to the task force. Some major findings were:

• Other revenues create funding inequities.
• Reserve fund balances, on average, tend to be larger than is typical nationally.
• Capital outlay tax collections have risen significantly and exceed the national average.
• The incoming pipeline of teachers will not be larger than is typical nationally.
• Even adjusted by a comparable-wage index, South Dakota does not have enough teachers to fill school districts, so consolidation was part of this discussion.

But rather than forcing schools to close, legislators decided to work with districts to find new efficiencies and support. For example, voluntary shared services at the state level and incentives for shared staff among districts will help utilize services and staff more efficiently. Small schools in South Dakota already come together in order to field sports teams, and the same thing can happen in sharing staff — whether that means teachers or school administrators.

SB 133 will also expand the state’s capacity to offer online learning. A state university already has been offering this help for rural and small schools that could not hire teachers for higher-level classes, and demand has risen because schools cannot fill positions. Additional state dollars will provide access to these online learning opportunities.

We also have created an innovation grant to incentivize teacher training and classroom access to virtual education.

This legislative package should improve teacher recruitment and retention as well. We lose beginning teachers faster than at any other time of their career, so we will support mentoring programs and summer camps for people new to the profession — investments that we believe will pay off in the long run.

With these three bills now signed into law, the framework is in place. Implementation is the next step.

Given time, adjustments can be made to strengthen the plan. Is the plan perfect? Of course not. Is there a perfect plan? No. Is it a positive step to address the needs of South Dakota? Yes. It is a beginning, not an end.

As Margaret Mead once said, “Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has.” The Legislature and citizens of South Dakota proved her words to be true.

Rep. Jacqueline Sly, a Republican from Rapid City, was first elected to the South Dakota House of Representatives in 2008. A former teacher, she also co-chairs the Midwestern Legislative Conference Education Committee.

Average salary of public school teachers in Midwest, 2012-13 (U.S. rank in parentheses)*

<table>
<thead>
<tr>
<th>State</th>
<th>Average Salary</th>
<th>U.S. Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Dakota</td>
<td>$47,444</td>
<td>(30)</td>
</tr>
<tr>
<td>North Dakota</td>
<td>$48,482</td>
<td>(29)</td>
</tr>
<tr>
<td>Nebraska</td>
<td>$49,247</td>
<td>(28)</td>
</tr>
<tr>
<td>Wyoming</td>
<td>$50,409</td>
<td>(27)</td>
</tr>
<tr>
<td>Colorado</td>
<td>$50,975</td>
<td>(26)</td>
</tr>
<tr>
<td>Idaho</td>
<td>$50,045</td>
<td>(25)</td>
</tr>
<tr>
<td>Montana</td>
<td>$50,113</td>
<td>(24)</td>
</tr>
<tr>
<td>Kansas</td>
<td>$50,830</td>
<td>(23)</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>$50,407</td>
<td>(22)</td>
</tr>
<tr>
<td>Kansas</td>
<td>$50,387</td>
<td>(21)</td>
</tr>
<tr>
<td>North Dakota</td>
<td>$39,018</td>
<td>(51)</td>
</tr>
<tr>
<td>South Dakota</td>
<td>$47,244</td>
<td>(50)</td>
</tr>
<tr>
<td>North Dakota</td>
<td>$48,482</td>
<td>(49)</td>
</tr>
<tr>
<td>Nebraska</td>
<td>$49,247</td>
<td>(48)</td>
</tr>
<tr>
<td>Wyoming</td>
<td>$50,409</td>
<td>(47)</td>
</tr>
<tr>
<td>Colorado</td>
<td>$50,975</td>
<td>(46)</td>
</tr>
<tr>
<td>Idaho</td>
<td>$50,045</td>
<td>(45)</td>
</tr>
<tr>
<td>Montana</td>
<td>$50,113</td>
<td>(44)</td>
</tr>
<tr>
<td>Kansas</td>
<td>$50,830</td>
<td>(43)</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>$50,407</td>
<td>(42)</td>
</tr>
<tr>
<td>Kansas</td>
<td>$50,387</td>
<td>(41)</td>
</tr>
<tr>
<td>North Dakota</td>
<td>$39,018</td>
<td>(50)</td>
</tr>
<tr>
<td>South Dakota</td>
<td>$47,244</td>
<td>(49)</td>
</tr>
<tr>
<td>North Dakota</td>
<td>$48,482</td>
<td>(48)</td>
</tr>
<tr>
<td>Nebraska</td>
<td>$49,247</td>
<td>(47)</td>
</tr>
<tr>
<td>Wyoming</td>
<td>$50,409</td>
<td>(46)</td>
</tr>
<tr>
<td>Colorado</td>
<td>$50,975</td>
<td>(45)</td>
</tr>
<tr>
<td>Idaho</td>
<td>$50,045</td>
<td>(44)</td>
</tr>
<tr>
<td>Montana</td>
<td>$50,113</td>
<td>(43)</td>
</tr>
<tr>
<td>Kansas</td>
<td>$50,830</td>
<td>(42)</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>$50,407</td>
<td>(41)</td>
</tr>
<tr>
<td>Kansas</td>
<td>$50,387</td>
<td>(40)</td>
</tr>
</tbody>
</table>

* The U.S. average is $56,307. Rankings include the 50 states and the District of Columbia.

Source: National Education Association

Focus on efficiency and retention

The third part of this legislative package, SB 133, addressed efficiencies in schools, student learning opportunities and teacher-pipeline challenges. South Dakota has many small school districts, so consolidation was part of this discussion.

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.
Featured speakers confirmed for MLC meeting; registration discount available

Nonpartisan event brings together legislators from 11 states, four provinces

The only event developed for and by the Midwest’s state and provincial legislators will be held July 17-20 in Milwaukee.

Registration for the Midwestern Legislative Conference Annual Meeting can be completed at www.csgmidwest.org. A registration discount for legislators is available through May 10.

The event will feature a mix of public policy sessions, professional development workshops, and featured speakers and presentations (see below).

The meeting will begin with multiple sessions organized by the MLC’s five interstate legislative policy committees on agriculture, economic development, education, health care and Midwest-Canada relations.

Other sessions will focus on water policy and state budgets, and as part of Wisconsin Rep. Joan Ballweg’s MLC chair’s initiative, the meeting will include programming on the importance and value of investing in families at the early stages of childhood development.

The family-friendly conference will also offer numerous daytime activities for guests of all ages, as well as evening social events for everyone.

Rep. Ballweg, chair of the MLC for 2016, is leading her home state’s planning efforts. CSG Midwest provides staff support to the MLC, a nonpartisan group of all legislators from 11 states as well as four affiliate provinces.

Overview of this year’s featured speakers and presentations

A Political Junkie’s Guide to the 2016 Elections

Ken Rudin | Monday, July 18

Ken Rudin is one of America’s foremost experts in politics and campaign history. For most of the past 20 years, Mr. Rudin was the eyes and ears of NPR’s political coverage as its political editor and resident “political junkie.” He now hosts the weekly “Ken Rudin’s Political Junkie” program and is a columnist for USA TODAY.

Big Thirst: The Midwest’s Water Future

Charles Fishman | Monday, July 18

Charles Fishman’s highly acclaimed book “The Big Thirst” has become a must-read for business and political leaders wanting to understand our most essential, but often misunderstood, resource: water. The award-winning journalist’s insights will help explain how and why water resources will come to define this century in the Midwest.

Effective Communication in a Polarized Environment

Kathleen Hall Jamieson | Tuesday, July 19

A leading national authority on political communication, Kathleen Hall Jamieson serves as director of the Annenberg Public Policy Center at the University of Pennsylvania. She also is the author or co-author of 16 books and the co-founder of factcheck.org — the award-winning, nonpartisan online resource that functions as a “consumer advocate” for U.S. voters.

Words and Speeches that CHANGED American History

Stephen Lucas | Meeting Luncheon

Stephen Lucas is the Evjue-Bascom professor in the humanities at the University of Wisconsin. An expert on American political discourse from the Declaration of Independence to the present, he was nominated for a Pulitzer Prize, has won numerous awards for his teaching, and has spoken to enthusiastic audiences around the globe.

The Future of Work and Skills in the “Man-Machine Age”

Ayesha Khanna | Meeting Luncheon

In this future-looking presentation, technology and education expert Ayesha Khanna will explore the coming workforce challenges in the “man-machine hybrid age.” Which industries will still require human labor, and which will be automated? How can individuals train themselves to be proficient in new technologies so that they can design and work with smart machines? Ms. Khanna will explore these questions and more.

Great Lakes legislators to meet in Milwaukee prior to MLC event

The two days leading up to the Midwestern Legislative Conference Annual Meeting, state and provincial legislators interested in Great Lakes policy and protection will gather in downtown Milwaukee.

Registration materials for the Great Lakes Legislative Caucus meeting are available at www.csgmidwest.org. In most jurisdictions, travel scholarships are still available for legislators to attend this two-day event.

Activities on July 15 will include an optional site visit to the state-of-the-art facilities of the University of Wisconsin-Milwaukee’s School of Freshwater Sciences. During their visit to this renowned research institution, legislators will learn about ongoing research into water issues and the health of the Great Lakes ecosystem.

The site visit will conclude at Discovery World, a science and technology center located on the shores of Lake Michigan.

On July 16, lawmakers will take part in sessions on the Great Lakes Restoration Initiative, the revitalization of Great Lakes communities, and the ecological health of Lake Michigan. Peter Annin, author of the “Great Lakes Water Wars,” will be this year’s featured luncheon speaker.

The caucus also will consider policy resolutions at its annual meeting. For a resolution to be considered, it must be submitted to Lisa Janairo by June 24. For information, please contact Lisa at gllc@csg.org or 920.458.5910.

Officers of the Great Lakes Legislative Caucus

Wisconsin Rep. Cory Mason, chair

Michigan Sen. Darwin Booher, vice chair

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.
CSG Midwest brings workshops on Great Lakes policy to Minnesota and Michigan

CSG Midwest hosted two workshops on Great Lakes policy in St. Paul, Minn., and Lansing, Mich., as part of its continuing efforts to deliver customized programming to legislators in their state capitals.

The April events were organized with help and input from lawmakers in these two Midwestern states.

Minnesota’s workshop included presentations on invasive species prevention, ballast water technologies and policies, and the cleanup of “Areas of Concern” under the Great Lakes Restoration Initiative.

During the event in Michigan, participating lawmakers examined trends in Great Lakes policy and protection with the help of two leading authorities: Tim Eder, executive director of the Great Lakes Commission, and Jon Allan, director of the state’s Office of the Great Lakes.

The Great Lakes Legislative Caucus organized these two workshops in conjunction with the Midwestern Legislative Conference’s Under the Dome initiative. (CSG Midwest provides staff support to the caucus and the MLC.)

Three Under the Dome initiatives have been held so far this year. The first was a training session on legislative ethics held at the Indiana Capitol.

A cost-free membership service of the MLC, Under the Dome programming can range from sessions on public policy to workshops on professional development. It is available to the 11 states and four Canadian provinces of the Midwestern Legislative Conference.

Programming is typically held in the state or provincial capital, and the event must have the support of the leaders of each legislative caucus. For more information on Under the Dome, please contact CSG Midwest director Mike McCabe at mmcabe@csg.org or visit www.csgmidwest.org.

CSG leaders travel to Kentucky for spring meeting

Leaders from the judicial, executive and legislative branches of state government will meet in mid-May at CSG’s national headquarters in Lexington, Ky.

The Council of State Governments is the nation’s only organization serving all three branches, and a CSG Leadership Council oversees its immediate functions — for example, enacting official policies, approving interim policy statements and conducting organization-wide strategic planning.

This council, which will meet all day on May 14, includes three legislators from the Midwest: Wisconsin Rep. Joan Ballweg, Midwestern Legislative Conference chair; Nebraska Sen. Beau McCoy, national CSG chair; and Kansas Sen. Vicki Schmidt, co-chair of the CSG Finance Committee.

Also as part of CSG’s Spring Business Meeting, the next class of Toll Fellows will be selected and potential “shared state legislation” will be considered.

The Henry Toll Fellowship Program is an “intellectual boot camp” for emerging leaders in all three branches of state government. Toll Fellows are chosen annually by a bipartisan panel of program alumni.

CSG’s Shared State Legislation Committee includes legislators and legislative staff from across the nation. It meets to review bills adopted in the states and to select measures to be included in the annual volume of Shared State Legislation.

The goal of Shared State Legislation is to facilitate the exchange of legislative ideas among CSG members.
Indiana sets up new scholarship for state’s future teachers

Indiana legislators want more of their state’s “best and brightest” to enter the teaching profession, and they plan to spend $50 million on a plan to steer young people in that career direction.

HB 1002, signed into law in March, establishes a Next Generation Hoosiers Education Scholarship.

Recipients will be eligible to receive up to $30,000 in tuition assistance; in turn, they must agree to teach in an Indiana school for five years. To be eligible for a scholarship, a student must graduate in the top 20 percent of his or her high school class and score well on an ACT or SAT exam.

Over the past five years, the number of initial teacher licenses issued in Indiana has fallen by 30 percent. In response, Indiana education leaders formed a commission last year to develop strategies that address the state’s shortage of teachers. One commission idea was to create additional scholarship opportunities.

Another idea was to develop new career pathways and leadership opportunities, and with this year’s passage of HB 1005, Indiana school districts can establish programs that reward teachers who take on extra roles and responsibilities.

Iowa blows by another milestone in wind energy generation

The nation’s leader in wind energy and use has hit yet another milestone.

Iowa is now getting more than 30 percent of its electricity from this renewable source — the only U.S. state that has reached this threshold. According to Gov. Terry Branstad, the state has the potential to reach 40 percent within the next five years.

In 1983, Iowa became the first U.S. state to adopt a renewable portfolio standard. But in more recent years, the state has employed incentives to promote the growth of renewable energy, most notably through the use of production tax credits. These credits are available to utilities and independent power producers. Iowa state law also allows local communities to become “small wind innovation zones.” This designation is based on local ordinances that simplify the process for installing small-scale wind turbines.

Some Midwestern states are not far behind Iowa. According to the U.S. Energy Information Administration, this region has five of the 10 U.S. states with the highest share of electricity generation coming from wind. Iowa (first in the nation, 31.3 percent); South Dakota (second, 25.5 percent); Kansas (third, 23.9 percent); North Dakota (fourth, 17.7 percent); and Minnesota (sixth, 17.0 percent).

Court chooses not to hear recent Nebraska challenge to drug law

In the wake of a U.S. Supreme Court decision not to hear his state’s challenge to neighboring Colorado’s legalization of marijuana, Nebraska Attorney General Doug Peterson is pledging to “determine the best next steps toward vindicating the rule of law.”

Oklahoma joined Nebraska in the lawsuit. It was filed directly to the U.S. Supreme Court without going through a lower court — an action that is allowed when states have legal complaints with another, SCOTUSblog.com reports.

“The court’s decision [to not hear the case] does not bar additional challenges to Colorado’s scheme in federal district court,” Peterson says. In their lawsuit, Nebraska and Oklahoma said Colorado’s legalization of marijuana conflicts with federal drug laws. The two plaintiff states also said they were now having to deal with an “influx of Colorado-sourced marijuana.”

Four U.S. states (none in the Midwest) have legalized marijuana for recreational use. Illinois, Michigan, and Minnesota are among the 23 U.S. states that have legalized medical marijuana. According to NORML (a pro-legalization organization), Minnesota, Nebraska, and Ohio are among the 19 U.S. states that have decriminalized certain types of marijuana possession.

Illinois bill would tap private donors to help fund state fairsgrounds

To better maintain their state’s two fairgrounds, some Illinois legislators want to create a new foundation that solicits private donations.

Under HB 4990 and SB 2903, the Fairgrounds Foundation would be housed within the state Department of Agriculture and be overseen by a board of directors. Legislative leaders and the governor would appoint this board. Illinois has two fairgrounds, one in Springfield, the other in DuQuoin. More than $180 million in deferred maintenance is needed at both locations.

The Illinois proposals seek to follow a funding model already being employed in neighboring states such as Iowa and Wisconsin.

The Iowa State Fair Blue Ribbon Foundation has raised more than $115 million since 1993. That money has come from a mix of individual contributions; state appropriations; in-kind services; and corporate, state and federal grants. Wisconsin also has a State Fair Park Foundation.

Some states, too, have dedicated a portion of certain revenue sources to their state fairs — for example, some casino riverboat admissions in Indiana and 10 percent of lottery proceeds in Nebraska.