Small group, big health care bills

‘Super utilizers’ of health care system are major drivers of Medicaid — and state — spending

by Kate Tormey (ktormey@csg.org)

Picture an elderly man who is constantly visiting the emergency room with out-of-control blood sugar levels. His doctor can’t figure out why his insulin is failing to control his diabetes and why he keeps ending up in the hospital.

Enter a patient-centered team that starts asking the man questions about his daily life. The team finds out that the man doesn’t have a refrigerator to keep his insulin cool; by the second half of the month, his medication isn’t working properly. After the man receives a small fridge to store his insulin, his visits to the hospital stop.

This is just one example of the kind of challenge being faced in hospitals all over the country: how to better serve high-need, high-cost patients (sometimes referred to as “frequent fliers” or “super utilizers”). This population tends to have complicated medical needs, such as multiple chronic health conditions, sometimes coupled with mental health or substance abuse issues.

Overall, a mere 5 percent of patients account for about half of all health expenditures in the United States. And the problem is slightly more pronounced in Medicaid, the joint state-federal health program. In Medicaid, 5 percent of beneficiaries account for 54 percent of annual expenditures, and just 1 percent of enrollees account for one-quarter of the costs, according to the U.S. Centers for Medicare & Medicaid Services.

According to the Center for Health Care Strategies, of that high-need 1 percent, 83 percent have three or more chronic conditions, and more than 60 percent have five or more of such illnesses.

Both because these patients are languishing under the burden of serious health conditions and because they rack up such large bills — which are paid for by the state in the case of Medicaid — many state policymakers are looking at ways to better address the care of these “super utilizers.”

According to Dan Crippen, executive director of the National Governors Association, states’ high-cost populations can be broken down into three basic categories:

- long-term care (Medicaid pays for about half of total U.S. costs);
- maternity care and births (Medicaid pays for about half of all births in the country); and
- high-cost, high-need patients, usually with chronic conditions.

Crippen points out that states are limited in their ability to control costs in the first two categories. (Long-term care and prenatal care must be covered under Medicaid; they are widely considered necessary but are costly.) However, Crippen argues that states have many options to address cost and outcomes in the third category: the “super utilizer” population.

What policy options are available for the region’s policymakers?

Health policy experts argue that programs and policies that encourage better-coordinated care for the chronically ill; the addition of “wrap-around” social services; and better integration of mental and physical health care could go a long way toward improving the health of these patients.

“They are less healthy and in need of resources,” he says. “… They end up in hospitals and nursing homes far too often, and there are ways to prevent that by giving them better health.”

The goal of improving care for these patients — and consequently reducing states’ spending on care for them — has become a focus of the NGA. Through a “super utilizer” initiative, the organization will bring together state policymakers to discuss solutions and share best practices.

Wisconsin is one of the seven states chosen to participate in the year-long project, which will foster idea-sharing through “policy academies.”

The topic is a good fit for states and for governors specifically, because they have direct purview over many kinds of services — such as nutrition, housing, public health and behavioral health, Crippen says.

The National Association of State Budget Officers reports that Medicaid
Great Lakes

Sea lamprey resurfaces as invasive lake threat, spurring Wisconsin to consider new control programs

O n a recent fishing trip off Sturgeon Bay, Wisconsin Sen. Robert Cowles made a surprising — and unwelcome — catch.

It was a sea lamprey, one of the most destructive invasive species ever to enter the Great Lakes.

“[I] had not seen one since I was a little kid fishing with my dad,” Cowles says.

That discovery has since led Wisconsin lawmakers down an unfamiliar path — considering the use of state dollars for sea lamprey control, which has long been left to the federal governments in Canada and the United States.

A bill proposed by Cowles (SB 134) and a companion measure in the Assembly (AB 155) call for the state to spend a half-million dollars to build a new sea lamprey barrier, improve an existing one, and increase chemical treatments proven to control populations.

“This is one invasive species that we need to keep under control,” Cowles says. “Letting it get out of control could be damaging for many, many years.”

Native to the Atlantic Ocean, sea lampreys came to the Great Lakes early in the last century via shipping canals and wreaked havoc on the native ecosystem, decimating populations of native lake trout and other fish species.

This devastating impact led to an unprecedented binational collaboration to control the sea lamprey population. More than a half-century later, those efforts continue, at a cost of millions of dollars a year.

After his discovery, Cowles wondered: Was his encounter with a sea lamprey a chance event, or was the aquatic invader making a comeback?

The answer was the latter, he says, and it means Wisconsin should take preventive steps to protect Great Lakes fisheries — and all of the economic activity that comes with it.

The bills have already advanced in House and Senate committees, and were expected to be taken up this fall by the Legislature’s Joint Finance Committee.

Money for the projects would come from a mix of general fund revenue and Wisconsin’s Great Lakes Trout and Salmon Stamp.

The stamp, required in order to fish the Great Lakes in Wisconsin, funds trout and salmon stocking programs. But Cowles says those programs would be no match for an out-of-control population of sea lampreys.

Marc Gaden of the Great Lakes Fishery Commission, the agency formed in 1955 to lead the binational effort, cites three areas of acute concern: Lake Erie (which he says has “catastrophically high” lamprey populations), northern Lake Huron and northern Lake Michigan.

In recent years, federal funding for control programs has fallen by more than $3 million, limiting the use of chemical treatments.

“Resources have been whittled back, and this is the consequence,” Gaden says, noting that when treatments decrease, lamprey populations rise.

Though states have always been partners in the basin-wide program to control lamprey, Gaden says, direct state funding has been uncommon. Today, however, if federal funding for control continues to lag, the region’s legislatures may decide to assume a greater role in stopping a potentially destructive — and costly — takeover of the ecosystem.

K-12 school districts, students (2010–11)

<table>
<thead>
<tr>
<th>State</th>
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<th>U.S. rank</th>
<th># of students</th>
<th>U.S. rank</th>
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<td>872,286</td>
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<td>2,057</td>
</tr>
</tbody>
</table>

Source: National Center for Education Statistics

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

Education

Illinois pursuing policies to get more bang for education bucks

F ew entities matter more to a community — big or small — than its schools. So mention the word “consolidation,” Illinois Lt. Gov. Sheila Simon says, and local public reaction is understandably going to be negative.

But at the same time, state leaders and local school officials are facing some new fiscal and educational realities: State budget cutbacks mean fewer resources for local schools, which more than ever before are being told they must offer a rigorous curriculum and the pursuit of “virtual reorganizations.”

That discovery has since led Wisconsin lawmakers down an unfamiliar path — considering the use of state dollars for sea lamprey control, which has long been left to the federal governments in Canada and the United States.

A bill proposed by Cowles (SB 134) and a companion measure in the Assembly (AB 155) call for the state to spend a half-million dollars to build a new sea lamprey barrier, improve an existing one, and increase chemical treatments proven to control populations.

“When the group first formed, a forced ‘mass consolidation’ — cutting the number of school districts from 868 to a maximum of 300 — was considered. But not only did this idea prove unpopular, it also would have come with a huge price tag: When school districts merge under Illinois law, the wage structures in the higher-salaried districts must be used and paid for by the state.

However, Simon says the goals of improved efficiency and educational opportunity can instead be made through a mix of changes in state law, a greater use of technology (expanding broadband to all schools so that districts can share online learning resources), and the pursuit of “virtual reorganizations.”

For example, if districts want to share an advanced-science teacher or school bus services, the state could have a ready-made agreement available for use. The commission has also recommended that a study of potential shared-service agreements be required for districts that fit an “early warning” financial profile.

Another idea is to create a state revolving fund that covers the up-front costs associated with a shared-service agreement. And as part of any such agreement, districts would be exempt from statutory restrictions on the outsourcing of non-instructional services.

Planned Detroit-Windsor bridge project a big step toward needed upgrade of border facilities

Canada and the U.S. are moving ahead with initiatives that will lead toward a “21st-century border” — one that relies on trusted-traveler programs to allow people to cross the border quickly and efficiently, while still maintaining security.

But these initiatives (which pre-screen people, companies and shipments that cross the border frequently, allowing them to cross more quickly via designated traffic lanes or expedited processing) also require modern infrastructure, which many border crossings currently lack.

“Most of these bridges do not include adequate lanes to separate reliable and trusted shipments enrolled in these programs from other ‘non-trusted’ shipments,” says Daniel Ujčo, an Ohio-based attorney and expert on U.S.-Canada relations. “Consequently, not only is the infrastructure dated, it requires significant upgrades to take full advantage of 21st-century security programs.”

But progress is being made at the busiest border crossing in the Midwest, with plans now under way to build a new bridge between Windsor, Ontario, and Detroit. The corridor is currently served by the Ambassador Bridge, the busiest commercial crossing in North America. More than one-quarter of all merchandise trade between Canada and the U.S. comes across the bridge.

In June 2012, after attempts to get a bill through the Legislature stalled, Michigan Gov. Rick Snyder entered into an interlocal agreement with Transport Canada to construct the New International Bridge Crossing.

Canada will pay all construction costs and will be repaid by revenues from bridge tolls. The U.S. State Department issued a presidential permit this spring, which is a major step toward starting construction on the U.S. side of the border.

Construction on the project is expected to begin in late 2015 or early 2016. U.S. and Canadian officials have said the bridge could open by 2026.

“Even if the existing [Ambassador] Bridge could be expanded or ‘twinned,’ this doesn’t address the fundamental fact that all of the lanes of traffic still enter a customs plaza that is smack dab in the middle of a residential neighborhood — with no room to expand,” Ujčo says.

The customs plaza is a key concern, because there isn’t enough room for the number of designated lanes needed as more vehicles fall under trusted-traveler programs.

But Ujčo says it is also important to take a broader view of the border.

“There is too much focus on just one bridge, one tunnel,” he says. “Policymakers need to view the border as part of a broader network of logistics movements from across the Atlantic or Pacific, into coastal ports, moving inland via rail, road or marine and into logistics centers” across key interstate highways.

Goods crossing the border into the U.S. from Canada are not only Canadian products. They also come from Europe and Asia, using Canadian ports as the first point of entry to the U.S., thus making the border a vital entry point for goods from around the world.

Uncertain future of Critical Access Hospitals worries rural lawmakers

In Sen. Jean Leising’s eastern Indiana district, many of her residents — and communities — have long relied on their local “Critical Access Hospitals.”

And like rural lawmakers across the Midwest, Leising has no reason to worry about the future of these hospitals, which rely in part on enhanced Medicare funding to keep their doors open.

The specter of many of these hospitals losing their “critical access” status was raised in a recent report by the U.S. Department of Health and Human Services. In that report, the department’s Office of the Inspector General recommended removing states’ authority to make “critical access” designations and handing those powers over to the U.S. Centers for Medicare and Medicaid.

The inspector general says federal officials should then use this authority to more closely scrutinize the status of hundreds of these hospitals. The recommended changes — which the report says could have saved Medicare $449 million in 2011 — would require congressional action.

“I am concerned not only about the future of our 35 [Critical Access Hospitals in Indiana], and the doctors and health care professionals that depend on the hospitals, but for the residents throughout rural Indiana that already have limited access to health care,” says Leising, a nurse and chair of the Indiana Senate Provider Services Subcommittee. “I would hope that Congress would recognize the importance of these hospitals to the future of rural America.”

In fact, that recognition led Congress to establish the Critical Access designation. This was done in 1997, at the tail end of a two-decade period (1980-1999) in which about 15 percent of the nation’s rural hospitals (including more than 100 in the Midwest) had closed.

Under the federal law, states were given authority to identify “necessary providers” of health care based on factors such as the number of low-income patients, the state’s geography and the absence of other providers.

Once designated, these hospitals receive Medicare payments for most services at 101 percent of reasonable costs (as compared to 94 percent for other hospitals). In addition, physicians who provide care in a Critical Access Hospital may be eligible for a 10 percent bonus for services to Medicare patients.

Since enactment of the law, the number of hospital closures in rural areas has dropped significantly. In the Midwest, 597 Critical Access Hospitals provide beds for 13,833 patients as well as 24-hour emergency care for more than 8 million residents.

One requirement for a Critical Access Hospital is that it not be less than 35 miles from the nearest hospital. But although about 75 percent of the nation’s 1,300 Critical Access Hospitals do not meet this requirement, they have been designated by their states as necessary providers and thus been granted “permanent exemptions.”

The inspector general believes these exemptions should be removed — which would put the future of many Critical Access Hospitals in doubt. In some states, up to 90 percent of the rural hospitals could be impacted; for example, 53 of Wisconsin’s Community Access Hospitals would lose their designation.

Rural communities already have fewer than half the primary care practitioners per capita that urban areas do — a gap the proposed change would likely widen.

Alan Morgan, CEO of the National Rural Health Association, says cutting the added Medicare funding would cause closures of many of the hospitals and “create huge voids in access to health care.”

He notes, too, that the cost of primary care in a rural setting averages 3.7 percent less than in urban areas.

Estimated economic impact in Michigan of new cross-border bridge

✓ Average of 6,600 jobs created over four-year duration; state revenues increase $150 million per year during construction

✓ Nearly 1,400 permanent jobs created for bridge operation; state revenues increase $14 million per year due to bridge operations

Source: Center for Automotive Research

Costs of Detroit-Windsor bridge project

<table>
<thead>
<tr>
<th>Location</th>
<th>Estimated Economic Impact</th>
<th>Total (in billions of $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detroit</td>
<td>$690.0 (5)</td>
<td>$2,615.7 ($28.5 billion)</td>
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<tr>
<td>Detroit, Mich</td>
<td>$556.5 (5)</td>
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<td>Port Huron, N-Y</td>
<td>$517.0 (5)</td>
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<tr>
<td>Chicago</td>
<td>$574.0 (4)</td>
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<tr>
<td>U.S. total</td>
<td>$2,615.7</td>
<td>$2,615.7 ($28.5 billion)</td>
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Midwest’s leading land, water freight gateways (2009)

<table>
<thead>
<tr>
<th>Port</th>
<th>Total trade, in billions of $ (U.S. rank)</th>
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</thead>
<tbody>
<tr>
<td>Detroit</td>
<td>$690.0 (5)</td>
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<td>$574.0 (4)</td>
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<tr>
<td>U.S. total</td>
<td>$2,615.7</td>
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</table>

Source: North Carolina Rural Health Research and Policy Analysis Center
Big stakes again for states in new term of U.S. Supreme Court

Can states ban affirmative action practices in their universities’ admissions policies? And what does the future hold for the common practice of opening legislative session each day with a prayer?

The U.S. Supreme Court will be taking up those questions in its new term, one in which the justices will hear cases that the State & Local Legal Center says “could have a major impact on state governments.” (The Council of State Governments is a member of the center.)

Court takes on affirmative action bans

The affirmative action case centers on a constitutional amendment approved by Michigan voters in 2006. It bans “preferential treatment” based on “race, sex, color, ethnicity or national origin in the operation of public employment, public education or public contracting.” Nebraskans adopted a similar constitutional ban two years later.

Opponents of these measures (also in place in four states outside the Midwest) say they have excluded thousands of minority groups from universities and violate the Equal Protection Clause.

Constitutionality of legislative prayer

Thirty years ago, a constitutional challenge by a Nebraska state senator reached the U.S. Supreme Court. The senator was Ernie Chambers (still a member of the unicameral Legislature), and at issue was the practice of opening each legislative day with a prayer by a chaplain paid by the state.

In a 6-3 decision, the court ruled that the Nebraska Legislature was not in violation of the Establishment Clause.

“Opening legislative sessions with prayer has become part of the fabric of our society,” the court ruled, adding that the practice was constitutional as long as it was not used to “proseleytize or advance any one, or to disparage any other, faith or belief.”

A new case, Town of Greece v. Galloway, “might redefine the court’s approach to legislative prayer practices,” the State & Local Legal Center says.

In the upstate New York community of Greece, each town board meeting begins with a prayer. Official town policy allows any person of any or no denomination to deliver the invocation. But using a “totality of circumstances” test — that nearly all of the opening prayers have been led by Christians — a Second Circuit Court of Appeals ruled that the town was in violation of the Establishment Clause. The Supreme Court is now taking on the case.

The State & Local Legal Center is filing amicus briefs in two other cases before the court.

One case could impact the ability of states to enact laws that strike a balance between freedom of speech and the duty to protect citizens from harassment at health clinics, funerals, political events and other locations (McCullen v. Coakley). The second case (Sprinthorpe Communications Company v. Jacoby) addresses a question of federalism: whether federal courts should hear certain cases still under review by a state court.

Incarceration rates in Midwest, 2012

* The Illinois state is for 2010. Rates are the number of inmates sentenced to mean more than one year per 100,000 residents. The U.S. rate in 2012 was 480 and has increased 0.4 percent since 2000.

Source: U.S. Bureau of Justice Statistics

Prison population trends have shifted, and so have state policies

In the 1990s, and for a good part of the last decade, no state was immune to the precipitous rise in the nation’s prison population.

Even traditionally low-incarceration-rate states in the Midwest such as Minnesota and North Dakota saw their numbers of prisoners triple.

But over the past few years, a change has occurred.

All Midwestern states have at least “bent the curve” on prison populations (see charts below), and the nation’s total number of inmates has now fallen for three consecutive years, recent data from the U.S. Bureau of Justice Statistics shows. Iowa, Michigan and Ohio are among the states reporting declines between 2010 and 2012.

One oft-cited reason for this new trend is an overhaul of state criminal justice policies.

According to the Pew Charitable Trusts’ Public Safety Performance Project, Illinois, Kansas, Michigan, Ohio and South Dakota are among the states that have implemented reforms since 2007 to control the size and cost of corrections systems.

Strategies have included changing sentencing laws for lower-level offenders; revising parole decisions and eligibility standards; and employing data-driven, evidence-based strategies that invest more in community corrections and reduce recidivism.

South Dakota’s reforms were adopted this year (SB 70) amid concerns that the state would have to build two new prisons to house the state’s growing inmate population.

Under the new law, more nonviolent offenders will be diverted from prison and additional state dollars will be invested in recidivism-reduction programs.

And a new state oversight council will measure performance and ensure that evidence-based practices are being employed.

The Council of State Governments Justice Center has helped lawmakers in several states — including Indiana, Kansas, Michigan, Ohio and Wisconsin — implement reforms that aim to cut costs and improve public safety.

Long-term trends in states’ prison populations, 1990-2012
**Capital Closeup**

**QUESTION OF THE MONTH**

**QUESTION: Do state laws in the Midwest allow local units of government to levy sales taxes?**

With the exceptions of Indiana and Michigan (which allow for local income taxes), all Midwestern states give local governments the statutory authority to impose a local-option sales tax — revenue collected for use by a city and/or county.

According to the Tax Foundation, as of January 2013, the average local sales tax in the Midwest ranged from a high of 1.95 percent in Kansas to a low of 0.29 percent in Minnesota.

Minnesota’s low rate is in part a reflection of statutory restrictions. A proposed local sales tax must be approved by three different entities: the local governing board, local voters and the state Legislature (with passage of state law). Revenue from the tax must also be earmarked for specific capital improvements. Since 2008, though, the state has provided an alternative path for local governments to levy a local transportation sales tax. Counties in the Twin Cities area, for example, now impose a sales tax of 0.25 percent for transit services; this tax does not require approval by local voters.

Voter approval of local sales taxes is required in Iowa, Kansas and Nebraska. Counties in Iowa and Kansas can have a local sales tax rate as high as 1 percent. The maximum rate for Kansas cities is 3 percent. Prior to 2012, Nebraska municipalities could impose a sales tax rate as high as 1.5 percent with approval by the local governing board and voters.

In 2012, Nebraska legislators raised the maximum rate to 2 percent (LB 357). This law requires a supermajority vote by the local governing body as well as voter approval for rates above 1.5 percent.

For legislators, no easy answers on how to set their own pay

by Laura Tomaka (ltomaka@csg.org)

For the past decade and a half, the annual salary for Minnesota legislators has remained at $31,140. And state Sen. Roger Reinert says there has been a noticeable consequence of this stagnation — closing the option of legislative service to many people.

"Increasingly, we are seeing either very young or retired members [in the Legislature]," he says. "Mid-career professionals who do not reside in the Twin Cities metropolitan area struggle to maintain a work/public service balance.

A plan to increase salaries was proposed this year (based on recommendations from the state’s Compensation Council), but failed to pass the Legislature. Lawmakers, though, did advance a plan that could eventually lead to higher pay.

Under a proposed constitutional amendment that will appear on Minnesota ballots in 2016, the authority to set the pay of state lawmakers would be shifted away from the Legislature and to an independent state commission.

"Clearly, the Legislature has not had the ability to tackle this issue, one that can easily be demagogued," says Reinert, who supports the change. "An independent commission that can look at the balance of work versus pay, as well as comparisons with other states, should move this issue forward, and do so in a thoughtful and apolitical way."

Who decides how much for legislators?

States in the Midwest use a variety of methods to set legislative pay.

In Nebraska, the annual salary is set in the Constitution, thus requiring voter approval for any changes.

Legislatures have more direct statutory or constitutional authority in other Midwestern states, though pay increases can occur without legislative action in some instances.

Indiana’s unique statutory formula sets legislator pay at 18 percent of that of trial court judges. The judges’ salaries are, in turn, based on a statutory formula that includes a base salary plus an annual adjustment related to raises given to top executive branch staff.

Minus legislative action, too, some states allow for automatic cost-of-living adjustments to take effect.

In Wisconsin, the decision on pay is not made by the full Legislature, but by a joint legislative committee. That committee can either adopt or amend recommendations made by the state’s director of employment relations. (The governor can veto any modifications that the committee makes to the recommendations.)

In Michigan, the full Legislature votes on salary recommendations made by a governor-appointed commission. Prior to passage of a 2002 constitutional amendment, legislative action was not required for this commission’s findings to take effect.

The constitutional change in Michigan occurred following backlash over a decision to increase legislator pay. Similarly, concerns about the process used in Illinois led to the elimination in 2009 of that state’s Compensation Review Board, whose proposed legislative pay increases took effect only if the House and Senate adopted uniform measures to alter or reject them.

North Dakota eliminated its Legislative Compensation Commission in 2011. The next test of what voters prefer will likely occur in three years, when Minnesotans decide whether an independent, salary-setting authority is the best option for their state.

Capital Closeup highlights institutional issues in state governments. Articles are available at www.csgmidwest.org

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<thead>
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<th>State</th>
<th>Current salary</th>
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<td>Legislative committee</td>
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* Adjusted for inflation. Pay increase over this year; higher legislator compensation takes effect in 2014.

Salaries are for months or calendar days during session; North Dakota legislators also receive S75 for a day during session and for interim committee meetings.

Source: CSG Midwest and Boise State University professor Gary Moncrief

This year, though, the Legislature removed the state’s largest city, Omaha, from municipalities with the power to tax over 1.5 percent. Nebraska counties can levy a sales tax of up to 1.5 percent for a specific purpose — funding joint public safety services — with voter approval.

Five Midwestern states — Illinois, North Dakota, South Dakota, Ohio and Wisconsin — allow local governing boards to adopt sales taxes without voter approval. In Illinois and North Dakota, this authority is extended to the states’ home-rule counties and municipalities; no limit is set on the local sales tax rate.

South Dakota allows municipalities to have a sales tax rate as high as 2 percent.

In Wisconsin and Ohio, the power to levy local-option sales taxes rests with the counties. Wisconsin’s state statute sets the rate at 0.5 percent and allows the tax only if it directly reduces the property tax levy. Ohio’s counties and transit authorities can set rates of up to 1.5 percent. Voters must OK the levies for transit authorities; however, a county board does not need voter approval for local sales taxes that raise revenue for the general fund or local criminal justice system.

Question of the Month article written by Tim Anderson, who can be reached at tanderson@csg.org. This section highlights an inquiry received by CSG Midwest. To request assistance, please contact us at csj@csg.org or 630.925.1922.
Best practices: Address chronic conditions, provide more-coordinated health care

spending made up nearly a quarter of state expenditures in fiscal year 2011. State funds dedicated to the program increased 20 percent over fiscal year 2010.

“Health care is driving dilemmas in states because of increasing costs…,” he says. “It’s impeding the ability to fund other priorities, like education or infrastructure. This is a universal problem that begs for solutions.”

So what can states do to better identify and help improve the health of patients with complex needs?

Claims data can help identify patients who could benefit

The first step to addressing high utilizers is identifying who they are, usually by using data from medical claims.

The concept of “hot spotting” became widely known after a New Jersey physician pored through claims data from hospitals in the city of Camden. Dr. Jeffrey Brenner used the information to pinpoint a few dozen of the community’s highest-cost patients and began working with them one on one: encouraging them to quit smoking, helping them take their medication on time and securing better living situations for them.

With that first pilot population, Brenner was successful in reducing emergency-room visits by 40 percent and cut these patients’ hospital bills by 56 percent. Brenner’s work is an example of how data can be used to identify patterns in health care use and make changes in how patients are treated.

Minnesota is now using Medicaid claims to help providers learn more about their patients. This applies, for example, to providers participating in the state’s new “health homes” initiative. (“Health homes” are providers that agree to take on patients with chronic or complex medical issues, serving as a primary-care facility and coordinating specialist care. In return, providers receive special payments for ensuring that patients receive better preventive care. In return, providers receive special payments for helping patients connect with a primary-care provider who can prevent chronic conditions families begin working with them.)

In these new health homes, and in a new set of coordinated-care pilot projects called accountable care organizations, participating providers are receiving more information about patients.

For example, a “provider alert” report tells a physician if a patient has been in the hospital or an emergency room recently. A “care management report” uses predictive indicators to determine which patients would be candidates for better care coordination (because they are receiving care from multiple specialists, for example).

“Providers are interested and engaged with use on the data, which they can’t get from private plans,” says Marie Zimmerman, health care policy director for the Minnesota Department of Human Services.

Initiatives focus on coordinating care among many providers

Medical and policy experts agree that for many high utilizers, the issue is not why they are receiving care — but where. A 2010 study by the RAND Corp. found, for example, that 17 percent of all visits to emergency rooms could be treated in other settings, potentially saving $4.4 billion in annual health costs.

Policy makers exploring this issue are looking at ways to divert patients from the most expensive settings (emergency rooms and hospitals) to those that are more appropriate for their needs. Medical homes, for example, help patients connect with a primary-care provider who can prevent chronic conditions families begin working with them.)
conditions from spiraling out of control. The hope is for patients to need urgent care less often — and to make an office visit for most issues.

Minnesota’s Hennepin Health program is widely considered at the cutting edge of programs designed to ensure that patients get regular primary care, with the dual goals of keeping them healthier and reducing emergency-room and inpatient costs.

The program, launched in 2012 in conjunction with the state’s early Medicaid expansion, serves the state’s poorest residents (under 75 percent of the federal poverty level). Many of them have chemical dependency or mental health issues, according to Scott Leitz, assistant commissioner of the Department of Human Services.

The state contracts directly with the county and provides a “capitated” per-patient payment, without contracting with a third-party health plan. In other words, the county receives a flat fee for caring for a patient — and takes on the risk associated with improving outcomes and reducing costs.

“That up-front payment helps the county make investments upstream and provide the services needed for patients to be more stable,” Leitz says. For example, the program studies the 5 percent of patients with the highest utilization rates. The state found that many were continually entering the emergency room for drug and alcohol issues. The county invested in a “sobering center” to divert patients, when appropriate, instead of assessing them in emergency rooms or medical detox centers.

The program also created a coordinated care clinic for 200 of its top utilizers, or those with three or more inpatient stays in the last 12 months. A multidisciplinary team that includes a physician, nurse practitioner, psychologist and social worker cares for a wide range of patients’ needs, with the goal of keeping them healthy and out of the emergency room.

And coordinating care, many experts agree, means reaching beyond the traditional health care system. Sometimes something relatively small, like a refrigerator, can keep a patient out of the hospital and cut medical bills by leaps and bounds.

Crippen provides the example of an asthmatic whose attacks lessened after she was provided with an air conditioning unit. Jones suggests helping someone with healthy-cooking classes to fight the root cause of their obesity. Medicaid does not typically reimburse for many non-medical expenses, so it would generally be a state responsibility to put in place these types of “wrap-around” services.

Right now, those services are being provided at the local level in most states — including Ohio, where Jones says the state is “on the verge” of looking at reforms to integrate delivery of those social services into public health programs.

States can also employ the “stick” approach to discouraging patients from going to the emergency room for routine care. States are permitted to charge fees for non-emergency use of the ER, allowed amounts start at $3.90 for the poorest beneficiaries but there is no limit for enrollees earning more than 150 percent of the federal poverty level.

(Last year, Florida attempted to impose a $100 fee for Medicaid patients that seek non-urgent care in an emergency room. The measure was rejected by the federal government.)

Payment reform aims to create incentives for improving care

The federal Medicare program has used “accountable care organizations” as a way to improve care coordination and offer incentives for medical professionals who provide quality care. These arrangements bring together physicians and other medical professionals to care for chronically ill patients who typically see many different kinds of medical providers.

In exchange for agreeing to manage patients’ complex medical conditions, the accountable care organization can share in the savings achieved by keeping the patient healthier. (In an ACO, a provider’s compensation is typically tied to whether they meet quality measures.)

Through its Health Care Delivery Systems demonstration, Minnesota is currently operating six ACO pilot programs for a total of 100,000 patients.

“Aligning incentives for providers is much more effective way to [pay for care],” Zimmerman says. “In Medicaid, the ACO is ultimately responsible for [any higher-than-usual] costs and hopefully will benefit from the ‘gain share’ by meeting the quality targets we have set for them.”

While ACOs have already been operating in Medicare and in the private sector, some state policymakers are considering such arrangements in Medicaid. The idea is to move away from the traditional fee-for-service model (in which providers are paid for each visit, test and procedure) — which some experts argue gives incentives for providing more services, not achieving better outcomes.

Ohio Sen. Shannon Jones agrees that the time is now to re-think how care is delivered and how providers are paid. Her state is no different from the nation as a whole, she says: A small group of people is consuming “the lion’s share” of health dollars.

“Instead of thinking about it as health care, we have to think about it as health and wellness,” she says. “Prevention is a big piece of that. Let’s get people into preventative health care instead of having them come to the ER when there is a crisis.”

Jones cites the example of a child with asthma. Instead of continuing to pay for admitting the child to the emergency room with asthma attacks, the money would be better spent on getting the child into a “medical home” and providing services that prevent further episodes.

“How can we intervene in a way that is better for the child in the long run — such as talking about factors such as pets, smoking, carpet and better medication management?” she asks.

In recent years, Ohio has ramped up its use of managed care in the Medicaid program, expanding it to more complex patients. And she believes it’s time to take the next step and think about ways to incentivize quality.

For example, everyone wants to see quality indicators such as fewer hospital admissions and an increase in full-term births; providers should be incentivized to help meet these quality indicators.

But, she admits, that is going to be a culture change; she points out that providers are accustomed to being paid for each individual service they perform, and some are concerned about whether their business will be negatively affected under a completely new payment model.

Many of these reforms will have to be achieved through negotiations between the state and its health plans and providers, Jones says. And it might take some time to get the perfect mix of policies, but she believes that in the face of rising costs, states have no option but to commit to reforming the current system.

The NGAs Crippen adds that states have control over not just whether to seek Medicaid waivers for new ideas or how to regulate participating health plans, but many other health policy options, too. For example, states make decisions about scope-of-practice issues — what services health care professionals, such as nurses and dental hygienists, can perform — and how many are trained in their universities. Many experts say this could help improve basic preventive care by creating more access to primary-care providers, and at a lower cost than physicians or dentists.

Crippen adds that state lawmakers have the power to make sure that behavioral and physical health are covered in the same way and in a coordinated manner for patients. All in all, he stresses to state policymakers that they can make a lot more decisions than they think about health care, not everything is dictated from Washington, D.C.

“States have so much power over health care as a purchaser and a regulator,” he says. “They can take the reins now and start [making changes].”
North Dakota Sen. Rich Wardner

Former educator considers improving education a top priority; as majority leader, he's overseen some big challenges in Senate

by Kate Tormey (ktormey@csg.org)

T
teen years ago, Rich Wardner took on a new leadership role in his town — as the local state representative.

But to this day, fellow residents in the western North Dakota town of Dickinson still stop him to reminisce about the days when his roles were "teacher" and "coach."

Wardner spent 32 years as a coach and math teacher, and eventually as assistant principal, at the local high school.

"You sometimes think you're molding the kids — but they're molding you, too," he says.

Wardner particularly enjoyed working with students who needed a little extra motivation, and along the way, he learned a lot about how to inspire others to do their best.

He's using many of those same skills as majority leader in the Senate, where he has served for 14 years (after eight years in the House).

"Everything I learned in teaching and coaching, they were all valuable experiences that have helped me be a better legislator," he says.

But it didn't fully prepare him for his first campaign. Wardner still recalls that first election: being "as nervous as a cat on a hot tin roof," and embarking on a door-to-door campaign in the sweltering August heat. That nervousness soon turned to hopefulness, thanks to the encourage-

ment of friends, neighbors and former students.

"They didn't of course know for sure what kind of legislator I would be," he recalls, "but they did know what kind of person I am."

Much change in 20 years as lawmaker

Wardner's top priority as a new legislator was ensuring a quality education for all students and restoring K-12 education funding, which had been cut in recent years due to a downturn in state revenues.

"We had to cut teachers in our district, and it was a very tough time," he says. "I was hoping we could find some stability."

Since that first election 20 years ago, much has changed in the state. North Dakota's economy has been thriving, and Wardner's legislative district is near the center of the state's recent oil boom.

The result has been a whole new set of policy priorities — dealing with increased traffic and ris-

ning housing prices, for example, and maintaining roads and the area's natural habitat.

CSG Midwest spoke recently with Wardner about his policy priorities and goals for the state. Here are some excerpts from the interview.

Q: You've said that property taxes are a concern among your constituents. Can you talk about the state's recent efforts to help?

A: The state — since we started receiving some oil revenue and our coffers started to look pretty good — has tried to help the local political subdivisions and help "buy down" prop-

erty taxes. We've been doing it through [increases in state] school funding, …

Bio-sketch of Sen. Wardner

✓ first elected to North Dakota House in 1991 (served 6 years)
✓ has served in Senate since 1999 and is current majority leader
✓ represents Dickinson, in the western part of the state
✓ was a high school educator and coach for 32 years
✓ past chair of the Midwestern Legislative Conference
✓ holds a bachelor's degree from Dickinson State University and a master's degree from Northern State University

Local governments used to be able to levy 185 mills for education in this state for the general fund. We have now cut that down; the local govern-

ments have to come up with 60 mills, and we have replaced the rest with state funding.

It is the easiest way to get the money [to the local govern-

ments], because the state was already [provid-

ing some] funding for education. The key to funding K-12 education, as well as all of our priorities, is creating job opportunities and a healthy economy.

Q: As a former educator, what's on your prior-

ity list in the near future for improving education?

A: We would like to see more education through interactive media in some of the smaller communities, because we have small but necessary schools. Sometimes we cannot transport the students because the distance is too far, especially out here in the western part of the state, but we want to make sure the kids get a quality education. … We still have some rural districts that are running an elementary school for four students.

We have our challenges with education, and we need to continue to do a better job. Throughout the whole country, though, sometimes teachers have so much paperwork. Especially with No Child Left Behind, there are so many records to be kept and all of these things have to be done that sometimes our teachers are not able to do what they are supposed to do: teach and educate our kids. We are working on a way to provide a quality education in which the teachers are held accountable — but they can teach and not be tied up with a bunch of busywork.

I am involved with the state Department of Public Education on a group that is working on how to evaluate principals and teachers. There is no question in my mind: the most important thing is the leadership that we have in our state on education. Educational leadership is critical. When you've got good leaders in your school districts — principals and superintendents — they are the people that set the bar in education. A lot of things go into that, but it all goes back to motivating teachers to do a good job and making them want to go that extra mile for kids.

Q: In addition to education, you believe that in-
frastructure is a key concern for your state. What issues do you think need to be addressed?

A: People don't always think about this, but farmers used to haul their grain to town in a small truck; now they haul their grain to town in a semi. That has raised havoc on the roads, even in the eastern part of the state, where there is no oil activity. But because of the oil [revenues], roads throughout the state are getting some money from oil revenue to help upgrade.

North Dakota's water isn't of high quality, so we have been able to put in systems that bring good, quality water to our communities. If it wasn't for the Southwest Pipeline, which comes to Dickinson, we wouldn't have been able to grow with this oil boom.

We also put money into flood prevention. We have some rivers and communities that flood from time to time, so we have put money into making sure that doesn't happen again.

Q: How did being an assistant principal shape your own philosophy on leadership?

A: The issues were different, but in many ways, it was similar being in the majority leader's office. Issues come up and you have to help people work through them. It's not that I have all of the power and this is what we're going to do. I'm really not that kind of leader.

I lead from the grass roots up. I want to be a facilitator. I want people to come with ideas because I know I don't have all of the good ideas, and I want people to feel free to step forward with their ideas. But they also have to understand that when they have an idea they have to sell it to the rest of the caucus.

Some people say, "Hey, I have a good idea and the rest of the caucus has to accept it." That isn't the way it is. However, it is my job as leader to lead and guide the discussion on setting good policy.
Legislative efforts, compromise bring long-awaited tax reform to Iowa

New law reduces property tax inequities, brings income tax relief

by Iowa Rep. Tom Sands (tom.sands@legis.iowa.gov)

This year’s Iowa legislative session was a landmark year on many fronts, but especially regarding tax relief. After two straight years and most of a third session coming up short in trying to pass substantial property tax relief, state lawmakers were able to send a bill to the governor’s desk on the final day of our 2013 session. This did not come easily or quickly. The groundwork that was laid over the prior three years, coupled with stronger state revenues and the willingness of the executive and legislative branches to compromise, sealed the deal for passage of SF 295.

In Iowa, partisan power is split, with Republicans controlling the governor’s office and the House and Democrats holding a majority of seats in the Senate. But leaders in both parties agreed that our state was in need of property tax relief. My caucus, the Iowa House Republicans, was focused on broad-based relief — a fix that did not create a shift from one class of property (residential, commercial or agricultural) to another.

Making the taxpayer the focus

I have always placed the taxpayer at the head of the table and looked at actions of a bill through the optic of the taxpayer. The relief that was to be provided needed to be substantial and sustainable. I wanted to slow the growth of government to keep more money in the pockets of hardworking Iowans who earned it, not the governments that collected it.

Iowa Senate Democrats were more focused on local governments (the tax receivers) to make sure any relief package left them unharmed. Their initial plan focused only on small commercial properties and used a state-funded tax credit to provide them tax relief (if the state did not fund the credit, the property owner would not see any relief). The governor’s first bill focused on commercial property and the inequity that existed between that class and two other classes, residential and agricultural. The latter two types of properties have long been subject to “rollback provisions” — limits on year-to-year growth in assessed values to control property tax increases. Such controls have not been in place for commercial and industrial property. This inequity has long been a driver in the push for reform, due to concerns that our state’s commercial property taxes were too high.

Through much work, the governor’s plan and the House Republican plan were merged into a single proposal. This took most of a year and required many meetings with the governor’s office.

SF 295’s wide margin of victory in both the House and Senate clearly showed strong bipartisan support.

The second section came from House Republicans and Gov. Branstad. This section lowers the amount of value on which commercial property is taxed, thus reducing the amount of property taxes that commercial owners pay. This reduction in “taxable value” helps all businesses — whether they are big or small. In addition, this section places property-tax payers ahead of the property-tax payers, local governments. It will slow the growth of government, which will provide big relief to everyone who pays property taxes, but especially residential and agricultural property owners.

All parties agreed, too, that current law had led to an inequity between different types of multi-residential units, and that this needed to be fixed. Our solution was to create a new property tax classification for apartments, nursing homes, assisted living facilities, and the like.

Lastly, we reached agreement on a measure to provide relief (via a partial property tax exemption) for Iowa’s local telephone companies. This has been one of my priorities for the last several years, because our antiquated method of assessing these companies has stifled investments in Iowa’s broadband infrastructure.

Help for income-tax payers as well

Property tax relief was the centerpiece of our reform efforts this year, but we also took substantial steps to protect income-tax payers. Moving forward in Iowa, if the state takes in more than what it anticipated in revenue, we are going to give a portion of that overpayment back to the people — the taxpayers of Iowa. This was a key priority for Republicans in the legislature.

Democrats fought equally hard for the low-wage earner, by pushing to increase our state’s earned income tax credit. The chairman of the Iowa Senate Ways and Means Committee referred to this increase as his No. 1 priority and would not consider anything else until it was included. I would have preferred that this not be in the tax-reform bill, but agreed to it as part of a compromise measure that included many of our caucus’s priorities.

Finally, Republicans fought hard to extend the Property Assessment Appeals Board — another alternative for people to appeal their property taxes — which was set to sunset on July 1, 2013.

There are parts of this bill that I certainly did not like, but I believe that what I got included in the bill — by taking the parts I did not agree with — was a sacrifice worth making.

Clearly, getting a bill into conference committee was a major accomplishment which signaled that victory could lie just ahead. But there were still major differences that had to be addressed before the conference committee report could be signed.

I spent countless hours negotiating details with key Senate Democrats that all parties could accept. Ultimately, the bill’s wide margin of victory — votes of 43-6 in the Senate and 84-13 in the House — clearly showed strong bipartisan support.

The final product is a win for all Iowa taxpayers, and again, that is the optic with which I view all tax policy — through the lens of the taxpayers.

Rep. Tom Sands, a Republican from Wapello, was first elected to the Iowa House of Representatives in 2002.

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 630.925.3922 or tanderson@csim.org.
Legislators from 11 states complete renowned leadership training program

A bipartisan mix of state and provincial legislators completed five days of intensive leadership development training in August and became the latest graduates of the highly renowned BILLD program.

BILLD, the Bowhay Institute for Legislative Leadership Development, is a signature program of CSG Midwest’s Midwestern Legislative Conference. It is the only leadership program designed for the region’s state legislators. Since its inception 19 years ago, BILLD has helped hundreds of newer legislators from the region, many of whom have since advanced to leadership positions in their states or been elected to the U.S. Congress. The program is held every year in Madison, Wis., and combines a mix of sessions on public policy and professional development.

Thirty-seven legislators from 11 Midwestern states and four Canadian provinces were part of the 2013 BILLD class. They were chosen through a competitive selection process overseen by the Midwestern Legislative Conference’s BILLD Steering Committee — a bipartisan group of state legislators. Indiana Rep. Ed Clere and Ohio Sen. Cliff Hite are the committee’s co-chairs. Minnesota Sen. Roger Reinert and Nebraska Sen. Kate Sullivan are the vice chairs.

BILLD highlights and information

- This year’s professional development sessions were led by leading experts on time management, communications, legislative decision-making, state lawmaking and the courts, and legislative civility.
- This year’s policy sessions centered on Medicaid reform and higher-education funding as well as the future of the Midwest’s economy and state fiscal conditions.
- Next year’s BILLD program will be held August 8-12, 2014, in Madison, Wis. Legislators in their first four years of service are encouraged to apply: contact Laura Tomaka (603.925.1922 or l.tomaka@csg.org) or visit www.csgmidwest.org.

2013 BILLD Fellowship Class


Row two: Rep. Barbara Wheeler (Illinois); Sen. Lou Gentile (Ohio); Rep. Scott Louder (North Dakota); MLA Maureen Kubinec (Alberta); Rep. Jessica Haak (North Dakota); Rep. Nicholas Celebrezze (Ohio); and Sen. Frank LaRose (Ohio)

Row three: MPP Jeff Yurek (Ontario); Sen. Deb Soholt (South Dakota); Rep. Nancy Dunkel (Iowa); Rep. Steve Stadelman (Illinois); and Rep. Thomas Beadle (North Dakota)

Row four: Rep. John Landon (Iowa); Rep. Joe Schomaker (Minnesota); Rep. Mary Czaia (Wisconsin); Rep. Dan Forestal (Indiana); Rep. Chris Hall (Iowa); Sen. Sara Howard (Nebraska); MLA Ted Marcelino (Manitoba); Rep. Kelly Burke (Illinois); and MLA Scott Moe (Saskatchewan)

Row five: Sen. Mark Stoops (Indiana); Sen. Al Davis (Nebraska); Rep. Tom Phillips (Kansas); Rep. Elaine Finch (Kansas); Rep. Melissa Magstadt (South Dakota); and Rep. Robert Kosowski (Michigan)

CSG’s latest ‘Book of the States’ now available online

Two years after it was founded, The Council of State Governments began publishing a reference tool that it called “The Book of the States.” Almost eight decades later, this “encyclopedia of state government” remains the preeminent source for relevant, accurate and timely information on the nation’s 56 states, commonwealths and territories.

Released in July, and available in its entirety on the CSG Knowledge Center (http://knowledgedesk.csg.org), the 2013 volume includes 150 in-depth tables, charts and figures illustrating how state government operates.

This year’s “The Book of the States” also has 32 articles written by state leaders, innovative thinkers, noted scholars and CSG’s in-house policy experts that analyze and report on the transformations taking place in state government. In all, CSG staff mined more than 500 sources to obtain the information shared in “The Book of the States.”

The entire archive of “The Book of the States” dating back to 1935 is also available online at the Knowledge Center.

CSG has new home for leading research on criminal justice reform

For legislators and other officials with an interest in reforming their state criminal justice systems, the search for policy solutions can begin at the revamped website of the highly respected CSG Justice Center.

The new site embodies the Justice Center’s efforts to provide data-driven, consensus-based strategies to increase public safety and strengthen communities. Eight policy areas of interest are highlighted on the site:

- Mental health
- Courts
- Law enforcement
- Reentry
- Justice reinvestment
- Corrections
- Substance abuse
- Youth

In each area, csgjusticecenter.org provides rich content developed by staff and experts from around the country.

The CSG Justice Center is a national nonprofit organization that serves policymakers at the local, state, and federal levels from all branches of government.
Great Lakes caucus urges U.S. Congress to stop further cuts to restoration initiative

A bipartisan group of state legislators from the region is urging its federal counterparts in the U.S. Congress to preserve funding for a historic Great Lakes protection program.

In a letter written to congressional leaders, the Great Lakes Legislative Caucus Executive Committee says it is “deeply concerned” about a decision made in July by a House subcommittee to slash funding for the Great Lakes Restoration Initiative — from a level of $284 million in fiscal year 2013 to $60 million in FY 2014.

Subsequent proposals have partially restored funding levels, but the future of the initiative remains uncertain.

The federal Great Lakes restoration program began in FY 2009 at a funding level of $475 million. It was cut to $300 million in the next two years and then to $284 million this year.

Caucus leaders also voiced their support for the Great Lakes Ecological and Economic Protection Act, which would fund the initiative at $475 million and make it a more permanent part of future federal budgets.

Since it began, the Great Lakes Restoration Initiative has funded four priorities in the eight Great Lakes states:

1) cleaning up environmentally degraded “Areas of Concern” in the basin;
2) preventing the spread of invasive species;
3) restoring and protecting habitat; and
4) improving near-shore health and beaches.

Future caucus activities include 2014 meeting in Québec

The caucus took its actions in late July at a meeting in Duluth, Minn., attended by lawmakers from all eight Great Lakes states and the two Canadian provinces in the basin.

The annual meetings of the caucus give legislators the chance to learn more about important Great Lakes issues as well as how states and provinces are protecting or can better protect the freshwater system. In Duluth, for example, the caucus agreed to pursue a basin-wide strategy that prevents the introduction and spread of invasive species.

The caucus will next meet July 24 and 25 in Québec City. Membership in the caucus is free and open to all legislators from the eight Great Lakes states and two Canadian provinces in the basin. More information is available at www.greatlakeslegislators.org.

CSG Midwest provides staffing services to the caucus. Minnesota Sen. Ann Rest serves as the chair and Michigan Sen. Darwin Booher serves as the vice chair.

Future of radioactive waste storage, role of states part of educational tour hosted by CSG Midwest

However and wherever the nation decides to permanently store its nuclear waste, the Midwest will have a central role to play and a big stake in the final storage solution.

Nuclear waste is currently being stored at 23 operating or shutdown power plants in eight Midwestern states, and the region will also likely be affected by thousands of shipments of spent nuclear fuel to a national repository (once thought to be Yucca Mountain in Nevada, but now unknown).

For more than 20 years, a CSG Midwest committee has helped states plan for shipments of radioactive waste and has provided regional input to the U.S. Department of Energy.

As part of its mission to serve state officials, the CSG Midwestern Radioactive Materials Transportation Committee hosted a tour this summer of the DOE’s Waste Isolation Pilot Plant in Carlsbad, N.M.

The purpose of the tour was to introduce state legislators and other leaders to radioactive waste transportation, storage and disposal by showing them an operating repository.

Attendees ventured 2,150 feet underground to see the rooms that are the final resting place for transuranic waste from the nation’s nuclear weapons research and production. They learned about the plant’s history and the model transportation program established by the DOE and affected states for shipments to Carlsbad.

New Mexico officials also discussed ideas for expanding the Carlsbad area’s “nuclear footprint” to include disposal of high-level U.S. defense waste and possibly storage of spent nuclear fuel.

The CSG Midwest committee hopes to host future tours; please contact Lisa Janairo at 920.458.5910 or ljanairo@csg.org for more information.
New Kansas initiative kick-starts students’ work in high-need jobs

This year, some local school districts in Kansas received hand-delivered checks from the governor, while their high school students received a tuition-free education at a technical college.

The reason? A 2012 law (SB 155) that Topeka Capital-Journal says “may be Gov. Sam Brownback’s most popular education initiative.”

To bolster college and career readiness, Kansas is now taking on the costs for students to take part in college-level technical education courses. School districts also receive a $1,000 bonus for each student who earns an industry-recognized certificate in “high-need” occupations identified by the state. During the program’s first year, high school students’ enrollment in college-level technical courses rose 50 percent. The number of students earning industry-recognized certificates increased 28 percent.

According to the Education Commission of the States, legislatures across the country are placing a greater emphasis on high school career and technical education. In Minnesota, high school juniors and seniors already could take tuition-free courses on a college campus. In Kansas, 10th-graders (HF 2949) and since 2009, high school students’ enrollment in college-level technical courses rose 50 percent. The number of students earning industry-recognized certificates increased 28 percent.

The enacted bill in Michigan (HB 4714) includes two provisions that will require federal waivers, the Detroit Free Press reports.

First, the state wants to create health savings accounts for Medicaid recipients in the expansion population. Second, the expansion population will be broken into two groups. During the first four years on the program, a Medicaid recipient will have a 5 percent co-payment for medical costs. After four years, individuals must make a choice — take on a co-pay of 7 percent, or purchase private coverage via the new health care insurance exchange. Exemptions to this higher co-pay are included for “medically frail” individuals.

North Dakota has funded career and technical education scholarships of up to $6,000.

States split on Medicaid expansion; Michigan will require co-pays

After narrow legislative passage of a Medicaid expansion bill in August, Michigan became the Midwest’s fifth state to expand coverage under the federal Affordable Care Act.

Michigan, Iowa, Minnesota and North Dakota had already approved expansion plans earlier in the year. According to the Kaiser Family Foundation, one other Midwestern state, Ohio, may extend coverage by the end of the year.

The enacted bill in Michigan (HB 4714) includes two provisions that will require federal waivers, the Detroit Free Press reports.

First, the state wants to create health savings accounts for Medicaid recipients in the expansion population. Second, the expansion population will be broken into two groups. During the first four years on the program, a Medicaid recipient will have a 5 percent co-payment for medical costs. After four years, individuals must make a choice — take on a co-pay of 7 percent, or purchase private coverage via the new health care insurance exchange. Exemptions to this higher co-pay are included for “medically frail” individuals.

According to the Education Commission of the States, legislatures across the country are placing a greater emphasis on high school career and technical education. In Minnesota, high school juniors and seniors already could take tuition-free courses on a college campus. In Kansas, 10th-graders (HF 2949). And since 2009, North Dakota has funded career and technical education scholarships of up to $6,000.

Legislatures lead drive for higher speed limits on region’s highways

Eighteen years ago, states were put in the driver’s seat when it came to setting the nation’s interstate speed limits.

Legislatures took that new authority and steered transportation policy in one direction — higher limits, as high as in the Midwest at 75 mph in Kansas and Nebraska (rural interstate states) and North Dakota and South Dakota (rural and some or all urban interstates).

That trend is continuing this year. Under legislation signed into law in August (SB 2356), Illinois’ speed limit on rural highways will increase from 65 mph to 70 mph. The Wisconsin legislature will consider making the same change this fall.

According to the Governors Highway Safety Association, the Midwest’s nine other states already set speed limits on rural highways at 70 mph or higher. In Indiana, Iowa and Michigan, though, trucks must travel at slower speeds.

The upcoming change in Illinois will not affect speed limits in the state’s urban areas, where the legal limit will remain 55 mph for cars and trucks. Indiana, Iowa and Minnesota also have 55 mph limits in certain highly populated areas. For motorists traveling on urban interstates in the eight other Midwestern states, speed limits are between 60 mph and 75 mph.

Illinois requires lost guns to be reported, expands background-check law

Illinois legislators have added new requirements on gun sellers and owners under a recently enacted bill that aims to keep firearms out of the hands of criminals.

Prior to enactment of HB 1189, which takes effect next year, Illinois exempted some private sales from an existing background-check requirement. But starting in January, all private sellers must confirm that the buyer has a valid Firearm Owners Identification card. (This requirement already applied to licensed gun dealers and sales at gun shows)

Illinois is the first state in the Midwest to have universal background checks, according to the Brady Campaign to Prevent Gun Violence.

Illinois is also now requiring gun owners to report a lost or stolen firearm within a 72-hour time frame. This new law is intended to help law enforcement crack down on “straw purchases” of firearms. Someone buys a gun for an individual unable to purchase it due to a criminal background or other reasons. Chicago police (where last year 43% of the city’s 506 murders involved guns) have cited straw purchasing as a major public safety problem.

Michigan and Ohio were already among the seven U.S. states that require gun owners to report lost or stolen guns.

To Illinois legislators, this gun safety measure is a key part of their “straw purchase” ban, which requires gun dealers and owners to report a gun sold or given away to someone who is not the buyer’s spouse or child. The law also bars gun owners from selling or giving away a firearm to another person who is not the buyer’s spouse or child.

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