

PERSPECTIVES 2017-2018



Eastern Regional Conference

THE COUNCIL OF STATE GOVERNMENTS



At the top of CSG's value statement is our commitment *to pursuing the priorities of our members*. In order to identify those priorities, we need first to be good listeners.

In recent years, the CSG/ERC Annual Meeting has become more than just a forum for issue experts to make formal presentations: it is a highly interactive opportunity for our committee members to share problems they are facing back in their respective state capitals and to enlist our assistance in developing positive outcomes. A perfect example was the CSG/ERC Education Committee meeting that was held during the 2017 ERC Annual Meeting in Connecticut last August.

The session began as a staff-led discussion on the implementation of the Every Student Succeeds Act (ESSA). It soon turned into a broader conversation about the needs of educational systems in the region, the problem of teacher shortages, and, finally, teacher certification reciprocity. In response, staff drafted a resolution during the meeting, directing ERC to pursue an interstate compact approach to interstate licensing challenges in the eastern region. As a regional and national organization serving all three branches of state government, CSG/ERC, in conjunction with CSG's National Center for Interstate Compacts (NCIC), is well suited to address this issue.

I am excited about the teacher licensing compact project, not only because it plays to CSG/ERC's strengths in facilitating regional approaches to regional problems, but also because the project grew organically out of a conversation among our Education Committee members on the needs of educational systems in the East. I appreciate the input from Connecticut Representatives Michelle Cook and Pam Staneski on this project, and we look forward to working with CSG/ERC Education Committee members and NCIC staff in the year ahead.

Our CSG/ERC Energy and Environment Committee staff has also been listening and responding to growing member concerns regarding national policy on climate change. While the Trump administration has formally announced that the United States will withdraw from the Paris Climate Accord,

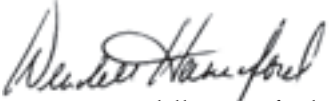
14 states, including seven member jurisdictions in ERC, have pledged to uphold the agreement.

The CSG/ERC Energy and Environment Committee, led by its co-chairs, Massachusetts State Senator Marc Pacheco and New Jersey State Assemblyman Reed Gusciora, held discussions at the CSG/ERC Annual Meeting last summer regarding the role of nuclear power and other zero-carbon sources of energy in meeting states' climate objectives. Legislators at the conference toured the Millstone Power Station, which provides 98 percent of Connecticut's carbon-free electricity. Connecticut State Senator Paul Formica, whose district includes the Millstone reactor, expressed concern over the future of the plant, and nuclear power in general, which he sees as serving as a critical source of baseload power as the state transitions to more renewable energy.

Many other state officials in the region share Senator Formica's concern, given the recent closures of nuclear plants, such as Vermont Yankee, or the announcements that plants in Massachusetts and New Jersey will retire ahead of their scheduled license expirations. In response to requests from members to collaborate more frequently throughout the year, staff plans to convene CSG/ERC Energy and Environment Committee members and other stakeholders in smaller working meetings throughout the region, beginning at Princeton University in the spring. These meetings will examine state and provincial policies to reduce greenhouse gas emissions, increase grid resiliency, and ensure the region maintains its leadership role in developing the clean-energy economy.

Finally, perhaps the most dramatic example of the importance of listening to members was evident during the aftermath of Hurricanes Irma and Maria that devastated Puerto Rico and the U.S. Virgin Islands. Since the storms struck in September of 2017, CSG/ERC staff has been in regular communication with our members in the islands. In response to a request, CSG/ERC provided space in the Hall of States to officials and staff from Puerto Rico to manage phone calls and direct offers of assistance. We are facilitating calls between state officials in the U.S. Virgin Islands and state officials in the Northeast who have had firsthand experience with extreme weather and can share lessons learned from the recovery and rebuilding phases following Superstorm Sandy and Tropical Storm Irene.

During the next round of capitol visits to each of our 18 member jurisdictions beginning in January, I will be listening carefully to make sure that CSG/ERC's resources and priorities align with the needs of our states, territories, and provinces. In the interim, please do not hesitate to share your thoughts about how CSG/ERC can better serve you and your colleagues. We are here for you, and we are listening.


Wendell Hannaford
Director

Creating Policy Solutions

Since 1933, state officials have turned to The Council of State Governments (CSG) as an impartial source of research and information to help them meet the challenge of governing.

CSG, headquartered in Lexington, Kentucky, has four regional offices in the East, Midwest, South, and West.

CSG's Eastern Regional Conference (CSG/ERC) has been located in New York City since 1937. Our team of experienced policy staff support legislative, judicial, and executive-branch officials from our 18 member jurisdictions in areas relating to agriculture, Canada/U.S. relations, education, energy and environment, fiscal affairs, health, international trade, and transportation.

CSG/ERC facilitates the exchange of ideas among its member states, provinces, and territories, promotes networking among members, and conducts fact-based research and analysis to help shape effective public policy.

We also conduct leadership training programs and advocate on the federal level for programs and policies beneficial to our region.

CSG/ERC is here for you. Call, email or visit us online at www.csg-erc.org.

The Council of State Governments

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Photo Credit: Nuclear Regulatory Commission

Forging a Regional Energy Strategy amid a Marketplace in Transition

The Millstone Nuclear Power Station in Waterford, Connecticut.

One afternoon during the CSG/ERC 2017 Annual Meeting, more than a dozen state and provincial officials stood before a simulated nuclear reactor at the Millstone Power Station, where an employee explained the fission process that provides about half of Connecticut's power. The group had been invited to tour the plant, and the discussion quickly turned to a question looming in many policymakers' minds: What would happen if the plant shut down?

Millstone's owner, Dominion Energy, had not announced plans to close, but earlier in the summer, the company said that it would "continue assessing" its investments in Connecticut, after House lawmakers failed to pass a bill aimed at ensuring the plant would not retire before its license expired. Millstone and other reactors nationwide have been struggling to compete amid weak electricity prices.

"If Millstone closes today, where is Connecticut? And how do we move forward with our climate goals?"

asked Connecticut State Senator Paul Formica during a panel discussion prior to the Millstone tour. Formica was a chief sponsor of the Millstone bill, and he emphasized the plant's contribution to jobs and local industry. Millstone employs 1,500 people and pumps some \$1.5 billion annually into the state economy. It also provides nearly all of Connecticut's carbon-free power.

The discussion and tour were among a series of meetings sponsored by the CSG/ERC Energy and Environment Committee to assist members from around the region working to achieve a variety of energy goals, amid a marketplace that is in transition.

Over the last decade, the fuel mix has changed dramatically in much of the Northeast, thanks to abundant supplies of cheap natural gas from the Marcellus Shale, which has displaced higher-priced coal generation. During that period, nuclear power's share of the energy supply remained fairly constant, at roughly one-third, but continued low natural gas prices are a key reason for

a spate of recently announced plant closures in Vermont, Massachusetts, New Jersey, and Pennsylvania.

Connecticut is among several states that have explored policies to improve revenues to preserve the benefits that flow from nuclear power. In New York, regulators in 2016 adopted rules to provide subsidies to help three upstate nuclear plants that were considering closing because of stagnant energy demand and fierce competition from rock-bottom natural gas prices in interstate energy markets. Officials said the social and economic benefits of New York's program — including fewer greenhouse gas emissions, lower prices for electricity, and jobs in the power-generation industry — would outweigh the cost to ratepayers, which they estimated would total less than two dollars a month.

Independent analyses prepared for Connecticut and New York officials have shown that if reactors were to close prematurely, much of the replacement power would come from natural gas because it would be impossible to ramp up enough wind and solar generation to offset the electricity, at least in the near term. That would lead to an increase in emissions of carbon and other pollutants, making it challenging to meet the states' climate objectives. Both states have pledged to reduce their carbon emissions 80 percent below 1990 levels by 2050.

Connecticut's bill would have allowed Millstone to compete in a state renewable energy procurement program, as a way to lock in long-term power prices for a portion of its output. It also would have called for an escalation of clean-energy development, requiring that by 2040, the state obtain 40 percent of its power from renewables, double the 2020 goal.

"We talked about nuclear being a bridge to a renewable future, and that's what it has to be," said Formica, who is Senate chair of the Connecticut Energy and Technology Committee.

A Regional Challenge

The discussion around the future of nuclear power is raising questions about how energy is priced in this country. Policymakers said that part of the challenge is a wholesale marketplace that doesn't take into account the costs to the environment and public health associated with fossil fuel generation.

"Gas plants are ISO New England's backup plan, since air quality is not their mandate; reliability and capacity are," said Connecticut State Representative Lonnie Reed, referring to the nonprofit entity that over-



Photo Credit: Sebastian Marquez Velez

Connecticut State Representative Lonnie Reed.

sees the region's wholesale electricity markets. Reed is House chair of the Connecticut Energy and Technology Committee.

In current wholesale energy markets in the Northeast, customers pay for two key aspects of electricity generation and supply: energy, and capacity — meaning, they pay for the availability of generating capacity, which ensures that enough electricity will be at hand to meet demand on any given day. Dan Esty, Hillhouse professor of environmental law and policy at Yale University, suggested there should be a third element included in wholesale markets, which he calls attributes. "We should make people pay for the kind of electricity [they use] and how clean it is," he said during the meeting.

"We need a realistic transitional plan. This requires thinking outside the usual rigid silos that seem to accompany energy industry planning."

– Connecticut State Representative Lonnie Reed



Connecticut State Senator Paul Formica.

Esty, a former commissioner in the Connecticut Department of Energy and Environmental Protection, reminded state policymakers that they wield significant power to control their energy future. He urged states to work collaboratively and create “new models of public

engagement, policies, and incentives” to speed the adoption of cleaner energy sources and drive down the cost of emission-free power below those of energy that pollutes.

States have been exploring a variety of approaches to accelerate the shift to cleaner forms of energy, particularly in the absence of a federal policy.

New York has called for utilities to get half of their power from renewable sources by 2030, and Governor Andrew Cuomo has prioritized investments in renewables as part of his administration’s energy-system overhaul, known as Reforming the Energy Vision, or REV, launched in 2014. In addition, more than half a dozen transmission lines have been proposed to send lower-cost Canadian hydropower to New England and New York state.

In Massachusetts, where the 680-megawatt Pilgrim Nuclear Power Station is set to shut down in two years’ time, officials are hoping to dramatically increase imports of Canadian hydroelectric power and take advantage of the nascent offshore wind industry here.

The Offshore Wind Opportunity in the Northeast

In late December 2016, five wind turbines mounted to the seabed off the coast of Block Island began sending power into the New England grid, heralding the start of an ocean-based wind industry that could transform the energy economy of the Northeast.

The 30-megawatt pilot project, created by Deepwater Wind, is supplying all of the energy consumed by Block Island’s 2,000 electric customers, ending their dependence on diesel fuel and proving that a technology that has flourished in Europe is possible in U.S. waters.

The U.S. Energy Department estimates that offshore wind could produce 2,000 gigawatts of power per year, nearly double the nation’s annual energy use. Breezes that flow along the Atlantic Seaboard are considered to offer some of the most favorable conditions for ocean-based wind in the world, but until recently, formidable cost and

regulatory barriers have hampered progress here.

Now, several massive wind farms are on the verge of moving forward. Projects totaling 15 gigawatts have been proposed up and down the East Coast — enough energy to power 10 million homes.

During the 2017 CSG/ERC Annual Meeting, the Energy and Environment Committee brought together academics, developers, and state leaders who are at the forefront of a nascent ocean energy economy that has been years in the making.

Under the Obama administration, the federal government developed a regulatory framework for offshore wind and held competitive auctions to lease parcels of federal ocean waters for offshore wind development.

Several northeastern states have made specific commitments to offshore wind. New York Governor Andrew Cuomo has proposed developing 2.4 gigawatts of offshore wind

by 2030. Massachusetts is requiring that utilities get 1.6 gigawatts of power from offshore wind by 2027. In May 2017, Maryland regulators approved two wind farms with a combined generating capacity of 369 megawatts to be built at least 14 miles off the state’s coastline.

States have taken steps to attract a manufacturing supply chain and good-paying jobs that cannot be outsourced. Maryland officials are requiring that developers invest in a steel-fabrication plant and provide upgrades to a Baltimore port. Massachusetts has identified 18 potential waterfront sites that might be available for private investment by the offshore wind industry.

In Europe, which currently has 14 gigawatts installed, the industry employs some 70,000 to 80,000 people.

Until recent times, the high cost of offshore wind has been a deterrent to establishing an industry here. But the

Legislation signed by Governor Charlie Baker in 2016 requires utilities to procure 1.2 gigawatts of power from hydroelectricity or other renewable sources and 1.6 gigawatts from offshore wind in a little over 10 years, enough to power half a million homes. Ocean-based wind is still in its infancy in the United States, but several utility-scale wind farms have been proposed along the Eastern Seaboard, which is considered to have some of the best conditions in the world for the technology. Other states, including New York and Maryland, are aggressively promoting the sector (see sidebar).

Those developments are promising, but it will be several years before a utility-scale offshore wind farm begins sending power into the grid. Meanwhile, those who favor policies to keep nuclear plants in operation observe that concerns about rising emissions in the Northeast aren't hypothetical. In 2015, the year after the Vermont Yankee nuclear plant closed, the region saw emissions rise for the first time in five years, the *Boston Globe* reported.

Many of those engaging in the policy debate over the future of the region's nuclear fleet emphasize that it is a question of priorities and choosing from an imperfect set of options. There are safety issues associated with nuclear power and costs surrounding the storage of nuclear waste, which is being held in pools and dry casks on the site of the nation's 99 commercial reactors, given the lack of a national long-term repository for spent fuel.

Others have argued that given the short window of time available to address climate change in order to avoid devastating global impacts, nuclear power must play a critical role.

Representative Reed said it should be possible to include nuclear power in a strategy to help renewables thrive. "We need a realistic transitional plan," she said. "This requires thinking outside the usual rigid silos that seem to accompany energy industry planning." ■



Credit: Sebastian Marquez/Veiz

Speakers in CSG/ERC's offshore wind panel at the 2017 Annual Meeting. From left, Dr. Stephanie McClellan, Director, Special Initiative on Offshore Wind, University of Delaware; Jim Bennett, Chief, Office of Renewable Energy Programs, Bureau of Ocean Energy Management, U.S. Department of the Interior; Massachusetts State Senator Marc Pacheco, President Pro Tempore and Co-Chair, CSG/ERC Energy & Environment Committee; Stephen Pike, CEO, Massachusetts Clean Energy Center; Fred Zalcman, Head of Market Development and U.S. Government Affairs, DONG Energy; Erich Stephens, CEO, Vineyard Wind.

dramatic drop in costs in Europe bodes well for the fledgling U.S. market, industry sources said. The cost of offshore wind has fallen by 50 percent in the last seven years, and recently, German regulators approved bids to build what will be the first offshore

wind farms that depend entirely on market prices with no subsidies.

The Department of Energy cites a number of potential benefits to states and the electricity system from ocean-based wind. Along many regions of the coastline, winds blowing offshore tend

to be strong at times of peak power demand, which could help lower wholesale electricity prices in many markets and provide a hedge against fossil-fuel price volatility. Energy produced offshore could decrease transmission congestion and reduce the need for new, land-based, long-distance transmission. In addition, utility-scale offshore wind projects could potentially serve as a replacement for baseload power supplied by aging nuclear power plants set to retire in the coming years and help states meet their clean-energy mandates.

During the Annual Meeting, wind developers told CSG/ERC members that the region's aggressive renewable energy and greenhouse gas reduction policies are driving demand. "We really do feel there is significant impetus at the state level to keep this going," said Fred Zalcman, head of Market Development and U.S. Government Affairs at DONG Energy, a power company based in Frederica, Denmark.



Photo Credit: Sebastian Marquez Velez

States Explore Unified Teacher Training, Licensing Standards

Participants in the 2017 CSG/ERC Education Committee Meeting in Connecticut. From left: New York State Senator Carl Marcellino; Connecticut State Representative Michelle Cook; Maryland State Delegate Adrienne Jones, Speaker Pro Tem; Renee Savoie, Education Consultant, Connecticut State Department of Education; Paige Kowalski, Executive Vice President, Data Quality Campaign; Delaware State Representative Earl Jaques.

As teachers joined the thousands of people fleeing Puerto Rico in the wake of Hurricane Maria, school systems across America saw an opportunity.

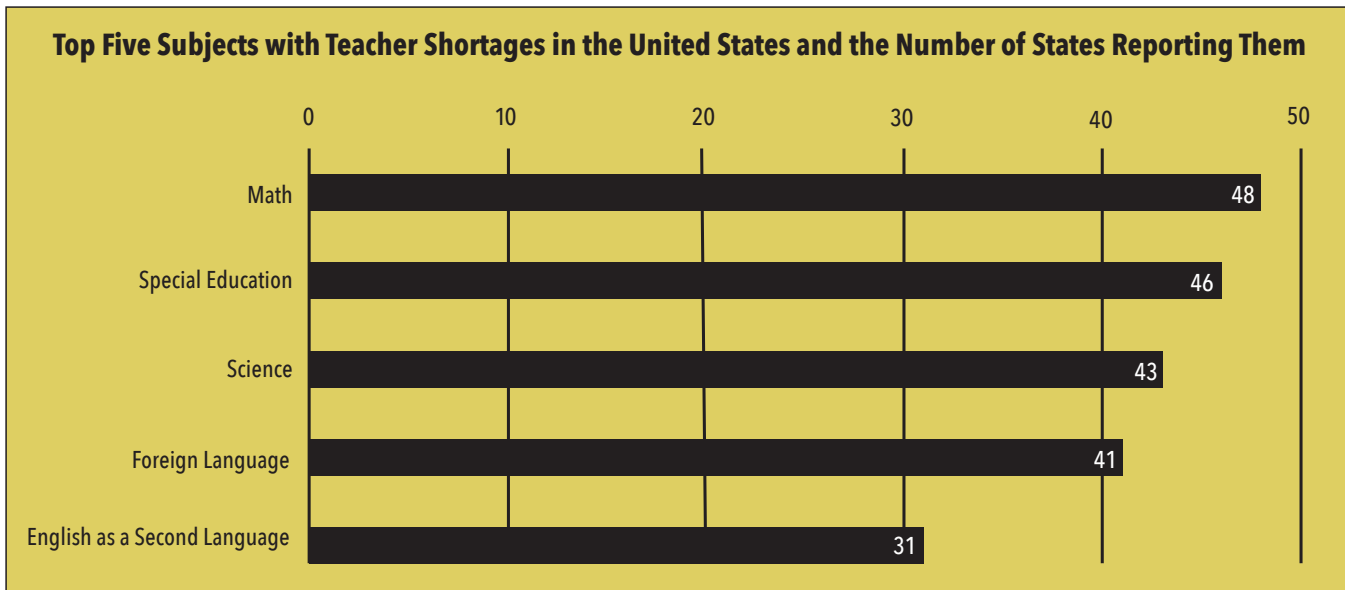
In recent years, school districts nationwide have experienced a chronic shortage of teachers, and officials in states like Florida and New York were eager to hire new instructors to help fill open positions and prepare for an influx of students leaving Puerto Rico with their families.

But many teachers arriving from the island have reportedly found their certification is not recognized by state officials and face requirements that are slowing their search. These include paying fees and submitting to a series of tests to obtain a new certificate.

The lack of uniform standards has long impeded the flow of teachers across state lines. During the 2017 CSG/ERC Annual Meeting in Connecticut, members of the CSG/ERC Education Committee said states need to collaborate to establish certification reciprocity to encourage teacher mobility and address a persistent shortage of qualified teachers.

The teacher labor market has been shrinking over time, and the decline has accelerated in recent years, due to problems recruiting teachers and high attrition levels. Enrollment in teacher preparation programs fell 35 percent from 2009 to 2014, the most recent period for which data is available, according to the Learning Policy Institute, a national education think tank. That represents a decrease of nearly 240,000 teachers. The drop is attributed to a mix of factors, including low morale over low pay, unfair evaluation methods, and high-stakes testing requirements. Recent data from the U.S. Department of Education shows that every state is facing shortages of teachers in key subject areas.

Connecticut Deputy House Speaker Michelle Cook said the lack of uniformity of licensing standards around the country can affect job opportunities, making it hard for good teachers to find a classroom. “In Connecticut, we have pretty high standards for teachers,” said Cook. “For example, our teachers have to have passed their Praxis I and Praxis II examinations to teach, but that’s not the case everywhere. We need to



Source: U.S. Department of Education

work on developing rules that don't necessarily lower standards — we want children to get a good education — but that are more versatile.”

Most states have provisional certificates that recognize teachers from other states and allow them to work for up to a year while fulfilling requirements for a standard certification. During that time, they are required to undergo testing and take on coursework, which can be time consuming and costly.

The variation in standards is particularly burdensome for teachers who are military spouses and may be required to move to a new state every few years, where they are faced with a series of fresh credentialing requirements.

“A spouse is assigned to a new post and their teacher spouse either can't teach or has to jump through a bunch of hoops to be able to teach. That's not right when a member of a family serving their country can't serve in a classroom,” said Cook.

In some cases, high standards can hurt recruitment — especially of young teachers, said Delaware State Representative Kim Williams. In the past, Delaware and its regional neighbors had agreed to a test-based provisional licensing system for teachers. But other states didn't put the new system in place, and that was hurting the First State's recruiting efforts.

“We were requiring teachers to take another step to work here,” said Cook. To level the playing field, she wrote legislation revising the state's system.

During the Annual Meeting, Cook, Williams, and

other members of the CSG/ERC Education Committee approved a resolution directing CSG/ERC to pursue an interstate compact approach to interstate licensing challenges in the Northeast. The resolution says that compacts have proven to be an effective mechanism for states to jointly problem-solve and avoid federal intervention. As a regional and national organization serving all three branches of state government, CSG/ERC, in conjunction with CSG's National Center for Interstate Compacts, is well suited to address this issue.

“CSG can do the research, look at best practices, and work with states to make these changes together,” said Cook. “Doing it state by state can work, but you might wind up with what we have now. You can't, for example, have California and Colorado going off on their own and imposing their own standards. It's something where we really need to come together and act together,” she said. ■

“CSG can do the research, look at best practices, and work with states to make these changes together.”

– Connecticut State Representative Michelle Cook



Photo Credit: AR Blavier

Veterans and Mental Health: Addressing the Need for Effective Treatment Options

Participants in the April 2017 seminar in Providence. Front row, left to right: CSG/ERC Policy Analyst Debbie-Ann Paige; Maryland State Delegate Benjamin Brooks; Barbara Ward. Middle row: Connecticut State Senator Mae Flexer; CSG/ERC Director Wendell Hannaford; Vermont State Representative Jean O'Sullivan; Deidra Ramos; New Jersey State Assemblywoman Cleopatra Tucker; Maine State Representative Bettyann Sheats; New Hampshire State Representative Al Baldasaro; Rhode Island State Representative Bob Lancia. Back row: Maine State Representative Bradlee Farrin; Delaware State Representative Earl Jaques; Vermont State Representative Tom Stevens; Rhode Island State Representative Marvin Abney; Jo Moncher; Corina Roy; Harold Cooney.

During a brief encounter in the hallway of the Maine Capitol in the winter of 2017, State Representative Bettyann Sheats asked a CSG/ERC staffer for help on a challenge affecting veterans across the country who are in need of medical care: many do not receive treatment.

Representative Sheats had heard of a program in New Hampshire that was actively seeking out veterans and their families to provide services that they often fail to access, and she wanted CSG/ERC to help her bring a similar program to Maine.

The program, known as the Ask The Question campaign, was developed by the New Hampshire Legislative Commission on post-traumatic stress disorder (PTSD) and traumatic brain injury, to educate and engage members of the civilian community who provide services to veterans and their families.

The initiative seeks to address a common phenomenon: many veterans in need of medical help or psychological counseling do not take advantage of the services

that are available to them, for a variety of reasons. Some may be unaware that they are eligible for assistance, while others may refuse help out of a sense of pride or a belief that they should not receive special treatment that is not offered to civilians.

“We need to think about the veterans who are in the pipeline — the people who are serving today,” said Representative Sheats. “We need to give them what they need to succeed in the civilian world and not pay them lip service.”

The meeting in the Maine Capitol served as the impetus for a seminar hosted by CSG/ERC in Providence in April 2017, “The War Within: Addressing the Mental Health Challenges of Veterans in CSG’s Eastern Region.” The seminar brought together state and federal experts who met with Sheats and legislators from nine ERC states.

Participants explored the nuanced issues encountered by vulnerable veteran communities — including mental-

health challenges veterans face across several demographics as they struggle with the long-lasting negative effects of military combat and other issues, including sexual assault.

The group heard from officials in New Hampshire, who explained that they created the Ask The Question campaign after it became clear that they needed to pursue a proactive approach to reach veterans who might not otherwise find help for themselves. The campaign, run by the New Hampshire Department of Health and Human Services, requires that as part of the routine enrollment process for a wide range of state programs, every provider ask individuals if they or an immediate family member served in the military.

For example, when an individual applies for Social Security, Social Security Disability Insurance, or education services at a community college, and a provider asks “Have you or anyone in your immediate family served?” the provider may find that the individual, or an immediate family member, may need mental-health services. It is then the job of the agency employee to steer the individual or family member to that assistance. Simply asking the question opens the door to care, treatment options, and benefits that may have gone untapped by the men and women who are entitled to these services.

For providers, the initiative combines training in comprehensive military culture, empathy, and understanding, which improves the quality of their outreach and services for veterans. This training is critical to addressing the specific needs faced by individuals whose challenges may not be readily apparent to providers. For example, female veterans of color tend to have less trust in the system because they are struggling with racism and sexism — not just in the system itself, but in their daily lives.

African American women veterans who have children often will not seek out services. There have been documented cases of homeless female veterans opting to sleep in their cars rather than ask for housing assistance out of fear that their children will be taken away from them. Added to this are the mental-health challenges they often face from their military service, which compounds their need for effective treatment.

Nearly a quarter of all U.S. veterans are minorities, who tend to be less aware of benefits available to them and face problems after military service, such as homelessness, unemployment, and PTSD, at higher rates compared with their white counterparts, according to

a recent report from the U.S. Department of Veterans Affairs.

When veterans’ needs go unmet, they can end up in the criminal justice system. A survey compiled by the Department of Justice’s Bureau of Justice Statistics in 2004 found that nearly one in 10 inmates in U.S. jails had prior military service.

Keeping Veterans in the Community

Starting in 2008, states began to create veterans treatment courts, which aim to keep veterans out of the criminal justice system when they are charged with nonviolent crimes and are in need of mental-health or substance-abuse treatment. The courts are modeled after the drug courts and mental-health courts created in the 1990s and allow veterans to remain in the community.

If a veteran is eligible, the decision to go through a treatment court is his or hers. Veterans who choose treatment court are assessed by a mental-health care provider and are placed in a treatment or community-service program, depending on their offense. Once the veteran completes the program, any criminal charges are dropped.

The first veterans treatment court was started in Buffalo, New York, in 2008, and provides medical and mental-health treatment, training, and help finding jobs, housing, and transportation. The courts are becoming popular alternatives in the restorative justice movement.

“They’re cost effective,” said Sheats, adding that Maine has a veterans treatment court that has proven effective in keeping veterans in the community and maintaining their benefits. “Instead of spending tens of thousands to put someone in prison, we can spend a few thousand on a treatment program.”

Delaware State Representative Earl Jaques, who chairs the Delaware House Veterans Affairs Committee, agreed that the courts are valuable and should be expanded. Delaware’s program has grown to include a court in each of its three counties, said Jaques, who is also chair of the CSG/ERC Military and Veterans Affairs Committee.

During the 2017 CSG/ERC Annual Meeting in Connecticut, Puerto Rico Senator Zoé Laboy Alvarado discussed the need for a program in Puerto Rico. Members from the U.S. Virgin Islands also called for setting up a court there. Part of the challenge is the lack of data on the number of veterans in both jurisdictions who need services.

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Photo Credit: Bruce Sorrell

Medicaid Buy-In: States Explore Options to Expand Access to Health Care Coverage

Medicaid managed care plans enjoy patient satisfaction ratings similar to those of private coverage.

In some areas of the United States, consumers shopping for health care coverage on their state exchanges are encountering higher costs and fewer choices: premiums are rising, markets are consolidating, and insurers are fleeing from some insurance exchanges. The CSG/ERC Health Policy Committee has been exploring an option that would offer consumers a stable, cost-effective alternative to private insurance, by allowing them to “buy in” to Medicaid on their state-run exchanges.

Medicaid buy-in proposals have been considered in Nevada, Wisconsin, and Minnesota. Several other states are exploring the concept. Under such a program, states would broaden access to the public health insurance program, which currently covers only low-income Americans. Any consumer eligible for insurance exchange subsidies would be able to use them to purchase coverage in a Medicaid managed care plan.

At the federal level, a bill currently in Congress would allow all states to offer their Medicaid programs to uninsured Americans who wish to purchase coverage.

Expanding state Medicaid managed care programs has several attractive features. Medicaid coverage is very efficient, offering comprehensive coverage at

a lower per person cost than private coverage. The concept builds on a strong program that is in place already and working. Medicaid managed care plans have established provider panels and administrative structures and enjoy patient satisfaction ratings similar to private coverage. Since Medicaid programs are run by states, they are responsive to states’ needs and cultures.

Thirty-eight states already operate successful Medicaid buy-in programs for people with disabilities. These programs offer affordable coverage options for people

“States may find that Medicaid buy-in programs offer a creative way to help individuals obtain medical coverage, especially in light of possible modifications in the availability of affordable insurance plans in state exchanges.”

– Connecticut State Senator Terry Gerratana

in need without significantly impacting the existing Medicaid program.

“States may find that Medicaid buy-in programs offer a creative way to help individuals obtain medical coverage, especially in light of possible modifications in the availability of affordable insurance plans in state exchanges,” said Connecticut State Senator Terry Gerratana, who is co-chair of the Connecticut Public Health Committee and also chairs CSG/ERC’s Health Committee. “These programs have been successful in a majority of states in helping persons with disabilities and now may be a successful option for other individuals.”

Before implementation of the Affordable Care Act, at least one state created a Medicaid buy-in program, though it fell short of expectations. In 2008, Connecticut created the Charter Oak program, which added a separate risk pool onto the existing Medicaid managed care plans. The program ran into funding problems because affordable monthly premiums were not sufficient to cover the costs of care for a disproportionately high-risk population that chose to purchase coverage. This problem would have been avoided with the current individual mandate and by combining the Medicaid and Charter Oak risk pools.

There are several challenges and concerns to creating state Medicaid buy-in programs:

- **A federal waiver is required.** Creating and operating a program would require a federal waiver. The process and standards for state Section 1332 waivers, the most likely vehicle, are not yet clear.
- **A successful plan requires a robust Medicaid managed care program.** States without private managed care plan participation or without sufficient provider participation capacity would face additional challenges.
- **There are concerns that current Medicaid plan providers would drop participation, undermining the current program.** Medicaid is generally considered to pay lower rates than Medicare, though a recent study shows that hospital payment rates are comparable among both programs. The federal Medicaid buy-in proposal addresses concerns about Medicaid payment rates by increasing provider payment rates to Medicare levels. Currently, two-thirds of primary care physicians accept new Medicaid patients, and that rate has increased with implementation of the Affordable Care Act.

States interested in a Medicaid buy-in program should consider:

- How to develop a sustainable premium structure;
 - How to ensure access to care for Medicaid buy-in members and preserve access for current Medicaid members;
 - How to link the buy-in and Medicaid risk pools;
 - If the Medicaid buy-in will be limited to only bare counties without other exchange plans; and
 - How to secure a federal waiver.
- **Some speculate that current Medicaid managed care plans may be concerned about the risk profile of new members.** This is unlikely, as new eligible participants for Medicaid under the Affordable Care Act have been lower risk and less costly than previous enrollees. The Affordable Care Act’s individual mandate, Medicaid expansion, and insurance subsidies have worked well to bring healthy members into coverage. Risk adjustment, careful rate setting, and limiting implementation to bare counties, without other exchange options, can mitigate these concerns.
 - **Current exchange insurers will likely oppose the concept, as they did the Affordable Care Act public option proposal.** ■

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The committee passed a resolution asking Congress to allocate funds to conduct a survey to determine the exact number of veterans residing in Puerto Rico and the U.S. Virgin Islands and the types of mental health and other services they receive, compared to veterans in the 50 states.

The recent hurricanes that devastated both jurisdictions last September may have compounded the problem, given the widespread loss of infrastructure and jobs. Jaques said although officials will be preoccupied with the massive recovery effort in the coming months, the need to provide veterans with access to effective treatment options will remain of critical importance. “They have bigger problems right now,” he said. “But it’s still an issue that needs to be addressed. ■

Sharpen Your Skills



Credit: Scott Spitzer Photography

The 2017 Eastern Leadership Academy.

The Robert J. Thompson Eastern Leadership Academy (ELA) offers officials and staff from all three branches of state and provincial government a unique opportunity to hone their leadership and communication skills and network with colleagues from the eastern region.

Located in the heart of Philadelphia, and working in cooperation with the University of Pennsylvania's Fels Institute of Government, the unique, five-day program includes workshops and hands-on training with experts from academia, as well as the public and private sectors. ELA offers strategies tailored to the challenges facing public officials every day, in areas including conflict resolution, fostering civil discourse, and mastering social media and branding, in a focused setting that promotes experiential learning.

ELA is designed to help you:

- **Develop leadership skills.** Through a series of hands-on group workshops ranging from consensus-building to media relations, ELA provides training to sharpen and develop the skills you need to become an effective leader.
- **Improve your understanding of key regional issues.** ELA is the only leadership academy designed exclusively for eastern regional officials from all three branches. Scholars from the Fels Institute of Government and outside experts provide a context for you to effectively evaluate information, communicate your message successfully with constituents and colleagues, and develop strategies for relating to the media and the public.
- **Network with the best and brightest.** ELA convenes some of the most promising state officials from across the region to share knowledge and to learn from one another's experiences.

Here is what graduates are saying about ELA:

"Rarely in the political world do you have an opportunity to put aside partisanship. What an amazing gift the Eastern Leadership Academy offered those of us who wanted the freedom to be open about the serious challenges we are facing, and help we need, without the fear of political or professional repercussions."

– Barbara Adams, MLA, Nova Scotia

"What an exceptionally fun, practical and engaging experience. I will use what I learned every day."

–David Desjardins, Caucus Counsel, Connecticut

Fels Institute Scholarship Opportunity

Since the fall of 2016, the University of Pennsylvania's Fels Institute of Government has offered an \$8,000 annual scholarship to ELA alumni who are interested in pursuing an executive master's degree in public administration.

To date, three ELA graduates have been awarded scholarships: Carling Ryan, who is special Assistant to the Delaware Senate president pro tempore; Lauren Vella, senior legislative aide to leadership in the Delaware House of Representatives; and Jonathan Hendrickson, director of legislative affairs in the Pennsylvania Department of Agriculture.

The two-year program consists of a "hybrid" course of study, which combines classes on the Philadelphia campus one weekend a month with online tools to support lectures, discussion, and group work.

The scholarship opportunity is a natural outgrowth of the Fels Institute's long-standing relationship with ELA, said Josh Power, director of admissions and graduate studies at Fels. Both programs have a shared mission of identifying gifted individuals who are committed to public service, and providing them with the skills and knowledge they'll need to succeed, he said.

"We see ELA as a real pipeline for identifying talented students who are current and future public leaders," said Power.

Facing the Media

Seth Pendleton knows that even a seasoned politician can look and sound unnatural in front of a live camera lens. What's his advice for feeling grounded during a tough interview? Tell stories.

"If you're nervous, telling a story about yourself relaxes you," said Pendleton, who specializes in preparing political, business and nonprofit leaders for high-profile public appearances. Pendleton coaches every ELA class, and provides trainings in state capitals through CSG/ERC's EASTRAIN program.

During CSG/ERC's 2017 Annual Meeting, Pendleton led more than three dozen state and provincial officials through simple exercises intended to help them shine during public debates and media interviews. There was advice for adjusting one's posture and facial expressions to appear confident, positive, and ready for combat — using a pose Pendleton calls the "happy warrior" — and strategies for what to do with one's hands while talking (hint: pretend you are holding a ball).

When describing policy initiatives, Pendleton advises his students to go light on statistics, which people tend to forget. But they do remember anecdotes, he



Credit: Scott Spitzer Photography

Media coach Seth Pendleton leads a training session during the 2017 Eastern Leadership Academy.

said. "The tip of the spear in almost any answer is to tell a story," said Pendleton. "Think of a story as a Trojan horse. You get to load the facts and figures and ideas into the horse."

During a debate, stories offer a strategic way to increase pressure on an opponent. "If I tell a good story, what's the only move of another person? They have to tell an equally good story," said Pendleton.

Not all stories are created equal, though. A good story mentions the voters one represents, expresses one's feelings, includes memorable details, and has a moral. It can be a personal account or a story that one has heard. But there is one ironclad rule, said Pendleton: only tell true stories, or else a fact-checker may call your bluff.

The Truth about Fake News

Kathleen Hall Jamieson, director of the Annenberg Public Policy Center at the University of Pennsylvania, advised the ELA Class of 2017 to think critically about news stories posted on social media outlets. During a seminar, the group explored why fake news spreads and the wide-ranging harm it can cause.

"Fake news — or what I call viral deception — increases the power of deception," said Jamieson, who is cofounder of FactCheck.org.

Misleading or flat-out false narratives rise in credibility as more and more people share them online, she said.

"Deception is problematic because it can mobilize national action which you might not take in the absence of deception. It can mislead the electorate; it can invite nonresponsive policy; it can impugn character; and it can even endanger lives," said Jamieson.

Jamieson warned that media consumers of all political affiliations need to be wary of manipulative techniques. "They need to call them out — even if it is members of their own side using them," she said.



Credit: Annenberg Public Policy Center

Kathleen Hall Jamieson, director, Annenberg Public Policy Center, University of Pennsylvania.



Photo Credit: Mike Boering Photography

The Future of NAFTA: Exploring Trade and Its Impacts in the Northeast and Eastern Canada

The Ambassador Bridge is North America's busiest international border crossing in terms of trade volume.

In the world of international trade, the most important crossing point in North America is a narrow stretch of the Detroit River where Detroit faces Windsor, Ontario. An aging bridge and a tunnel span the river between Michigan and Ontario, carrying well over a quarter of the annual trade between the United States and Canada. Trade volumes have grown steadily since the North American Free Trade Agreement (NAFTA) eliminated most tariffs on goods moving among the United States, Canada, and Mexico nearly three decades ago.

In recent years the crossing has been stressed, and plans are underway to construct a new bridge down-river that will accelerate the flow of goods and services, benefitting manufacturers, agri-business, and shippers. Improvements at Detroit-Windsor are necessary to keep up with changing trade patterns in the region, just as improvements are needed in NAFTA, which was signed when online shopping and smart manufacturing were science fiction.

During the Annual Meeting, CSG/ERC convened members from both countries to examine NAFTA's impact on economies on both sides of the border, particularly in light of the current administration's bid to exit NAFTA or substantially renegotiate it. The administration maintains the deal has not created the jobs and economic benefits promised to U.S. workers. That position is not supported by many businesses in the ERC region, which have seen steady growth in

exports and jobs since NAFTA took effect 23 years ago. Many officials in the ERC argue that scrapping or substantially altering the trade deal would be a mistake for their communities.

Over the course of more than two decades, NAFTA changed trade patterns. In the years since the agreement was signed, total U.S. goods trade with Canada and Mexico rose threefold, to \$1.2 trillion today. Canada is the leading export market for the Northeast by a wide margin, with 20 percent of regional exports going to Canada. That trade supports jobs: of the 1.2 million export-related jobs in the Northeast in 2013, 15 percent depended on exports to Canada, according to a report prepared for CSG/ERC's Eastern Trade Council.

Trade is a critical source of revenue for many industries, such as textiles, which entirely recreated business models with the advent of NAFTA.

Consider Rhode Island-based Darlington Fabrics, which specializes in the manufacture of high-perfor-

Trade is a critical source of revenue for many industries, such as textiles, which entirely recreated business models with the advent of NAFTA.

mance elastic fabrics for apparel, medical, and specialty end uses. After NAFTA went into effect, the company's customers moved aggressively to establish cut-and-sew apparel operations in Mexico. Darlington supported them by partnering with many factories there to supply them with high-quality material to compete with Asian factories.

In the mid-2000s, Darlington started to shift its business to Central American companies, following the creation of the Central American Free Trade Agreement (CAFTA). NAFTA and CAFTA "are not perfect and can be improved, but we have modeled our business strategy around these trade agreements over the last 20 plus years," said a company spokesman. "We are very much against wholesale changes to these trade agreements. We are in favor of incremental improvements, with direct input from the textile industry."

The gains from NAFTA and other trade agreements have not flowed equally throughout the economy. Groups have called for stronger protections for workers and the environment and for updates to address modern-day needs like the Internet, which did not exist when the agreement was signed in 1993. These concerns were reflected in a resolution approved by the CSG/ERC Canada-U.S. Relations Committee at the Annual Meeting. The resolution calls for the Canadian and U.S. federal governments to do everything in their power to avoid the termination of NAFTA, to involve state and provincial governments before and during the renegotiation of the agreement, and to incorporate stronger provisions guaranteeing environmental protection, workers' rights, and gender equality, among other provisions.

For Canada, which sends three-quarters of its worldwide exports to the United States market, preserving NAFTA is a top priority at all levels of government. In recent months, Canadian cabinet ministers and premiers have reached out to members of Congress, business leaders, and key state and municipal officials across the United States to make the case for open trade and market access with the United States through NAFTA.

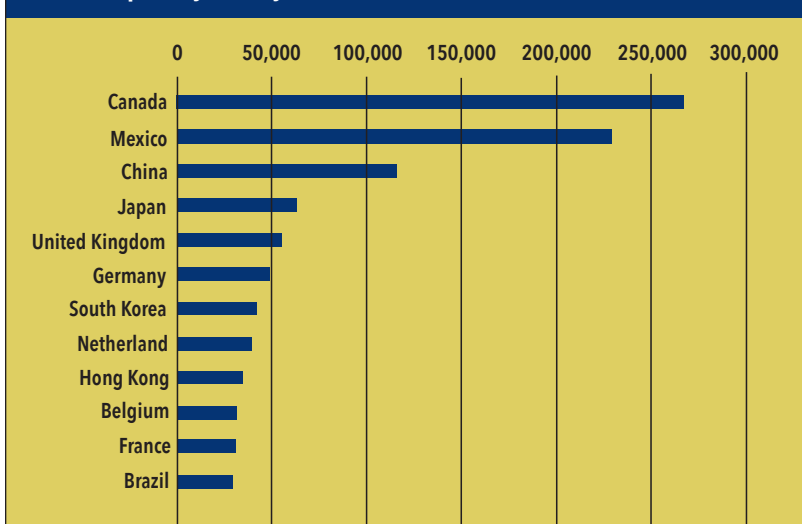
Ontario Premier Kathleen Wynne met with 20 governors last July to discuss the importance of Ontario-U.S. and Canada-U.S. trade. The province is the first- or second-most important export destination for more than half of U.S. states and depends on open trade with the United States for its economic well-being. Many U.S. states rely on Canada as well, with nine states sending more than one-third of their exports to Canada.

U.S. Jobs Supported by NAFTA

Maine	55,600	New York	836,600
New Hampshire	58,900	New Jersey	365,900
Vermont	29,600	Pennsylvania	513,300
Massachusetts	311,800	Delaware	38,900
Rhode Island	43,200	Maryland	246,600
Connecticut	157,800	TOTAL	5,458,200

Source: Business Roundtable, 2014 data

2016 U.S. Exports by Country, in Millions of U.S. Dollars



Source: U.S. Census Bureau

The United States sells more goods to Canada and Mexico than to the next 10 biggest markets combined.

During the August 2017 meeting of the New England Governors and Eastern Canadian Premiers on Prince Edward Island, the leaders passed a resolution recognizing the economic interdependence of the region, the importance of cross-border trade, and the need for trade liberalization. Some nine million jobs in the United States are linked with trade to Canada, said New Brunswick Premier Brian Gallant.

During the CSG/ERC Annual Meeting in Connecticut, Ontario Legislative Assembly Speaker Dave Levac told the CSG/ERC Canada-U.S. Committee that Ontario and other provinces will continue to lobby U.S. states and cities on the benefits of NAFTA. Levac, who serves as co-chair of the committee, added that the committee will continue to monitor the NAFTA renegotiations and their potential impacts on member states and provinces. "Companies know the depth of bilateral trade and its positive impact," he said. ■



Photo Credit: Sebastian Marquez Velez

Making the Case for Transportation Funding

From left: Vermont State Representative Pat Brennan, Vice Chair, CSG/ERC Transportation Committee; and New Jersey Deputy Speaker John Wisniewski, Chair, CSG/ERC Transportation Committee

Rhode Island, the nation's smallest state, is facing an outsized transportation challenge.

Roughly one in four bridges in the state is structurally deficient — the worst such ratio of any state in the country, according to federal data.

In response, officials there have devised a novel solution: charging tolls solely to large commercial trucks, which are responsible for roughly 70 percent of the damages to state roads each year. The tolls, approved in 2016, will finance a portion of a \$420 million revenue bond fund to fix the state's bridges. The bond, known as a Grant Anticipation Revenue Vehicle, or GARVEE, borrows against a state's future federal transportation aid.

"We're last in terms of structurally deficient bridges; we rank 50th out of 50 states," said state Senator Louis DiPalma. "Now, we have the opportunity to go from worst to first."

DiPalma was among more than two dozen state officials from the Northeast who participated in a seminar organized by CSG/ERC in April 2017 to help state transportation leaders share best practices for maintaining and improve the nation's aging, overburdened, and

underfunded transportation system. The seminar was held at the University of Pennsylvania's Fels Institute of Government.

While Rhode Island's plan is unique — it is the first state to impose tolls exclusively on large commercial trucks — officials' efforts to create an innovative funding source are emblematic of a challenge facing state lawmakers nationwide. The highways, bridges, railways, and other critical infrastructure that form the backbone of our economy are in steady decline, but finding a self-sustaining funding model to pay for essential improvements has been elusive.

During the seminar, transportation industry experts examined existing or traditional state transportation funding mechanisms, including revenue generators, such as the gas tax, tolling, registration and motor vehicle fees, and issuing bonds. They also explored emerging, alternative methods, such as public-private partnerships and mileage-based user fees.

Currently, the major funding source to maintain the nation's roads, highways, and bridges is the federal Highway Trust Fund, which is financed primarily by

fuel taxes: 18.4 cents per gallon of gasoline and 24.4 cents per gallon of diesel. The fund brings in around \$34 billion per year, which falls short of the \$45 to \$50 billion needed to meet the nation’s annual infrastructure needs, according to the U.S. Government Accountability Office (GAO).

Part of the problem is that fuel taxes have not been raised since 1993, and adjusting for inflation, they buy nearly 40 percent less than they did then. An added challenge is that drivers are purchasing more fuel-efficient and alternative-fuel vehicles, reducing the amount of gas they consume and lowering tax revenues. The trust fund cannot borrow money, so it has relied on regular general fund transfers to stay solvent. During the period from 2008 to 2015, Congress transferred a total of about \$141 billion in general revenues to the fund to maintain spending levels for highway and transit programs and to cover revenue shortfalls.

In December 2015, Congress approved the first federal law in more than a decade to provide long-term funding certainty for transportation infrastructure planning and investment, known as the Fixing America’s Surface Transportation (FAST) Act. The law authorizes \$305 billion for the fund for fiscal years 2016 through 2020, but that infusion is expected to be only a short-term fix. A March 2016 analysis from the Congressional Budget Office projected that after 2020, the gap between projected revenues and spending will recur. An estimated \$107 billion in additional funding will be required to maintain current spending levels plus inflation from 2021 through 2026, according to a recent GAO report.

States Explore New Funding Models

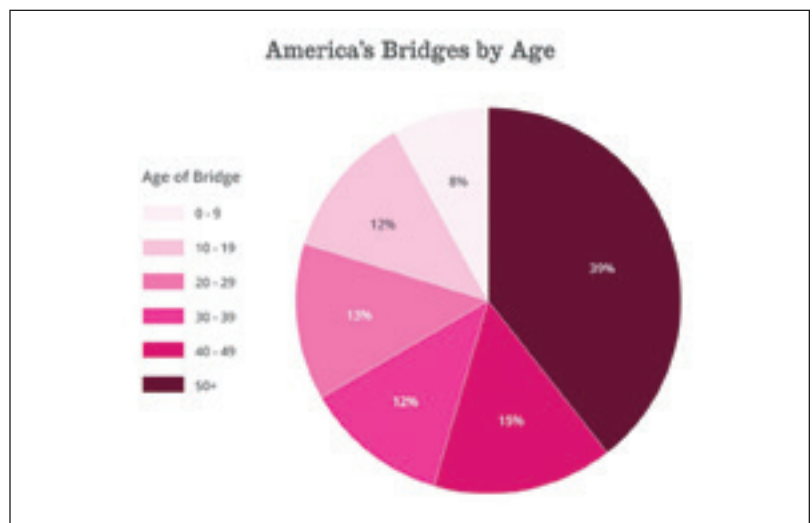
While federal funding is an important component of transportation money in every state, it comprises only about 45 percent of investments made in the nation’s highways. States have devised different approaches to shore up the difference.

Rhode Island’s toll on trucks is part of a \$4.7 billion, 10-year road and bridge infrastructure repair plan. A chief source of funding is the state’s gas tax of 34 cents per gallon. Legislation enacted in 2014 mandates that every two years, there could be a potential increase in the tax, which would be triggered by a rise in the consumer price index.

Gas tax increases have been a harder sell in other states. New Jersey increased its tax by 23 cents per gallon in 2016, a few months after the state’s Transportation Trust Fund ran out of money. The hike was



American Society of Civil Engineers



American Society of Civil Engineers

the first in 26 years and is expected to raise around \$1 billion annually. To gain legislative support, lawmakers agreed to around \$1 billion in tax cuts, so there was no net increase in funding, said New Jersey Deputy Speaker John Wisniewski, who chairs the CSG/ERC Transportation Committee. Wisniewski was opposed to the \$1 billion in tax cuts because it changed the tax increase to simply a reprioritizing of existing expenditures away from existing programs.

As consumers embrace more fuel-efficient and electric-powered vehicles, a growing number of states are

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Photo Credit: Sebastian Marquet-Voloz

The Farm Bill: NSAAS Gives Voice to Northeastern Rural Communities

Participants in an NSAAS session during the 2017 CSG/ERC Annual Meeting in Connecticut. From left: Delaware State Senator Gary Simpson, NSAAS co-chair; Connecticut State Agriculture Commissioner Steve Reviczky; and New York State Agriculture Commissioner Richard Ball.

Congress may not vote on a new farm bill until next year, but the stakes for communities in the Northeast couldn't be higher.

While the farm bill may be best known for direct farm subsidies and crop insurance, it has a tremendous impact on programs that help keep farming communities alive, from school lunch and breakfast programs, to food stamps, conservation, and water-quality initiatives.

The current administration has proposed cutting funding by more than one-third when the new bill is debated in 2018, alarming rural leaders, who say that for many of the region's small farmers, the federal assistance spells the difference between turning a small profit and going without food or other essential needs.

"The farm bill is very important to a state like Vermont," said Vermont State Representative Carolyn Partridge, who is co-chair of the Northeast States Association for Agriculture Stewardship (NSAAS), CSG/ERC's committee devoted to agriculture and rural development. "For example, in the area of school nutrition, we offer free and reduced-price breakfast, lunch, and, in some places, even dinner programs. The cuts they're talking about would make that difficult, and that could affect our students' ability to learn. And that has effects throughout our education budget."

The farm bill is renewed about every five years, when

Congress debates and votes on a new one that becomes law. The last farm bill was approved in 2014. However, the bill was two years past due, and programs were funded on a continuing basis because congressional leaders couldn't reach consensus on it.

During the course of 2017, NSAAS hosted conference calls with members to enable them to share their concerns about critical programs in their states that they hoped to shield from cuts. Farm bill programs bring over \$650 million in farm and rural assistance to ERC member states, while providing nutrition assistance to more than 15 million residents annually. Cuts in the 2018 farm bill could severely impact programs that provide assistance to low-income individuals and families, including the Supplemental Nutrition Assistance Program and the Women, Infants and Children Program, and affect direct grants and loans to farmers, towns and municipalities, conservation programs, and specialty crops.

During the conference calls, members from around the Northeast indicated which programs were most important to their states, and NSAAS staff forwarded the information to a top aide to U.S. Senator Pat Roberts, who chairs the Senate Agriculture Committee. During the CSG/ERC 2017 Annual Meeting, the aide traveled to Connecticut to meet with NSAAS members and hear their concerns.

“It was fascinating to hear what has been going on behind the scenes in Washington, and what the staffer thinks will stay in the farm bill, and what will be cut. And we got confirmation from him that what we are asking for is doable,” said CSG/ERC Agriculture Policy Consultant Tara Sad, who is a former state representative from New Hampshire.

During the Annual Meeting, NSAAS approved a resolution asking Congress to support programs that are critical to the region, including dairy price supports and funding for poultry and grain producers, conservation programs, specialty crops, research into organic food production, food stamps, and expanding broadband Internet service to rural areas, which are traditionally underserved.

Delaware State Senator Gary Simpson said the resolution’s broad range reflects the committee’s ability to work together to promote varied agricultural interests.

“We’re a very informal group, and we’re very fortunate because our members have a lot of expertise in different areas,” said Simpson, who serves as co-chair of NSAAS. “Because of that, we were able to come to a consensus on a resolution that covers a range of issues that are important to the region.”

NSAAS will continue to host conference calls with members on the 2018 farm bill throughout the coming year.

CSG/ERC Agriculture Consultant Bob Haefner, who like Sad is a former New Hampshire state representative, noted that small states particularly benefit from advocating for their interests as a region.

“We in the ERC have a real problem with a little state like New Hampshire. Nobody’s going to listen to us. But if we work together as a region in the Northeast, we’re 20 percent of Congress, and we do have an impact,” he said. ■

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exploring alternatives to taxes, such as fees drivers pay based on the number of miles they travel. The federal FAST Act set aside \$95 million for states to test such alternative funding mechanisms.

In the East, a partnership called the I-95 Corridor Coalition received a \$1.49 million federal grant to explore the feasibility of replacing the gas tax with a mileage-based user fee across multiple states. Delaware’s transportation agency is leading the study, with input from transportation agencies, toll authorities, and public safety officials from Maine to Florida.

Oregon has been experimenting with this approach since 2001, when the state legislature formed a task force to explore the use of user fees as an alternative to funding the state’s transportation system. Legislation enacted in 2013 established the state’s first mileage-based revenue program for light-duty vehicles. The state is currently running a pilot program for cars and light-duty commercial vehicles that uses a special reporting device to track drivers’ miles traveled. Vehicle owners pay 1.5 cents per miles driven and receive a refund or credit for the fuel tax they pay at the pump.

Overall, pilots are underway in 14 western states, including California, where one out of every 13 cars in the United States is registered. If officials there decide to move forward with a formal program, it will have a huge impact on the rest of the country, said Barbara Rohde, executive director of the Mileage-Based User-Fee Alliance.

“I think our goal has to be to convey to our constituents that [the lack of investment] ends up costing us more money than if we do invest.”

– New Jersey Deputy Speaker John Wisniewski

“I have rarely seen an issue that has evolved this quickly, and I think it’s simply because we really need to look to alternatives” to the gas tax, said Rohde, though she conceded that there are challenges. In briefings on the Hill, some members of Congress have been hesitant to embrace mileage-based fees, particularly because of privacy issues. But younger staffers seem less concerned. “I think that it’s not for everybody, but it’s one of the tools in the toolbox that we have to look at,” she said.

Perhaps the biggest hurdle for state officials is to convince voters of the costs of inaction.

The United States has the fourth-highest level of urban highway congestion in the world, which costs consumers \$120 billion each year in lost productivity, said Wisniewski. “I think our goal has to be to convey to our constituents that [the lack of investment] ends up costing us more money than if we do invest.”

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Photo Credit: Yvonne Casiller

Eastern Trade Council: Helping Small Businesses Access Foreign Markets

Exhibitors at the Infosecurity Europe 2017 trade show. From left, Ilya Dreytser, director, Solution Engineering, Whitewood; Kathy Therieau, director, international trade programs, Rhode Island Commerce Corporation; Jakob Storm, COO & cofounder, Cobalt; Anne Sigourney, director of finance, AVTECH; Michael Sigourney, CEO and founder, AVTECH.

For many small business owners, it's hard to overestimate the benefits of international trade. Research has shown that small businesses that sell their products in foreign markets are outperforming competitors that only sell domestically, by growing their sales, paying higher wages, and employing more workers, among other benefits.

Those advantages are clear to Michael Sigourney, CEO of AVTECH, a 30-year-old company that manufactures a product called Room Alert, which allows remote monitoring of temperature, humidity, and other environmental conditions in computer rooms, data centers, cold storage, and other facilities and warns authorities when there are power outages and other emergencies. The company, based in Warren, Rhode Island, sells its products in 185 countries; Room Alert is used in places as varied as Antarctica, the Oval Office, and outer space. Last June, with assistance from CSG/ERC's Eastern Trade Council (ETC), Sigourney traveled to London to operate a booth at Europe's largest cybersecurity trade show, which brought together more than 300 exhibitors showcasing products from 77 countries.

ETC helped make the trip possible for AVTECH and other companies from the region by renting prime

display space to ensure maximum exposure, covering the cost of setting up a booth, and offering a 60 percent discount on the \$6,000 entry fee. Sigourney said he would not have attended without these benefits, which made the trip affordable and offered the company better visibility than it would have achieved by itself.

During the trade show, Sigourney met with representatives from seven different countries. Later, he traveled to Ireland to follow up with some of his new contacts, and an upcoming trip is planned to Germany. So far, the meetings have yielded half a million dollars in potential new business.

"We wouldn't have been able to make those introductions on our own," said Sigourney. "It enabled us to open doors and create relationships that are real prospects."

Sigourney learned about the show through his state trade promotion agency, the Rhode Island Commerce Corporation, which, in partnership with the Chafee Center for International Business at Bryant University, is a member of ETC, along with the international trade offices of 10 other northeastern states. Through ETC, the agencies' trade directors meet quarterly and share institutional knowledge and experiences on how they offer services to local companies and advocate on their behalf.

“The best-practice sharing for me is the biggest advantage of the Eastern Trade Council,” said Kathy Therieau, director of international trade programs at the Rhode Island Commerce Corporation. In recent years, the group has focused on navigating the competitive process for obtaining federal State Trade Export Promotion (STEP) grants and finding ways to maximize their use. The grants offer states matching funds to help small businesses enter foreign markets.

In 2016, ETC members met with an official of the U.S. Small Business Administration, which administers the grants, to request that the agency broaden the number of trade shows that businesses could attend with STEP funds. “Collectively, we had more of a voice and we were able to push that through,” said Therieau.

Such regional efforts benefit companies like AVTECH, whose entry fees to the London trade show were covered by STEP grants and funds administered by the Chafee Center for International Business at Bryant University. That assistance, in turn, helps the local economy. AVTECH has 30 employees and supports an additional 100 jobs in Rhode Island, said Sigourney. The company expects to double its international sales within the next year.

“The benefit of working with the state of Rhode Island, STEP and ETC is it allows us to go to places



Photo Credit: Veronique Cavallier

The InfoSecurity Europe 2017 trade show in London.

where we couldn't go on our own,” said Sigourney. “It helps make people listen — people we would never get the time of day from — and in doing so, it helps us to open up new channels of business.” ■

Continued from page 21

Studies have shown that every dollar invested in highways or mass transit returns two to three dollars to the economy. If the nation's transportation infrastructure were adequately funded, every American household would receive a \$5,000 boost in annual income, said Lloyd Brown, the communications director for the American Association of State Highway and Transportation Officials (AASHTO). But efforts to convince the public about the need for increased spending often end in failure, he said.

AASHTO reviewed the messaging used by 27 state, county, and municipal communication campaigns that sought to make the case for greater transportation investment. They also convened focus groups to gauge consumers' reactions. Most of the campaigns called for an increase in fuel taxes, and 52 percent were unsuccessful — namely, those that specified tasks such as fixing potholes and other maintenance, reducing conges-

tion, and increasing safety. The successful campaigns were those that answered the question “What's in it for me?,” said Brown.

“Respondents expressed a great distrust of government at all levels, but especially around transportation spending,” said Brown. “People wanted to understand what's happening with their money.”

He advised officials that before launching a transportation revenue initiative, it's important to build confidence in the state agency. Officials should have a vision and plan that demonstrate the state's transportation needs and explain it well. They also need to be accountable to the public and inform them of any bad news. “That's how they'll believe the good news, when there is some,” he said.

“Accountability and responsibility is always a winner. If there's trust and confidence in [an agency's] competence, it will be successful,” said Brown. ■



The CSG/ERC Annual Meeting

Participants in the governor's panel on criminal justice issues during the CSG/ERC 2017 Annual Meeting. From left: Kevin Johnson, National Reporter, USA Today; Glenn E. Martin, President and Founder, JustLeadership USA; Jeff Dion, Deputy Executive Director, National Center for Victims of Crime; Governor Dannel Malloy, Connecticut.

The CSG/ERC Annual Meeting is the largest regional gathering of state and Canadian provincial government leaders in the Northeast, attracting several hundred participants. Our members work in all three branches of government and together with senior representatives from the corporate community and academia, they meet to discuss emerging policy issues in an engaging, nonpartisan environment.

Our policy workshops are tailored to address issues that our members care about. They also offer ample opportunity to interact with speakers and colleagues, providing participants with rewarding networking opportunities.

For more information, visit us at www.csg-erc.org.
All photos by Sebastian Marquez Velez



Connecticut State Representative Pam Staneski, 2017 Connecticut Host Committee Co-Chair; Connecticut State Representative Kevin Ryan and Connecticut State Senator Terry Gerrattana, 2017 CSG/ERC Co-Chairs.



Connecticut House Minority Leader Themis Klarides.



Connecticut Senate President Pro Tempore Martin Looney; Connecticut House Speaker Joe Aresimowicz.

HEAR FROM NATIONAL EXPERTS



Dr. Henry C. Lee, Founder, Henry C. Lee Institute of Forensic Science, University of New Haven.



Murat Gunel, MD, Nixdorff-German Professor of Neurosurgery, Yale New Haven Health System; Connecticut State Senator Terry Gerratana, 2017 CSG/ERC Co-Chair; Rich Lisitano, Vice President, Yale New Haven Hospital.



Connecticut Lieutenant Governor Nancy Wyman; B. David Mussington, Director, Center for Public Policy and Private Enterprise, University of Maryland School of Public Policy; Ryan Harkins, Director of State Affairs and Public Policy, Microsoft; Chris C. Demchak, Co-Director, Center for Cyber Conflict Studies, Strategic and Operational Research Department, U.S. Naval War College.



New York State Senator Kevin Parker; Charles D. Ellison, Washington Correspondent, Philadelphia Tribune; U.S. Virgin Islands Senator Marvin Blyden.



New Jersey Assembly Deputy Speaker Gordon Johnson; Dr. Serpil Guran, Director, Rutgers University EcoComplex; New Jersey Assembly Deputy Majority Leader Reed Gusciora.



Dan Esty, Hillhouse Professor of Environmental Law and Policy, Yale University.

NETWORK WITH PEERS



Clockwise, from top left: Nevada State Senator Kelvin Atkinson, National CSG Chairman; Connecticut State Representative Pam Staneski, 2017 Connecticut Host Committee Co-Chair; U.S. Virgin Islands Senate President Myron D. Jackson; Connecticut Governor Dannel Malloy; Massachusetts Senate President Stanley C. Rosenberg; Paul White, Principal, The Karol Group; Québec MNA Ghislain Bolduc; Connecticut Deputy Speaker Michelle Cook; Maryland House Speaker Pro Tem Adrienne Jones; Delaware House Speaker Peter C. Schwartzkopf; Maryland Senate President Thomas V. Mike Miller, Jr.; Puerto Rico Senator Zoé Laboy Alvarado.



Clockwise, from top left: Ontario MPP Soo Wong; CSG/ERC Director Wendell Hannaford; New York State Senator Carl Marcellino, recipient of the 2017 CSG/ERC Paul White Award; Paul White, Principal, the Karol Group; Delaware House Speaker Peter C. Schwartzkopf; Connecticut House Speaker Joe Aresimowicz; U.S. Virgin Islands Senator Neville A. James; Massachusetts State Representative Stephen Kulik; Delaware State Senator David P. Sokola and Delaware State Representative Helene M. Keeley, former CSG/ERC Co-Chairs.

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