Health care in states’ hands

Questions about costs, covering uninsured will drive decisions on future of Medicaid, health exchanges

by Kate Tormey (ktormey@wyo.org)

In the weeks leading up to the U.S. Supreme Court’s decision on the federal Affordable Care Act, policymakers, commentators and experts mulled over the many possibilities that could come out of the landmark case.

But virtually no one could have predicted the complicated outcome — or the unexpected lineup of justices in the 5-4 decision.

The court upheld virtually all of the law, including the controversial individual mandate, which requires all Americans to buy health insurance or pay a fee on their federal tax bills. Most other parts of the law, pertaining to insurance market reforms and state health exchanges, were untouched by the court.

But in what some consider a surprising twist — and a win for states’ rights — the court ruled that the federal government cannot force states to go through with a planned Medicaid expansion in 2014. Under the original law, states were required to expand the health program to all citizens earning less than 133 percent of the federal poverty level. (Under current Medicaid rules, states only have to cover certain “mandatory” populations, such as children, pregnant women, and the elderly and disabled.)

“It was a pretty strong affirmation of states’ power vis-à-vis the federal government,” says Alan Weil, executive director of the National Academy for State Health Policy.

Medicaid expansion is optional

Vern Smith, managing principal with Health Management Associates and a former Michigan Medicaid director, says he, too, was surprised by the ruling — particularly that the Medicaid portion of the law became a major part of the decision.

The Supreme Court ruled that the expansion of Medicaid was beyond the spending powers of the U.S. Congress, and that the federal government can’t threaten to take away all of a state’s Medicaid matching funds if it doesn’t want to add the new population to its program. In his majority opinion, Chief Justice John Roberts likened the law’s Medicaid provisions to putting “a gun to the head” of states: Participate in the expansion, or else.

“What had been regarded as a mandate now becomes a state option,” Smith notes.

States must decide whether they want to take on a new set of enrollees, most of whom will be childless adults — a population that has not traditionally been covered by Medicaid.

If every U.S. state agrees to this expansion, up to 16 million new enrollees would be added to the Medicaid program. In Midwestern states, just over 3 million new people would be eligible, according to Kaiser Family Foundation data.

“The federal government will cover the cost of insuring these new enrollees through 2016. From there, the percentage covered by the federal government decreases gradually until it reaches 90 percent in 2020 and beyond.”

“This is an opportunity to have this incredibly high federal match rate to cover people who are very poor and would otherwise be uninsured,” Weil says. “From a fiscal perspective, it is very appealing.”

Smith agrees, saying some states will find the unprecedented offer too good to resist.

“If a state has a policy goal to extend coverage to as many of its citizens as possible, it’s an easy decision,” he says. “There has never been an eligibility group with this extremely high match.”

In addition, hospitals and health care providers will likely exert pressure on states to take part in the expansion; more Medicaid participants could lead to less uncompensated care because more patients will be insured.
Cases of physician discipline rise in some states, fall in others

While the number of physicians being punished for professional misconduct grew slightly last year, there is debate about whether that’s a positive or negative trend. In May, the Federation of State Medical Boards released data on disciplinary actions taken against doctors in 2011. Nationwide, the number of “prejudicial actions” taken against doctors by state medical boards increased 4 percent between 2010 and 2011. “Prejudicial actions” include serious cases such as revocations and suspensions, as well as reprimands, probation or restrictions placed on medical licenses.

The federation also publishes state-by-state data on disciplinary actions by medical boards. But it cautions against comparing states, noting differences in financial resources, staffing, autonomy levels or legal constraints.

The data are, however, useful for comparing trends within each state. To do this, the federation created the Composite Action Index, based on an average of the disciplinary actions taken per physician, with the most serious actions weighted more heavily. Using this weighted average, rates of disciplinary action per physician have dropped in six Midwestern states, with the decreases ranging from 1 percent in Michigan to 29 percent in North Dakota. They rose in the region’s five other states, with the increases ranging from less than 1 percent in Ohio to 128 percent in South Dakota.

The federation says the index is a “barometer that can signal significant changes in a medical board’s disciplinary activity level.” It notes, though, that many factors affect the number of disciplinary actions — such as changes in state laws or in the board’s funding and staffing levels.

The consumer advocacy group Public Citizen ranks U.S. states with low disciplinary rates as the “worst” states for patient protection. And using its own measure, the group reports that physician-discipline rates have been falling since a peak in 2004. The group suggests that to boost patient protection, policymakers ensure that state medical boards:

- have adequate staffing and funding;
- carry out proactive investigations (rather than only reacting to complaints) and use data from other sources, such as Medicare or the criminal justice system;
- have independence from state medical societies and the autonomy to develop their own budgets and regulations; and
- adopt a reasonable standard for discipline (such as “preponderance of the evidence” rather than “beyond a reasonable doubt” or “clear and convincing evidence”).

This year, two Midwestern states changed their laws regarding health care workers convicted of serious crimes. Illinois SB 1762 immediately revokes the license of a health professional convicted of either a sex crime or battery; Michigan HB 4411 and 4412 permanently revoke the medical licenses of people convicted of criminal sexual conduct.

Midwest-Canada Relations

Signing of interlocal agreement paves way for international bridge

After two years of seeking options and legislative support to build a new bridge between Detroit and Windsor, Michigan Republican Gov. Rick Snyder appears to have found a way to make it a reality.

He signed in June what’s known as an “interlocal agreement” with the Canadian government — a move that bypasses the Legislature and that the governor says is within his constitutional authority. The result, assuming any legal challenges are overcome, will be the opening of the New International Trade Crossing.

Canada will pay all costs associated with bridge construction, including the acquisition of property on Michigan’s side of the border. Canada’s investment will be repaid through bridge tolls, after which Michigan will receive a share of toll revenues as well.

Proponents say a new bridge is badly needed to aid the flow of goods between the United States and Canada (the largest trading partner of each of the 11 Midwestern states). Twenty-five percent of cross-border trade between the two countries travels over the Detroit River via the 83-year-old, privately owned Ambassador Bridge — the busiest commercial crossing in North America.

Ohio Republican Sen. Gayle Manning is one of many lawmakers in the region who wanted to see the bridge approved. Earlier this year, she sponsored a resolution (SR 141) adopted by the Ohio Senate urging Michigan to OK the crossing. (The Ohio House passed a similar resolution.)

“After I learned about the economics of it and how important it was for Ohio’s economy,” Manning says, she decided it was important for legislators in her state to voice support for the bridge. More than 300,000 jobs in Ohio are tied to trade with Canada. Manning’s measure passed unanimously in the Ohio Senate, but the issue has been much more controversial in Michigan, where there has been resistance to public investment or involvement in constructing a new bridge. Owners of the existing Ambassador Bridge have sought to build a twin span, but have been unable to get approval from U.S. authorities.

Professor Bill Anderson, director of the Cross-Border Transportation Centre at the University of Windsor, says some Michigan policymakers prefer the Ambassador Bridge’s private infrastructure model, which reflects their wishes to turn more traditional government functions over to the private sector.

Opponents of a new bridge also point to trade data showing that cross-border truck traffic has actually declined over the last few years. But whatever the level of traffic, Anderson says, “the status quo has never been considered acceptable,” noting that the Ambassador crossing was never properly integrated into the highway system.

“So you have the most important crossing, in the largest bilateral trade relationship in the world,” he says, “and it is moving trucks through municipal roads” where they hit city traffic and stoplights. (Canada is building a new highway through Windsor that would link directly with the new bridge.)

Another concern has been the reliance on a single bridge — the Ambassador — to move goods.

“It doesn’t have to be anything spectacular like the bridge falling down or a terrorist attack,” Anderson says. “Anything that could interrupt service on that bridge would create huge economic disruptions.”

SOURCE: Bureau of Transportation Statistics, U.S. Department of Transportation

<table>
<thead>
<tr>
<th>Trucks traveling between Detroit and Windsor</th>
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<tbody>
<tr>
<td>1.0 million</td>
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<tr>
<td>1.2 million</td>
</tr>
<tr>
<td>1.4 million</td>
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<tr>
<td>1.6 million</td>
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<tr>
<td>1.8 million</td>
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* Data are based on the federation of State Medical Boards Composite Action Index, an average of disciplinary actions taken against physicians in states whose sanctions are weighed more heavily. Figures, matched by dividing the number of disciplinary actions by the number of licensed physicians in a state, allow states to measure their disciplinary actions over time and should not be used to compare states.

Issue Briefs cover topics of interest to the various groups and policy committees of CSG Midwest, including the Midwestern Legislative Conference, Great Lakes Legislative Caucus, Midwest Interstate Passenger Rail Commission and Midwestern Radioactive Materials Transportation Committee.
Great Lakes

All Great Lakes states now set to implement, comply with compact

With Ohio Republican Gov. John Kasich’s signing of HB 473 into law in June, each of the eight Great Lakes states now has water-management plans in place to comply with a historic agreement designed to protect the world’s largest system of fresh surface water. Enactment of the new law in Ohio took two tries by the legislature.

Last year, Kasich vetoed a bill (HB 231) seeking to meet Ohio’s requirements under the Great Lakes-St. Lawrence River Basin Water Resources Compact. Kasich and others said the 2011 legislation did not adequately protect Lake Erie and other water resources within the basin.

The new bill “was much better in many ways, and that’s encouraging,” says Sara Gosman, a water-resources attorney for the National Wildlife Federation.

The legislature, for example, significantly lowered the threshold for when water users in the basin must seek a permit. HB 231 would have established the weakest permitting standard among the eight Great Lakes states; HB 473 puts Ohio more in line with the thresholds already in place in other states (see table).

Gosman says the thresholds only tell part of the story about the strengths and weaknesses of state laws. Other factors include whether permitting standards apply to new or existing users, the decision-making process and standard that states will use in determining whether to OK a permit, and the strength of state conservation programs. She singles out parts of the plans in place in Michigan, Minnesota and Wisconsin as being potential models for other states.

• Michigan for its science-based approach to managing the state’s water resources — through use of an innovative assessment tool that evaluates the potential adverse impact of withdrawals on water resources;

• Minnesota for its strong permitting standards and a water conservation program that predates the compact (for example, in the state, public water suppliers must employ a conservation rate structure in which rates for individual users increase with consumption); and

• Wisconsin for being the first state to develop water conservation and efficiency goals under the compact, and for having a comprehensive permitting program in place.

Brief written by Tim Anderson, who can be reached at tanderson@csog.org. CSG Midwest provides staffing services to the Great Lakes Legislative Caucus, a nonpartisan group of lawmakers from eight U.S. states and two Canadian provinces. Minnesota Sen. Ann Rest serves as caucus chair. More information on the caucus is available at www.greatlakeslegislators.org.

Agriculture & Natural Resources

Bill reallocating Illinois fertilizer fees seen as ‘win-win’ by farm industry, environmental groups

Thanks in part to a joint effort between key environmental and agricultural groups, as well as legislative leaders and state agencies, the state of Illinois is set to boost funding for agriculture research and water quality, while also providing a sustainable revenue resource for the regulatory efforts of its Department of Agriculture. HB 5539 was passed by the legislature in May even as the state grappled with an immensely difficult budget situation for fiscal year 2013. (The bill had not yet been signed into law as of late June.)


“This legislation is possible because of the tenacity of a lot of groups working together over a couple of years,” he says. “I am confident that it will produce better water quality in our rivers and streams, and make our producers more productive by keeping more of the nutrients for the crop.”

Jean Payne, president of the Illinois Fertilizer and Chemical Association, says the changes in how proceeds and standards that states will use in determining whether to OK a permit, and the strength of state conservation programs. She singles out parts of the plans in place in Michigan, Minnesota and Wisconsin as being potential models for other states.

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Jean Payne, president of the Illinois Fertilizer and Chemical Association, says the changes in how revenues from the state’s fertilizer fee are used will have broad benefits — as seen in the fact that the agricultural industry and the Sierra Club backed the bill.

Such fees are in place nationwide, and as the accompanying chart shows, they vary widely in the Midwest from state to state. In Illinois, distributors had paid a fee of 25 cents per ton of commercial fertilizer. This fee was intended to cover the cost of regulation and testing, but the revenue was instead being diverted to Illinois’ general fund.

That will change if HB 5539 is signed into law.

First, the fee will be raised to 50 cents per ton. Second, all fertilizer distributors will be licensed by the state Department of Agriculture under a newly streamlined system (custom-blending licenses were eliminated, and a single class of licenses was created). Third, half of the revenue from the 50-cent fee will go directly to the department to cover the inspection and regulation program.

The other half of fee revenue will allow the state’s agriculture community to invest in the “4Rs” of nutrient management — “farmers choosing the right fertilizer, applied at the right rate, at the right place, at the right time,” says Kathy Mathers of The Fertilizer Institute, the trade association of the fertilizer industry that initiated the nationwide 4R Nutrient Stewardship System.

A newly created private entity in Illinois, the Nutrient Research and Education Council, will manage the research efforts featured in the 4R program.

Under HB 5539, the council will set the fees needed for this effort, based upon industry needs, but they must be between 50 cents per ton and $3. The council’s goal will be to reduce nutrient losses into Illinois waters; it will fund research, conduct on-farm trials and share best-management practices. According to Mathers, Illinois is the first state to have developed a private-public partnership like this, but it will work similarly to existing commodity check-off programs.

Brief written by Carolyn Orr, staff liaison to the Midwestern Legislative Conference Agriculture and Natural Resources Committee. She can be reached at corra@mlc.org. The MLC committee’s co-chairs are North Dakota Sen. Tim Flakoll and Kansas Sen. Carolyn McGinn.
I come from the “implicit subsidy” that retirees receive: money paid for all or a portion of retirees’ premiums. The Midwest, those three states have traditions requiring former employees to pay a portion of their defined contribution, part defined benefit. Nebraska moves newly hired teachers into this type of plan. This state employees in a defined-contribution plan, and move to defined-benefit plans. Michigan already enrolls in a defined benefit system: raising contribution rates, lengthening only future hires) to shore up their retirement systems: raising contribution rates, lengthening vesting periods, raising the retirement age, reducing cost-of-living increases, capping benefits and changing how a worker’s “final average salary” is calculated. Some states have also considered alternatives to defined-benefit plans. Michigan already enrolls state employees in a defined-contribution plan, and lawmakers were still considering (as of June) a plan to move newly hired teachers into this type of plan. This year in Kansas, a bill was signed into law (HB 2335) that will place new hires in a cash-balance plan — part defined contribution, part defined benefit. Nebraska already uses a cash-balance model, which has been under consideration in Illinois as well. The Illinois legislature also took steps this year to reduce the state’s retiree health care liabilities by requiring former employees to pay a portion of their premiums. Liabilities for retiree health care are much higher in Illinois, Michigan and Ohio than in other Midwestern states. Those three states have tradition-ally paid for all or a portion of retirees’ premiums. The region’s eight other states do not; their liabilities mostly come from the “implicit subsidy” that retirees receive: access to a state health plan that includes younger current employees with less-cosy claims.

Timeline of high-profile ballot measures in Midwest over past decade

<table>
<thead>
<tr>
<th>Year</th>
<th>Measure</th>
<th>State</th>
<th>Outcome</th>
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<tbody>
<tr>
<td>2000-2003</td>
<td>Nebraska voters approve same-sex marriage ban</td>
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</tr>
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</table>

Bailor measures scorecard in the Midwest, 2001-2011*

<table>
<thead>
<tr>
<th>State</th>
<th>Win-loss</th>
<th>Notable wins, changes in state law</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illinois</td>
<td>3-0</td>
<td>Process for recalling governors established</td>
</tr>
<tr>
<td>Indiana</td>
<td>8-0</td>
<td>Property tax caps adopted</td>
</tr>
<tr>
<td>Iowa</td>
<td>0-2</td>
<td>Portion of future sales tax increases dedicated to natural resources</td>
</tr>
<tr>
<td>Kansas</td>
<td>0-0</td>
<td>Same-sex marriage ban adopted</td>
</tr>
<tr>
<td>Michigan</td>
<td>6-0</td>
<td>Stem cell research authorized, medical marijuana legalized, government affirmative action prohibited, and same-sex marriage banned</td>
</tr>
<tr>
<td>Minnesota</td>
<td>0-1</td>
<td>Sales tax increased to fund environment and the arts</td>
</tr>
<tr>
<td>Nebraska</td>
<td>11-18</td>
<td>Race-and gender-based hiring and admissions policies banned, legislation eliminating smaller school districts repealed, and portion of lottery revenue dedicated to State Fair</td>
</tr>
<tr>
<td>North Dakota</td>
<td>9-14</td>
<td>Same-sex marriage ban and State Legacy Fund created with oil and gas tax revenues</td>
</tr>
<tr>
<td>Ohio</td>
<td>7-11</td>
<td>Bill limiting collective bargaining rights repealed, same-sex marriage and smoking in workplace banned, bond issued for environmental conservation and economic development, and casinos allowed in 6 largest cities</td>
</tr>
<tr>
<td>South Dakota</td>
<td>0-1</td>
<td>Legislation banning most abortions, same-sex marriage banned, taxes on tobacco products increased, and secret ballots required in union elections</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>1-0</td>
<td>Governor’s veto authority limited, same-sex marriage banned, and right of citizens to hunt and fish protected</td>
</tr>
</tbody>
</table>

*Scorecard does not include advisory ballot measures or measures that appear automatically on the ballot.

A full ballot: Voter ID, tax hike and other issues in voters’ hands

In all, at least 16 ballot measures will appear on ballots in the 11-state Midwest — and possibly many more. Michigan voters, for example, could be voting on proposals to expand casino gaming, strengthen the state’s renewable energy standard, guarantee collective bargaining rights, and rescind a controversial emergency-manager law that affects fiscally troubled local governments. As of June, several ballot proposals were also being pushed in Ohio and North Dakota — including proposals in both states to legalize medical marijuana, a “personhood amendment” and redistricting reform in Ohio, and measures in North Dakota to strengthen animal-cruelty laws and enshrine the right to farm and ranch.
The Question of the Month section highlights an inquiry received by this office through its Information Help Line, a research service intended to help lawmakers, legislative staff and state officials from across the region. To request assistance through CSG Midwest’s Information Help Line, call 630.925.1922 or send us an email at csigmiscog.org.

**Question:** How many states in the region have adopted renewable portfolio standards, and how far along are the states in meeting them?

In the Midwest, 10 of 11 states — all but Nebraska — have passed a renewable or alternative energy portfolio standard or voluntary goal.

Renewable portfolio standards (RPS) require that a certain percentage of the power generated by a utility come from renewables (such as wind, solar or hydro) by a certain date. In contrast, alternative energy portfolio standards (AEPS) also incorporate power generation from sources such as nuclear energy or “clean coal.” (What exactly is included in the AEPS varies from state to state.)

Michigan and Ohio both have an AEPS. Under the Michigan law, up to 10 percent of the state’s standard (10 percent by 2015) can be met through the use of technologies that reduce emissions by 85 percent (based on average coal plant emissions) — gasification and carbon sequestration, for example.

Up to half of Ohio’s standard (25 percent by 2025) can come from alternative energy sources; the other half must come from renewables.

Indiana, North Dakota and South Dakota have voluntary standards, while the other five states in the region have an RPS in place.

Over the last 10 years, nearly every state in the region has increased the percentage of electricity generated by renewable sources, though some have made more progress than others.

In 2011, Iowa (17 percent) and South Dakota (21 percent) joined Maine (27 percent) as the three U.S. states generating the highest percentage of power from renewable sources. A decade ago, South Dakota and Iowa generated less than 1 percent of their power from renewables.

Other states where renewable generation has increased significantly include North Dakota, Minnesota and Kansas — with a rise in the production and use of wind power being the primary driver.

With the exception of Iowa, which has had its law in place since 1983, all of the Midwestern states’ RPS and AEPS laws were adopted within the last six years.

While most states in the Midwest have made major strides in renewable energy production, especially in wind generation, the U.S. Energy Information Administration says that many renewable standards have not been in effect long enough to have had a major impact.
Bringing additional federal dollars to a state, too, will be seen by some as a way to boost economic activity. In fact, the Medicaid offer was so tempting for some states that they’ve already started the expansion. Minnesota is among those seven U.S. states. Rep. Kim Norton strongly supported this decision in her state. It was a great opportunity, she says, to further a long-term goal of many Minnesota policymakers: to get as many people covered with health insurance as possible.

In 2010, the Legislature authorized the governor to implement the expansion. Democratic Gov. Mark Dayton then issued an executive order in 2011 offering coverage to childless adults earning up to 75 percent of the federal poverty level. More than 80,000 people were enrolled at the end of last year. In Minnesota, the expansion replaced two medical assistance programs that were being funded completely with state dollars. The Legislature appropriated $188 million for the Medicaid expansion and is expected to reap $1.2 billion in federal matching funds.

“When we don’t cover people, we all pay the price for that through higher premiums and higher bills,” says Norton, a Democrat. “The more people we cover, the less-cost shifting occurs.”

**States voice concerns about expansion**

But within days of the decision, some policymakers were questioning whether their states should take part in the Medicaid expansion, including the governors of Iowa and Nebraska.

Why would a state turn down the opportunity to decrease uninsured rates, mostly on the federal government’s dime? Beyond the fact that the bill itself is a political lightning rod, some states are wary of the cost of covering their share for newly eligible participants. (States must cover 5 percent of the cost in 2017, 6 percent in 2018, 7 percent in 2019, and 10 percent in 2020 and beyond.)

“Any changes will reflect back to the taxpayers because we will need extra dollars,” says South Dakota Republican Sen. Jean Hunhoff. “Even though [the federal government is] supporting [the expansion] initially, we will need money later.”

Questions remain, too, about whether the fiscally strapped federal government will uphold its end of the bargain. “It may choose to change [the matching rates] when it looks at its own budget picture,” Weil says. “States are very hesitant to sign onto something that looks like a good deal now but may not be so good [later on].”

**Projected changes in Medicaid for states that expand program under provisions of U.S. Affordable Care Act**

<table>
<thead>
<tr>
<th>State</th>
<th># of new enrollees</th>
<th>Cost increase*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illinois</td>
<td>631,024</td>
<td>$1.2 billion 1.6%</td>
</tr>
<tr>
<td>Indiana</td>
<td>297,737</td>
<td>547 million 2.5%</td>
</tr>
<tr>
<td>Iowa</td>
<td>114,691</td>
<td>147 million 1.4%</td>
</tr>
<tr>
<td>Kansas</td>
<td>140,445</td>
<td>166 million 1.7%</td>
</tr>
<tr>
<td>Michigan</td>
<td>589,965</td>
<td>666 million 2.0%</td>
</tr>
<tr>
<td>Minnesota</td>
<td>253,793</td>
<td>443 million 1.2%</td>
</tr>
<tr>
<td>Nebraska</td>
<td>130,876</td>
<td>606 million 3.5%</td>
</tr>
<tr>
<td>North Dakota</td>
<td>28,864</td>
<td>32 million 1.4%</td>
</tr>
<tr>
<td>Ohio</td>
<td>667,376</td>
<td>830 million 3.0%</td>
</tr>
<tr>
<td>South Dakota</td>
<td>31,317</td>
<td>112 million 1.2%</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>205,967</td>
<td>225 million 0.9%</td>
</tr>
<tr>
<td>U.S. total</td>
<td>29.9 million</td>
<td>72.2 million 1.4%</td>
</tr>
</tbody>
</table>

*Data compared to baseline estimate of what Medicaid spending and enrollment would have been without the Affordable Care Act.

Source: Kaiser Family Foundation/Urban Institute

The prospect of expanding the Medicaid population also adds to states’ cost concerns about the “woodwork effect”: the enrollment of individuals who have already been eligible for Medicaid, but haven’t applied for it in the past.

More publicity about the program, the mandatory opening of health insurance exchanges and the requirement that individuals have insurance are expected to increase Medicaid enrollment. These currently eligible enrollees will cost states more because the traditional federal match...
Midwestern states had done so. Their exchanges, but as of early July, none of the
— the federal government will step in to operate one.
— or if it isn’t ready in time
it is a highly subsidized lunch,” he says.

Whether states take that “highly subsidized lunch” will determine whether a key goal of the new federal law is met: universal coverage. If all 26 states that signed onto the lawsuit challenging the Affordable Care Act (which included all Midwestern states except Illinois and Minnesota) reject the expansion, 9 million projected new Medicaid enrollees would not get coverage, according to the Kaiser Family Foundation.

Next steps for states

ow that the highest court has ruled on the ACA, states are looking ahead to 2014, the year when most of the major provisions impacting states take effect, including the optional Medicaid expansion.
The year 2014 is also when states must have online health insurance exchanges up and running. If they don’t set up an exchange — or if it isn’t ready in time
— the federal government will step in to operate one.
Fifteen states nationwide have already created exchanges, but as of early July, none of the Midwestern states had done so.

In setting up the exchanges, states must make a few key decisions. For example, who will oversee the exchange: a state agency, a separate nonprofit entity or a blend of both? States also have some leeway on whether they want to merge the small-group and individual markets. Jackson says states could eventually end up deciding whether to operate an exchange on their own, or whether to contract with a private entity or a blend of both. States also have some leeway on whether they want to merge the small-group and individual markets.

Upgrading Medicaid eligibility systems: Through 2015, states can receive a 90 percent match for costs associated with making Medicaid applications easier for enrollees to use and the process more efficient. Illinois, Iowa, Kansas and Minnesota have taken advantage of the matching rate, which is significantly higher than the traditional 50 percent administrative rate for Medicaid.

Funding for disease prevention in Medicaid: States are being provided with $85 million over a five-year period to test the effectiveness of providing incentives for patients to participate in prevention programs. As of January, 10 states (including Minnesota and Wisconsin) were taking part in the Medicaid Incentives for Prevention of Chronic Disease program.

Health care homes: States have the opportunity to provide Medicaid beneficiaries with health care homes: primary health care providers who coordinate a patient’s care, such as prescriptions, test results and visits to specialists. States receive a temporary 90 percent federal match for services associated with health homes. Illinois, Iowa and Ohio have submitted proposals.

Integrating care for dual eligibles: Fifteen states have been awarded up to $1 million to develop models for integrating health care and financing for “dual eligibles,” or people who receive services through both Medicaid and Medicare. Michigan, Minnesota and Wisconsin are among the states to receive funds for improving care coordination and making administration more seamless between the two programs. Illinois, Iowa and Ohio have submitted proposals.

A head start: Midwestern states already implementing health care law

Early Medicaid expansion: In 2014, states will be able to enroll childless adults earning up to 133 percent of the federal poverty level into their Medicaid programs with a substantial federal funding match. In April 2010, the federal government offered states the option of implementing the expansion early, and seven states and Washington, D.C., have done so. Minnesota began enrolling some childless adults in its Medicaid program last year to replace two state-funded programs.

Upgrading Medicaid eligibility systems: By 2015, states can receive a 90 percent match for costs associated with making Medicaid applications easier for enrollees to use and the process more efficient. Illinois, Iowa, Kansas and Minnesota have taken advantage of the matching rate, which is significantly higher than the traditional 50 percent administrative rate for Medicaid.

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“Would not want the federal government dictating to us,” she says. “We would have to develop it, while making it a priority that consumers have choices.”

States that wait much longer, Weil says, are essentially placing a bet on the presidential election. That’s because the deadline for states to submit their insurance-exchange blueprints is Nov. 16 — less than two weeks after the election.

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“My advice is that if you can envision a future in the event the ACA is in place, and you believe that the state should run its own exchange, you should get to work today or that option will not be available to you,” he says.

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Conference agenda available online at www.csg.org/2012NationalConference
Ohio Sen. Keith Faber

Senate’s second-in-command has led the effort to achieve regulatory reform in Ohio

by Kate Tormey (ktormey@csg.org)

Ohio Sen. Keith Faber can recall many examples of how his work as a legislator has allowed him to help a constituent, but few have been more memorable than the time he helped bring a new family back home to his western Ohio district.

It started when he got a call from a couple from his district who were in Florida, anxiously waiting to take home their adopted newborn baby.

But the state of Ohio hadn’t yet processed some necessary paperwork — and the couple was told it could take up to a month to bring home their baby. After making phone calls to people over state government, including a talk with the governor (who was of the opposite party), Faber eventually cut through the red tape and discovered the problem had a simple fix.

“It was one of those things where government bureaucracy wasn’t working,” he says. “We were able to get mom and dad and baby home within 48 hours when they were being told it would take four weeks. Those are the things you can be proud of.”

The most important things I do as a legislator are not in Columbus,” he says. “My most important work as a legislator is to help citizens interface with government more efficiently and more effectively.”

Faber’s attention to the regulatory climate in Ohio extends beyond issues that affect only his constituents. In fact, making state government work as a legislator is to help citizens interface with government more efficiently and more effectively.

In only his second year in office, the Republican lawmaker began serving as chair of the Joint Committee on Agency Rule Review. His work on streamlining state government has been a top priority since he entered the legislature in 2000. In only his second year in office, the Republican lawmaker began serving as chair of the Joint Committee on Agency Rule Review. His work culminated in serving on a bipartisan Regulatory Reform Task Force in 2008 and being an author of last year’s “Common Sense Initiative,” legislation aimed at streamlining state government.

Balancing roles as leader, father

Faber moved from the House to the Senate in 2006. And ever since he became Senate president pro tempore last year, he has worked even harder to juggle his constituent work with his role as a leader. Part of that juggling act has involved personally sponsoring fewer bills — and instead helping his colleagues strengthen their bills when necessary.

“That, to me, is one of the hallmarks of leadership: You don’t need the credit,” he says. “But you help other people be successful by helping to improve and make workable other people’s ideas.”

Faber also works to juggle his legislative career with his home life and a law practice. The father of two often takes his wife and children along with him on campaign events, such as parades and county fairs.

“Afterwards, we go out and get a hamburger and ride the rides and do those kinds of things as a family,” he says. “You learn to blend all of that together.”

Ohio, in the month of February, was No. 1 in job creation in the state and the country. It always amazes me that I have some of the school districts in my legislative district that are rated best in the country, and we spend less than half what other school districts around the state spend. I point to that and say money isn’t the only answer.

When you’ve got a system in which over 80 percent of money coming into the system goes to salaries — you just put more money there, your salaries go up and you’re paying the same people more to do the same job. Do you necessarily get a better outcome?

As a fiscal conservative, you considered last session’s budget a positive step for Ohio. Why?

For a long time, Ohio went through what I call the “budget cycle.” Every 10 years, the state has increased spending and we come to a fiscal cliff. What happened, historically, when we came to those fiscal cliffs is the state would wring its hands, make some minimal cuts, and then do significant tax increases. That happened in the 70s, the ’80s, the ’90s and then the 2000s.

Well, we got to that fiscal cliff in this last budget and we did not do the traditional model. We finally had a governor who was willing to lead, and we did not raise taxes. We solved an $8 billion budget hole without raising taxes. And as I look around the state, sure, there are some sacrifices that had to be made — and we asked local governments and schools and other folks to be a little bit more efficient — but for the most part, it really hasn’t adversely affected the services of state government. That was a 17 or 18 percent reduction in overall state spending. That is significant. I think that is something that we can all be fairly proud of.

Bio-sketch of Sen. Keith Faber

✓ first elected to the Ohio House of Representatives in 2000; appointed to Senate in 2006
✓ sworn in as Senate president pro tempore in 2011
✓ owns a law firm, Faber and Associates, specializing in civil litigation and mediation
✓ holds a bachelor’s degree in public administration/policy from Oakland University and a law degree from The Ohio State University
✓ lives with his wife and two children in Celina, Ohio

Here are some excerpts from the interview.

Q: Tell us more about SB 2, the “Common Sense Initiative” legislation adopted in 2011.

A: It required, for the first time, two things that came out of our [Regulatory Reform Task Force] report. One is a cost-benefit analysis for any regulation before it is put in place. That is so commonsensical that you’d think they were already doing that — but the reality is that they weren’t. [Second,] the compliance for a large business under regulations is much different than that of a small business. According to the U.S. Small Business Administration, you are talking about a factor of 2 or 3. It might cost $2,500 for a large business to comply per employee, but for a small business, you’re talking about $7,500, in some cases more, to comply with regulations.

What happens is you expect one-size-fits-all requirements. What we did in the bill is require regulatory flexibility for small businesses. What we require General Motors to do to comply with its paint operations is probably on a different standard for compliance than your local body shop. You want compliance with whatever standards you decide, but the amount of reporting and the amount of red tape you make [businesses] go through should be variable. … You may not need 57 permits, you may just need one. …

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Help wanted for hard-hit vets

With returning soldiers’ unemployment rate exceeding national average, Wisconsin leads in seeking ways to help them find work

by Wisconsin Sen. Julie Lassa (jem.lassa@legis.wisconsin.gov)

A widespread as unemployment is in our society, it’s even worse for our returning military veterans.

While the national unemployment rate for non-veterans in 2011 was slightly above 8 percent, the rate for veterans was over 12 percent. Young veterans had an even higher unemployment rate of above 20 percent in 2011, and estimates of unemployment among disabled vets are as high as 50 percent. With the continuing drawdown of troops in Iraq and Afghanistan, the unemployment crisis for veterans is likely to get worse.

We owe our veterans better than that. When they return home from combat zones, often after serving multiple tours of duty, the challenges of readjusting to civilian life shouldn’t include struggling to find a job.

Since the Civil War, Wisconsin has been a leader in serving the needs of veterans, and that leadership has never been more important. That’s why, as ranking member of the Wisconsin Senate Committee on Economic Development and Veterans and Military Affairs, I was proud to introduce several new measures designed to give all veterans, and especially disabled vets, a helping hand in finding employment.

An incentive to help disabled vets

Right now we have about 15,000 working-age disabled veterans in Wisconsin, with about 3,700 looking for jobs each year.

To address this need, I was the lead Senate author of Wisconsin Act 212, which creates a tax incentive for employers to hire disabled veterans. The new law, which I introduced along with Republican Rep. Evan Wynn, offers employers who hire an unemployed disabled veteran for a full-time position a $10,000 tax credit over the course of four years. For a part-time position, the credit is a maximum of $5,000.

The amount of the credit will vary proportionately on the average number of hours the disabled veteran works each week over the course of the year. This credit will help employers meet any additional costs they incur in hiring disabled vets, and will help break down the barriers our disabled veterans face when they seek employment.

The cost of obtaining a professional license can also be a major obstacle to getting a job or starting a business. Act 209, which I introduced with Rep. Wynn and former Republican Sen. Pam Galloway, waives the fees for veterans to obtain a state license for such professions as architect, nurse and surveyor, as well as a wide array of other licenses, permits, certificates, approvals and other credentials issued by various state agencies.

In order to qualify for this waiver, the veteran must be a Wisconsin resident and have been honorably discharged from the U.S. armed forces. This new law will make career advancement easier for veterans, and make Wisconsin an even more veteran-friendly state.

Currently, state agencies can give hiring preference to disabled veterans, but only for non-professional or entry-level positions. However, our disabled veterans come back from service with all kinds of valuable skills, including advanced managerial and professional experience. If they qualify for professional positions or those above entry level, they should get the same hiring preference we currently give for lower-level positions.

Act 211, which I also introduced along with Rep. Wynn and Sen. Galloway, expands state agency hiring preferences for disabled veterans to all positions in the classified service of the state civil service system. While disabled veterans who are considered for a non-competitive appointment must still be qualified to perform the job, this new law will help give disabled vets an edge in seeking state employment.

I’m pleased that my legislative colleagues passed these important bills, and that Gov. Scott Walker signed them into law.

Entrepreneurship a promising path

Although there are programs at both the federal and state levels to assist veterans in their job search, they tend not to emphasize one of the most promising career avenues: entrepreneurship. Like others who face career displacements in this economic downturn, veterans can make their own jobs by turning ideas for products and services into small-business ventures.

I had the opportunity to visit with a number of such veterans recently at an innovative business accelerator in Milwaukee, VETTransfer.

Launched with the help of a grant from the U.S. Department of Veterans Affairs, VETTransfer provides much more than the traditional business incubator. Entrepreneurial vets get to work with seasoned professionals who help them refine their business models and avoid the pitfalls that stymie many startups. They also work alongside other veterans, creating a familiar and supportive environment that promotes success.

Started in May 2011, VETTransfer’s initial goal was to serve 40 veteran-owned businesses over the course of a two-year pilot project. A year later, VETTransfer serves more than 300 businesses, and a steady stream of exciting new products and services is coming to market as a result. About half of the veterans involved have service-related disabilities. It’s an extremely promising model that we ought to be replicating. I introduced a bill last session that would provide state support for similar business- accelerator programs.

The brave men and women now returning from our nation’s wars volunteered to go into harm’s way to defend our liberty. They and their families have made many sacrifices for more than a decade, especially those who must cope with a lifetime of disability. As legislators, we have a responsibility to take the veterans unemployment crisis seriously, and enact innovative and effective policy to help put these heroes back to work.

Sen. Julie Lassa, a Democrat from Stevens Point, was first elected to the Wisconsin Senate in 2003 after previously serving as a state representative.

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.
CSG resolutions call for changes in federal policy, more interstate cooperation

Through resolutions passed at its spring meeting in California, CSG is lending its support to significant changes in federal tax policy and to the pursuit of a new interstate compact advancing the nation’s telehealth system.

In all, The Council of State Governments’ Executive Committee passed eight resolutions. The resolutions help shape CSG’s advocacy efforts on behalf of its members in the nation’s capital while also giving direction to CSG’s policy work. Below is a summary of the resolutions. Each can be viewed via CSG’s Knowledge Center, http://knowledgecenter.csg.org.

E-commerce and state tax collections

Under federal legislation introduced in late 2011 (The Marketplace Fairness Act), states would be authorized to require all sellers to collect and remit sales and use taxes for remote sales. This legislation would help states, if they choose, to better collect revenue from out-of-state e-commerce transactions.

The CSG-adopted resolution voices support for any congressional action that “allows states to enforce their existing sales and tax laws, regardless of the method of transaction.” Such action is needed as the result of a 1992 U.S. Supreme Court ruling.

Interstate compact on telehealth

CSG will begin exploring the feasibility of an interstate compact designed to improve health care access in underserved rural areas. A working group will be formed to study how such a compact could be used to advance the use of telehealth systems — in part by modernizing medical licensure regulations and payment models.

Export promotion, economic growth

The first of three resolutions on international trade calls for federal and state officials to work more closely on their export-promotion activities. The second urges the U.S. Congress to reauthorize the State Trade and Export Promotion grant program. This program, advocated by CSG when it was first passed in 2010, makes competitive grants available to state programs that target export assistance for small and medium-sized businesses. The third resolution voices support for the Trans-Pacific Partnership Free Trade Agreement.

Prevention of Medicaid fraud

This CSG resolution calls on the federal government to invest more in state-specific fraud-prevention strategies, to break down barriers between Medicaid and Medicare fraud-control efforts, and to ensure that accurate data are being collected.

CSG resolutions process in Midwest: A voice for the region and its 11 states

Most resolutions in this region are introduced and acted on at the Midwestern Legislative Conference Annual Meeting.

The MLC, a nonpartisan association of all legislators from the 11 states and four Canadian provinces, has a Resolutions Committee to oversee the process. This committee is led by the MLC first vice chair, currently Minnesota Rep. Alice Hausman. It considers resolutions introduced by individual members as well as those supported by various MLC policy committees. Any resolution approved by the Resolutions Committee is then voted on by state legislators who attend the Annual Meeting. To pass, the resolution must receive a majority vote. Unanimous consent is required for a resolution to be considered if it was not first approved by the Resolutions Committee.

These resolutions (available at www.csgmidwest.org) most commonly urge congressional action or support specific state policies. They often focus on issues of specific interest to the Midwest — examples include keeping invasive species out of the Great Lakes, improving movement of people and goods along the U.S.-Canada border, and farm bill reauthorization.

In one policy statement, CSG leaders urge the U.S. Congress to give states the authority to collect online sales taxes.

EPA’s Mercury and Air Toxics rule

Late last year, the U.S. Environmental Protection Agency issued new regulations to reduce mercury emissions from the nation’s power plants. But concerns have also been raised about the impact that the Mercury and Air Toxics Standards rule could have on electricity prices and reliability. The resolution adopted by the CSG Executive Committee calls for more congressional oversight of the rule.

Closing the information gap

This resolution encourages all 50 states to develop or expand their public affairs networks, with a goal of improving constituents’ access to information on government at a time when statehouse reporting is on the decline.

In memoriam: Stacie Fallon

The staff of the CSG Midwestern Office mourns the passing of our friend and colleague Stacie Fallon, who died on May 29. A Michigan native and graduate of the University of Michigan, she served as a policy analyst for CSG from 1988 through 1995 and again from 2007 to 2009. During her tenure, Stacie conceived and was instrumental in developing the Bowhay Institute for Legislative Leadership Development, one of the Midwestern Legislative Conference’s most successful programs.

A loving mother and active contributor to her community, Stacie is survived by her husband, Dan, and their three children. She was 49 years old.

CSG resolutions call for changes in federal policy, more interstate cooperation

A bipartisan committee of legislators from the Midwest will soon choose from nine finalists vying for a CSG Innovations Award, which is presented to programs that demonstrate excellence in state government.

In this region, two programs are chosen each year by the Midwestern Legislative Conference Innovations Selection Committee, a group of state legislators led by Minnesota Rep. Carol McFarlane.

The goal of this national program is to reward and cultivate innovation in state government. Finalists from the Midwest are:

- The Great Lakes-St. Lawrence River Basin Water Resources Compact — a basin-wide agreement to protect the Great Lakes;
- Plant Management Division Energy Team — a Minnesota plan to reduce energy costs at the state Capitol;
- Talent Management Software Solution/ LINK — a Nebraska software program that helps manage human-resource needs;
- Processing Checks Electronically — a program of the Ohio state treasurer to improve how the state processes and deposits checks;
- Black Hills Forest Initiative — a South Dakota program to combat the spread of the mountain pine beetle;
- Legislative Outreach and Education Program — a South Dakota program that educates legislators about agriculture-related topics;
- One-Stop Geologic Shop — a South Dakota program that promotes oil and gas development by providing geologic and permit information through an interactive web mapping application;
- “Lean” government programs — separate Ohio and Minnesota initiatives that use “Lean Thinking” principles, which include engaging state employees in the process of improving government performance.

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, supported 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.
Midwestern states pursuing new federal partnership to improve passenger rail

The Midwest Interstate Passenger Rail Commission is pursuing a partnership with the Federal Rail Administration to map out plans to improve passenger rail service in this region.

Commission members (a mix of state legislators and individuals appointed by the region's governors) approved the partnership plan in June when they met in Kalamazoo, Mich.

The first step will be for the commission to help sponsor a series of FRA-led workshops. At these workshops, participants will identify what type of regional governance structure the Midwest needs to implement long-term, multi-state plans for passenger rail development. The FRA has held similar workshops in the Southwest and Northeast.

The June meeting of the commission also featured reports from each Midwestern state on its progress toward implementing a regional system of faster, more frequent passenger rail service.

A central goal of the commission is to improve progress toward implementing a regional system featured reports from each Midwestern state on its progress toward implementing a regional system of faster, more frequent passenger rail service.

Ten Midwestern states are part of the commission, which was created as the result of an interstate compact. Member states are Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio and Wisconsin.

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For more information, contact Laura Kliewer at 630.925.1922 or lkliewer@csg.org.

CSG Midwest committee will be key part of new national plans to ship nuclear waste

CSG’s Midwestern Radioactive Materials Transportation Committee took its spring meeting to the South to strategize with key state and federal leaders about the future of nuclear waste policy.

The committee’s May 15 meeting in Tennessee was held in conjunction with the U.S. Department of Energy’s third annual National Transportation Stakeholders Forum.

In addition to learning about shipments of radioactive materials that affect the Midwest, committee members — a mix of state legislators and executive branch officials — developed ideas for working with the DOE’s Office of Nuclear Energy to implement the recommendations of President Obama’s Blue Ribbon Commission on America’s Nuclear Future.

The CSG Midwest committee was instrumental in shaping the commission’s recommendations on transportation, and it will play a key role in planning the shipment of spent nuclear fuel and high-level radioactive waste from the nation’s nuclear power plants to storage and disposal facilities. (The location of these facilities has not yet been determined.) In the Midwest, 20 nuclear plants are currently operating in eight different states.

The committee anticipates establishing a new multi-year cooperative agreement with the DOE this summer.

In other committee news:
• The new “Planning Guide for Shipments of Radioactive Materials through the Midwestern States” is due out this summer. Please contact Lisa Janairo at ljanairo@csg.org to receive a copy.
Illinois measure lifts spending limits when ‘super PACs’ enter races

Under a bill passed by the General Assembly in May, Illinois caps on campaign contributions to political candidates will be lifted in races where spending by an outside group or individual reaches a certain threshold.

Supporters of SB 3722 say it will counteract the impact of “super PACs” on Illinois elections in light of the U.S. Supreme Court ruling in Citizens United vs. FEC. According to The (Springfield) State Journal-Register, the bill sets two different thresholds: $250,000 of spending in a statewide race and $100,000 in a non-statewide race. Once the threshold is met, limits on all contributions to candidates are removed. An Illinois law limiting campaign contributions took effect last year. Opponents decried SB 3722 for weakening this law and opening the possibility of unlimited contributions in every competitive state election. Democratic Gov. Pat Quinn signed the bill into law in July.

The Citizens United ruling blocks states from controlling independent expenditures by outside groups. Prior to the decision, seven Midwestern states (Iowa, Michigan, Minnesota, North Dakota, Ohio, South Dakota and Wisconsin) had laws banning corporations and/or unions from spending money to advocate for or against candidates. States can still ban direct contributions to candidates.

Indiana drops age when child support ends; law in line with other states

Under a reworking of Indiana’s child support law, parents can stop paying child support once their child turns 19. The state had been one of only three states in the nation that set the age at 21, according to the Evansville Courier & Press reports. According to the domestic litigation firm Cardell & Cardell, child support payments end at 18 in most Midwestern states: Iowa, Kansas, Michigan, Minnesota, Ohio, South Dakota and Wisconsin. The age is extended by a year or more if the child is still in high school.

Indiana now joins Illinois, Nebraska and North Dakota in setting the age at 19. Under SB 18, parents could still be required to meet the educational needs of their children up to age 21. Children under an existing court order (one made prior to July 1) can petition the court to have child support extended to their postsecondary education expenses. A child who is receiving support under an order issued after July 1 may petition for educational needs until he or she reaches the age of 19.

Some states, either through their child support statutes or case law, require parents to provide postsecondary school support. According to the Divorce Research Center, most states have also adopted the rule that parents have a duty to support their adult disabled children.

Vote preserves property tax in North Dakota, but changes likely

Nationwide, property taxes account for about one-third of total state and local government revenue. They could have been abolished this year in North Dakota in one fell swoop — via a proposed constitutional amendment that appeared on the June ballot.

North Dakotans overwhelmingly defeated the measure, but in the wake of the vote, lawmakers say they plan to address concerns about property taxes when they meet in 2013. According to The Jamestown Sun, ideas include extending the state’s homestead tax credit to all homeowners, paying the full costs of K-12 schools’ “core educational activities,” and the state takeover of certain services now provided at the local level.

The legislature has worked in recent years to ease local property tax burdens. The state, for example, has met its goal of funding 70 percent of the K-12 education system. According to the Tax Policy Center, 23.2 percent of North Dakota’s total state and local tax revenue came from property taxes in 2009 — lowest rate in the region. In contrast, Michigan and Illinois had the highest rate in the Midwest, 40.1 percent. Over the past three decades, state and local governments’ reliance on property taxes has declined in all but three Midwestern states: Illinois, Michigan and Wisconsin.

Ohio bans ownership of exotic animals, joining 6 other states in region

A headline-grabbing incident in October involving the release of 56 wild animals in eastern Ohio has resulted in a new state law, and policymakers believe the measure could soon be used as a model by other legislatures.

 Authorities in Ohio had to kill most of the animals released by the owner; soon thereafter, the legislature began considering a measure to prevent another such incident. SB 310, signed into law in June, bans new ownership of dangerous wild animals: big cats, some smaller exotic cats, bears, hyenas, gray wolves, non-human primate species, alligators and crocodiles. Existing owners, meanwhile, must seek a new state permit that will only be granted if they have liability insurance or surety bonds. The owners must also abide by caging, fencing and public-signage requirements.

According to the American Society for the Prevention of Cruelty to Animals, Wisconsin is now the only state in the Midwest with little to no restrictions on the private possession of dangerous wild animals. Research conducted by CSG Midwest earlier this year found that most states in the region had some type of ban on exotic-animal ownership. Indiana, North Dakota and South Dakota allow ownership with a permit or license, according to Born Free USA, a nonprofit advocacy organization.