



DEMOCRATIC GOVERNORS
ASSOCIATION

Jobs. Opportunity. Now.

Best Practices Guide

2013

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Introduction

The Democratic Governors Association's Best Practices Guide is designed to provide a sampling of innovative ideas and policies in key issue areas that have been put forward in states across the country by Democratic governors. Democratic governors have been successfully implementing initiatives with the goals of accelerating job growth, saving taxpayer funds, and improving the quality of life for their citizens - through better schools, cleaner environments and safer communities.

Although the book is divided into six separate chapters - economic development, education, health care, energy/environment, criminal justice and government reform - states should think through their policy agendas in a comprehensive manner. For example, investing in 21st century infrastructure can create jobs while improving schools and contributing to a cleaner environment.

As you review the policy ideas included in this book, it is important to recognize that these are not cookie-cutter ideas that will work in any state. Rather, they are "best practices" - examples of what other governors have done to help solve problems that Americans face everyday in their lives. They should serve as a springboard for policy proposals that you can adapt for your state - taking into consideration your state's budget situation, the make-up of your legislature, the stakeholders you can involve to ensure passage, and the needs of your state's citizens.

Within each chapter, you will find an overview of the issue; case studies to provide you with an in-depth look at how governors have addressed each issue area in a unique way and the lessons learned during policy implementation; policy solutions - a sampling of examples from governors around the country divided by issue area; and additional sources of information that can serve as a resource for you and your policy staff as you develop initiatives.

Please do not hesitate to contact us as you develop your policies with questions or for more details about the best practices you are reading about:

Ian Walton, Democratic Governors Association, walton@dga.net, 202-772-5606

Amanda Fuchs Miller, Seventh Street Strategies, amanda@seventhstreetstrategies.com, 202-321-5658

CHAPTER I

JOBS & ECONOMIC DEVELOPMENT

OVERVIEW

Democratic governors have been making significant progress in their states - lowering unemployment rates by attracting new businesses and helping current employers grow, and matching workers with high quality jobs. They are continuing to help grow their states' economies by making key investments in infrastructure and new technologies, while ensuring there is a workforce prepared for those jobs.



LESSONS LEARNED

Look for partners outside of government to cultivate innovation. The private sector, academia and research institutions can be a resource for both funding and human capital to help grow a state's economy.

Think outside of your state borders. Partnering with other states, and other countries, increases the opportunities for investment and can help a state's economy grow.

Create a business-friendly environment. Governors can provide targeted resources and put policies in place to attract new businesses while making sure workers are protected and offered high-quality jobs.

CASE STUDY

THE COLORADO INNOVATION NETWORK (COIN)

The Problem

Following a statewide bottom-up review to create an economic development strategy for Colorado, Governor Hickenlooper recognized that the key to creating jobs and developing a more competitive and resilient economy is cultivating innovation.

The Policy

In November 2011, Governor Hickenlooper established the Colorado Innovation Network (COIN) to be a catalyst for innovation within the State of Colorado. The goal of COIN is to engage innovation leaders by developing forums and solutions through which they could further their ability to foster innovation and enhance their own networks. COIN's mission is to stimulate economic growth through innovation, by partnering with business, government and civil society, and establishing a reputation for Colorado as the best innovation state in the country.

COIN is a public-private partnership. While it is housed in the Colorado Office of Economic Development and International Trade, COIN is privately funded through corporate and academic sponsorship dollars. The executive director role for COIN has been filled by client service professionals, each for one-year terms, from Deloitte in year one and PricewaterhouseCoopers (PwC) in year two. The advisory board, chartered and selected to advise the management team of COIN within their areas of expertise, serves two-year terms. The advisory board chair is the State's

Secretary of Technology and Chief Information Officer. Colorado's Chief Innovation Officer, who is also Dean of the Business School at Colorado State University, is charged with leading COIN's strategy.

Through COIN, leaders from business, government and civil society convene and commit to achieving the common goal of increased economic competitiveness. The "members" of the Colorado Innovation Network that comprise the state's innovation ecosystem include federally-funded research labs, higher education institutions, government and community leaders, industry partners, growth companies and high growth entrepreneurs.



The goals of COIN are to: 1) build and promote the brand of Colorado as a pioneer of innovation on a global scale; 2) support the Colorado Office of Economic Development and International Trade's in its work to drive economic growth through cross-industry collaboration; 3) incubate new ideas and programs around enhancing and strengthening Colorado's innovation ecosystem, with an emphasis on improving Colorado's innovation performance as defined in the Colorado Innovation Index; and 4) create a physical and virtual network for state and global innovation leaders.

COIN's long-term strategic vision includes a spin-off to a nonprofit so that it is sustainable beyond a single administration or political affiliation.

The Politics

The key to COIN's success has been, and will continue to be, strategic partnerships. These strategic partnerships provide resources that include financial, human capital, relationships and expertise. Because COIN's strategy is statewide focused, the determination of partners requires thoughtful consideration of geography, a broad cross-section of industries, and diverse organizations, including those supporting creative cultures. It is critical that these leaders are engaged early and are committed to the core mission of the organization early in the process. This is critical for an understanding of what the organization's goals are and for fostering trust with the partners. When working with private sector and academic partners, it is important to be clear about expectations and ownership up front in the process.

Another key to COIN's continued success is a meaningful connection to the community it is serving. Understanding what is being done in the state by the private sector, different government agencies and academic institutions in terms of innovation is important so that those efforts are built upon but not duplicated.

Because of the unique funding structure of COIN, buy-in from legislators has not been as critical since there is no appropriation that needs to be approved. However, when a government entity is raising funds from private industry, it is more challenging to get a guarantee of consistent funding streams so the different relationships need to be built and cultivated. Early and consistent outreach to the business community and clear communication of the organization's goals can help facilitate a positive, two-way relationship between the public and private sectors.

Having the support of local and state

government, coupled with the leadership of the Governor, has led to successes that would otherwise not have been possible for a new entity. Governor Hickenlooper launched COIN, in direct response to the needs of the community, and as a result, he has brought instant credibility to the organization, and made it possible to engage key leaders and organizations early on.

Having concrete measures of success for a project like this will help cultivate trust and credibility in its brand and organization. Immediate measures of success can include the success of engaging senior leaders to the COIN Summit delegation and network; the number of relationships formed; and the number of press mentions of the organization and its efforts.

The Results

In August 2012, COIN held an Innovation Summit, which hosted more than 250 innovation leaders from around the state and globe for a two-day summit in Denver. At the Summit, the results of the COIN initiatives were shared, world business and innovation network leaders led discussions on innovation best practices, and delegates built upon existing networks in the state. Day two of the Summit focused on turning innovation into action, as the delegation participated in facilitated groups to develop a one-year action plan.

COIN released the Colorado Innovation Index, an annual report measuring Colorado's innovation progress, which will be released annually at the Innovation Summit and shared with the media on a national level. COIN has partnered with Colorado State University to develop this report. The goal of the report is to serve as a call to action that defines innovation issues and challenges and opportunities, as well as tracking COIN's impact.

To learn more about COIN:

<http://www.coloradoinnovationnetwork.com>

CASE STUDY

MARYLAND'S INNOVATION INITIATIVE

The Problem

Governor O'Malley recognized that Maryland was facing a gap between its research and development and the technology transfer and commercialization of its innovations. Maryland receives approximately \$13 billion in federal research dollars annually, with \$2 billion directed to the state's research universities. Despite Maryland's high national ranking in research dollars received, the state was not ranked in the top ten in an analysis by the Association of University Technology Managers (AUTM) of the effectiveness of their use of intellectual property.

The Policy

The Maryland Innovation Initiative created a first-ever partnership between the State and five qualifying universities to advance cutting-edge research to the commercial marketplace and foster collaboration between the universities and federal laboratories. The goal of the partnership is to get research products to the marketplace quicker and more efficiently.

The Initiative includes five qualifying research universities in the state - Johns Hopkins University, Morgan State University, University of Maryland Baltimore, University of Maryland Baltimore County and University of Maryland College Park. It is administered by the

Maryland Technology Development Corporation (TEDCO), a public corporation with more than a decade of experience funding tech transfer and development programs and providing assistance to entrepreneurs. Chairman Robert Hollenbeck from Becton Dickinson and representatives from academia, technology businesses and government oversee the Maryland Innovation Initiative Board. In FY2012, the State allocated \$5 million and qualifying universities contributed between \$100,000 (for smaller universities) and \$200,000 (for larger universities) to fund start-up grants to researchers best positioned to move their discoveries into the commercial marketplace. Last year's fund totaled \$5.8 million. Any of the participating universities can apply for grants from the fund to help develop their technology for commercialization.



The Politics

In order to get buy-in and see concrete results, it is critical that the universities invest in the fund alongside the state so that they have financial skin in the game. They must be co-investors, not passive recipients. Furthermore, the investments must be large enough to be a real incentive for participation by the schools.

The Results

The Initiative has incentivized universities to collaborate and cooperate both with each other and across different schools on their own campuses, which has increased the ability of

each partner to be successful in commercialization of their technologies. Six grants have been authorized to participating schools and the Governor's FY 2013 budget asks for reauthorization of the fund at \$5 million.

To learn more about Maryland's Innovation Initiative:

<http://tedco.md/program/the-maryland-innovation-initiative-mii/>



POLICY SOLUTIONS

Creating a Business-Friendly Environment

Oregon Governor Kitzhaber enacted the [Economic Impact Investment Act](#), which gives the governor the authority to enter into agreements with companies that include promises of “no changes” to the state’s tax structure if the company commits to significant job growth and investment in the state. The new power allows the governor to enter into qualifying investment contracts with any company committing to a minimum of 500 jobs and \$150 million in capital investment over five years.

Maryland Governor O’Malley submitted more than 130 State regulations to be repealed, revised or streamlined by Maryland’s General Assembly to make doing business in Maryland easier. Currently, state agencies are preparing their recommendations for submission to the Committee. Some of these proposals have already been submitted, while the committee should be reviewing the recommendations this session. He also launched the [Central Business Licensing system](#), an online portal that allows new business owners to establish their business in just 5-7 days rather than in 10 weeks, as is the current standard. Nearly 5,000 businesses are expected to use the new system in its first year alone.

Connecticut Governor Malloy issued an [executive order](#) creating a nine-member Governor’s Business Tax Policy Review Taskforce, tasked with reviewing the state’s business tax policies. The governor issued the order to ensure that Connecticut is getting the maximum return on its investments, with an eye toward policies that will make the state even more competitive for future job growth.

California Governor Brown [proposed reforms to simplify and expedite the approval process for key job-creating projects in the state](#), including 1) simplification of the approval process for infill projects by eliminating repetitive studies of environmental effects already addressed in other planning documents, such as general plans and zoning codes; 2) removing hurdles to harnessing solar energy and growing green-collar jobs by exempting solar projects located on existing rooftops and parking lots; and 3) sending environmental litigation for certain large projects directly to the Court of Appeal and requiring a decision on the merits in a short timeframe.



Delaware Governor Markell signed a [memorandum of understanding](#) with the Delaware Municipal Electric Corporation (DMEC) and mayors or town officials of nine cities in which the DMEC agreed to lower retail electric rates by at least 10% in the next three years. The memorandum also authorized, in each municipality, an “economic development rate” for the purpose of incentivizing job creation in the DMEC municipalities and attracting new employers to locate in Delaware municipalities. In return, the Governor agreed to oppose any legislation that would allow third-party supply in the municipal electric territories.

Massachusetts Governor Patrick [froze employer contributions to the Unemployment Insurance \(UI\) Trust Fund](#) at current levels. This prevented a scheduled rate hike from taking effect and helped save businesses \$421 million this year.

New York Governor Cuomo implemented initiatives to [increase opportunities for minority-and women-owned businesses](#) (MWBE), including: launching a new one-stop contracting system to provide small businesses with a user-friendly web-based system that makes it quicker and easier to do business with the state; streamlining the procedures for obtaining certification as an MWBE and put the certification application process on-line; creating a revolving loan fund to provide credit support to help small businesses and MWBEs secure surety bonds and state contracts; and developing a comprehensive system for MWBEs to exchange information, ideas and available resources to grow their businesses.

California Governor Brown [signed legislation](#) to give a boost to the commercial space-travel industry in the state by limiting liability for spaceflight companies - providing them with qualified immunity from liability for injuries suffered by a spaceflight participant.

North Carolina Governor Perdue signed a 30-year agreement with the Eastern Band of Cherokee Indians to create 400 new jobs in western North Carolina by expanding the Cherokee's gaming enterprises to allow them to offer live table gaming, with a share of the revenue going to the state to pay for classroom education.

Providing Needed Assistance to Small Businesses

Missouri Governor Nixon [signed legislation](#) creating targeted tax deductions for small businesses that create jobs over the next two years. Small business owners, with 50 or fewer employees, will receive a tax deduction of \$10,000 for each new qualifying job they create that pays a wage that matches the county or state average wage, and \$20,000 if that new job includes health insurance coverage.

Washington Governor Gregoire issued an executive order to help reduce the administrative burden of state and local regulations on small businesses. The order directs the state's regulatory agencies to designate an existing staff person as a point of contact for small business owners to help solve issues they may have with the agency; directs the Office of Regulatory Assistance to spearhead an effort to connect with small business owners to learn what assistance would be beneficial; and directs the state's chief information officer to develop technology that would enable every business owner to have an on-line account with the state to pay taxes and insurance premiums.

Massachusetts Governor Patrick announced an [Administration-wide regulatory reform process](#) designed to create a systematic review of existing rules and take new steps to streamline regulations for small business. By September 2012, operations for thousands of businesses were easier or less-costly after a review of 446 sets of regulations found 286 opportunities for amending or eliminating regulations.



Delaware Governor Markell issued an [executive order](#) to launch a statewide effort that brings citizens, businesses and state agencies together to identify and remove regulatory hurdles. It requires executive branch agencies to take a close look at the regulations on their books that have been in place at least three years. It also launches a public process to give citizens a chance to tell state agencies which regulations they believe are no longer working by requiring each executive agency to hold at least one public forum in each county, accept written comments and suggestions, and evaluate the proposals and recommendations it received during the public comment period; and requiring the Governor's office, within one year, to submit a report to the legislature detailing the regulations eliminated or modified pursuant to this process.

New York Governor Cuomo created a [statewide small business outreach initiative](#) which included workshops around the state for small business owners and prospective owners to learn about how to start and grow their businesses. Over the course of six months, a team of officials from six New York State Agencies traveled to all regions of the state to conduct a comprehensive overview of the state's rules and programs for starting and expanding small businesses. More than 1,700 small business owners and prospective owners attended these workshops.

Hawaii Governor Abercrombie [signed legislation](#) aimed at benefiting local farmers who want to sell their products and/or establish agricultural-based commercial operations by authorizing agricultural-based commercial operations in agricultural districts that will increase farmers' ability to sell products and promote food sustainability for the island state; as well as exempting certain nonresidential agricultural buildings that are on commercial farms from county building permit requirements.

Lowering Taxes



West Virginia Governor Tom Blaine [eliminated the state's food tax](#).

Maryland Governor O'Malley enacted the [Family Farm Preservation Act of 2012](#), which secures a sustainable future for Maryland's family farms by reducing the current estate tax rate from 16 percent to 5 percent to protect Maryland's farms valued over \$5 million. It does so through a mandate requiring recapture of the tax obligation if the farm is taken out of agricultural use within 10 years.

Ensuring Businesses Have Access to a Qualified Workforce

North Carolina Governor Perdue launched a community-college based workforce development initiative to foster the skills and talents needed for the state's growing film sector. This allowed the schools to develop and offer ten new workforce training courses to train as many as 400 people for private sector jobs.

Illinois Governor Quinn announced [a new "help-wanted" system](#) that connects job seekers with jobs and makes hiring easier and more cost-effective for businesses. Illinois JobLink allows businesses to post job ads. It also allows individuals to post multiple resumes for free and posts want-ads pulled from Indeed.com, the largest employment site in the United States. The service is available to everyone while individuals collecting unemployment insurance are required to participate. Currently, there are nearly 92,000 total statewide job postings and more than 51,000 resumes posted on the system.



Helping Workers Find High Quality Jobs

Vermont Governor Shumlin launched the ["Make Vermont Home"](#) initiative to reduce unemployment and encourage young Vermonters to return to work in the state. The plan includes efforts to recruit Vermont college graduates and younger workers who are out of state and to develop affordable housing options for young families. The state's Labor Department is coordinating with Vermont colleges and universities in order to contact Vermont alumni and send them Vermont job openings directly, and a centralized jobs database is being created to conduct outreach to both job seekers and recruiters.

Delaware Governor Markell signed legislation creating the [Veteran's Opportunity Tax Credit](#), which allows any business to take a tax credit of 10 percent of the gross wages paid to newly hired veterans, with a cap of \$1,500. The cap will continue for three tax years, so the total benefit to the employer could be \$4,500 per veteran hired. The refundable tax credit can be taken by any private sector business, and can be credited against personal income taxes, corporate income taxes, bank franchise taxes and insurance premium taxes.

Missouri Governor Nixon [expanded the Show-Me-Heroes program](#) to create additional employment opportunities for the state's military veterans and spouses. The legislation creates an On-the-Job training component for returning National Guard, Reservists and recently separated active-duty service members hired by Show-Me Heroes employers. By hiring these individuals, employers receive a reimbursement of 50% of the participant's wages during the training period. The program also expands the eligibility of financial assistance - including payment of overdue bills, transportation and day care costs when pursuing employment, vocational counseling and subsidized employment - to the spouses of active-duty service members.

Kentucky Gov. Beshear launched the [Hiring Kentucky Heroes](#) partnership - an initiative to bring together veterans seeking jobs with employers needing workers. Hiring Kentucky Heroes is a partnership of the Education and Workforce Development Cabinet's Office of Employment and Training, the Kentucky Committee for Employer Support of the Guard and Reserve (ESGR), the

Kentucky National Guard, the U.S. Department of Labor's Veterans' Employment and Training Service, the Kentucky Department of Veterans Affairs, the Kentucky Community and Technical College System, the Kentucky Cabinet for Economic Development, the Kentucky Chamber of Commerce, the Small Business Administration, the Kentucky Small Business Development Center and the Yellow Ribbon Reintegration Program. By working together, the agencies can offer expertise and resources, which include better access to training and education opportunities, state and national job banks, job fairs and hiring incentives. Five employment assistance workshops have been conducted. In these workshops, participants receive three days of concentrated assistance in translating military occupational skills and experience into marketable civilian skills, developing their resumes and conducting practice job interviews. The course ends with a job fair. In addition, the Hiring Kentucky Heroes web portal, <http://HiringKyHeroes.ky.gov>, provides access to valuable information for both veterans and employers.

Connecticut Governor Malloy issued a [directive](#) to the heads of executive branch state agencies instructing them to consider hiring and recruiting veterans who have recently returned from military service or will be returning in the near future and are looking for employment.

New York Governor Cuomo launched a statewide program to [find jobs for at-risk youth](#), offering \$25 million in hiring incentives and \$8 million in training and placement money for work readiness preparation, occupational training, and digital literacy skills. The program placed 8,400 youth with more than 1,380 certified businesses.



Developing Innovative Economies

Massachusetts Governor Patrick created the [Massachusetts Big Data Initiative](#) to expand its position as a world leader in the rapidly expanding Big Data sector. Big Data is the collection and analysis of large amounts of data, a growing information technology need as companies seek solutions to easily handle data across a broad spectrum of industries and uses such as genomics, climate change, cancer research, health care cost reduction, smart grids and other topics. Since the initiative was launched, Massachusetts has opened the Massachusetts Green High Performance Computing Center, in collaboration with academic and business partners, creating a new, high-technology platform for data research; and participated in the opening of hack/reduce, a Cambridge-based computing center that opens up Big Data infrastructure to researchers of all sizes. In early 2013, the Commonwealth will establish an internship program that creates new career opportunities in the field of Big Data for young talent.

Minnesota Governor Dayton launched a [statewide listening tour](#) to identify both opportunities for future economic growth and barriers to that growth in key sectors of Minnesota's economy. The tour focused on eight high-potential sectors of Minnesota's economy, including: Forestry, Bioscience, Mining, Agriculture Technology, Healthcare Technology, Information Technology; the Plastics and Composites industry, and Tourism. It included meetings with the Governor and business owners, workers and local leaders. The goal of the tour was to identify new growth opportunities and seek input on what measures should be taken in the legislative session to enhance Minnesota's economic competitiveness, stimulate private sector job growth and open new doors of employment

opportunity for Minnesota workers.

Massachusetts Governor Patrick signed legislation codifying the [Advanced Manufacturing Collaborative](#), formalizing support for an industry expected to fill 100,000 jobs in Massachusetts over the next 10 years. Massachusetts is creating regional partnerships with industry leaders, and academic and teaching partners that will both create new opportunities for young people and their families to learn about the career opportunities in the industry and connect employers with available talent. The Collaborative will also outline strong, identifiable training pathways for new and existing employees in order to advance in an industry that has embraced new technologies.

Supporting Economic Development Projects

New York Governor Cuomo created the [New York Works](#) economic development program, which completely redesigned the state's capital planning approach through leveraging scarce state resources by generating significant private sector investment. The NY Works Task Force, composed of leading finance, labor, planning and transportation professionals, is charged with reinventing state economic development by coordinating capital plans across 45 agencies and authorities, overseeing investment in projects and accelerating hundreds of vital projects across the state. One cost-saving measure put in place for infrastructure projects was the use by the state's Department of Transportation of a streamlined contracting method, known as "design-build" contracting, which holds a single contractor accountable for both the design of the project and its actual construction, which can save nine to 12 months on a project timeline.

Hawaii Governor Abercrombie released more than \$959.7 million over the last year for [various capital improvement projects](#) selected for their potential to immediately address priority maintenance and improvement work on state infrastructure and facilities while stimulating the local economy and generating job opportunities.

Kentucky Governor Beshear worked directly with the governors of Indiana and Ohio, as well as with the U.S. Department of Transportation and the Federal Highway Administration, to fast-track the construction of three badly-needed bridges across the Ohio River. Splitting the project with another state reduces costs by 40 percent by streamlining the basic design, cutting construction time in half and encouraging private-sector innovation in the delivery process.

Minnesota Governor Dayton [proposed a bonding package](#) focused on making the kind of long-term investments proven to create jobs that would put up to 21,700 Minnesotans back to work by investing in improvements in infrastructure, colleges and universities, and many other regional economic development projects.

Missouri Governor Nixon [issued an executive order](#) establishing an emergency cost-share program to provide 90% of costs, with a maximum of \$20,000, for emergency water projects for Missouri farmers and livestock producers across the state who were facing water shortages because of the historic drought. To be eligible for the program, projects had to provide immediate and material relief for the farmer or producer. The program approved 3,712 applications for assistance, totaling \$18.7 million.



Promoting Trade

Arkansas Governor Beebe [led a 12-day trade mission to China](#) - visiting eight cities - to open doors for potential new jobs in Arkansas and provide new destinations for Arkansas goods.

Massachusetts Governor Patrick signed [memorandums of understanding with Catalonia, Spain and the Medicon Valley](#) located in Denmark and Sweden, which focused on expanding and strengthening Massachusetts' innovation economy and highlighting Massachusetts' position as a leader in the life sciences. The agreement with Spain facilitates collaboration in the following areas: bilateral cooperation in research, and technological and industrial innovation; business cooperation and economic development in key productive sectors, especially in life sciences, renewable energy, information technology, advanced manufacturing and infrastructure; and academic cooperation. The agreement with the Medicon Valley focuses on enhancing research partnerships in life sciences by an exchange of researchers and students; identifying special projects, partnerships or collaborations that can lead to new or enhanced research opportunities; and establishing a framework to be used in joint projects that could be financed by the European Union or National Institute of Health to develop new products and processes that can be used in the global market.

Illinois Governor Quinn created the [Governor's Export Advisory Council](#), made up of CEO's and other prominent leaders from the private and public sectors, to help double the number of state exports by the end of 2014. The council, which will meet several times a year, is tasked with advising the Governor on trade advocacy positions at the federal level; promoting Illinois firms and the state to countries seeking trade opportunities; identifying challenges to expand exports; and recommending policies and programs that will help Illinois better compete at a global level.

California Governor Brown announced plans to open [a new trade and investment office](#) in China to provide California companies with increased access to Chinese business contacts and provide Chinese investors with access to California projects that will benefit from increased investment. Partners in the private sector, through the Governor's Office of Business and Economic Development, will provide financing for the office.

Vermont Governor Shumlin collaborated with the State Department and the Chinese People's Association for Friendship with Foreign Countries to host a delegation of Chinese government officials and business leaders in Burlington, Vermont. The focus of this collaboration is to promote cooperation on economic, commercial, scientific and educational exchanges.

ADDITIONAL RESOURCES FOR STATES

- ❖ The Institute for Research on Labor and Employment presents ideas for job creation in a series of research papers: <http://www.irlle.berkeley.edu/research/jobcreation/ideas.html>
- ❖ The Pew Center on the States provides a collection of research on state tax incentives: <http://www.pewstates.org/research/featured-collections/state-tax-incentives-for-economic-development-85899436144>
- ❖ The Census Bureau provides easy access to economic statistics about each state, and county: <http://quickfacts.census.gov/qfd/index.html>

CHAPTER II

EDUCATION

OVERVIEW

Democratic governors are working to hold schools and educators accountable in a fair way, looking beyond test scores to measure schools' progress and successes. With limited funds, Democratic governors are targeting resources where they are needed most - to close achievement gaps and level the playing field. They are also working to make sure that today's school curricula match up with the jobs of tomorrow.



LESSONS LEARNED

Review accountability measures to make sure they meet their goals while being fair for all players in the education system - from the students to the teachers. Clear and transparent standards must be put in place to evaluate schools' performance and progress.

Align education curricula with the needs of the workforce. Today's students must be prepared for the jobs of tomorrow and that means ensuring that K-12 curricula and educational opportunities provide the skills and tools needed for high-quality jobs.

Develop reforms with input from a variety of sectors. Governors must approach education reforms thinking beyond the classroom. Partnering with stakeholders from the health and human services, housing, and economic development sectors is critical to develop and implement policies that will result in closing the achievement gaps that exist among today's students.

CASE STUDY

MASSACHUSETTS' EFFORTS TO CLOSE ACHIEVEMENT GAPS

The Problem

Three-quarters of children who struggle with reading in third grade will continue to struggle academically moving forward. This greatly reduces their chances of graduating from high school, going to college, and successfully participating in a 21st century, high-skill economy. However, children who receive high-quality literacy instruction during their earliest years are more prepared for kindergarten, and more likely to be successful in elementary school and beyond. Recognizing that a child who can read at a proficient level by the third grade has a better chance to succeed in his or her adult life, and given that nearly 40 percent of Massachusetts' third graders are reading at a level below proficiency, Governor Patrick is implementing an array of strategies with the goal of increasing reading proficiency by the third grade for every child in Massachusetts and closing persistent achievement gaps.

The Policy

With the support of both a Race to the Top - Early Learning Challenge grant as well as a K-12 Race to the Top grant, Massachusetts is implementing rigorous pre-K through grade 12 curriculum frameworks in English Language Arts and mathematics; enhancing the quality of the birth to grade 3 educator workforce by improving both pre- and in-service professional

learning opportunities; improving the quality of early education programs; and increasing alignment between both learning standards and assessments between the early education and K-12 sectors.

In order to strengthen and better integrate the state's literacy efforts, a coalition of education organizations from both the early education and K-12 sectors proposed a bill, "An Act Relative to Third Grade Reading Proficiency," and advocated for its passage. In September 2012, Governor Patrick signed the legislation into law.



The law establishes a nine-member expert literacy panel, co-chaired by the state's education secretary and an outside expert of children's early language and literacy development. The panel will make recommendations to the Departments of Early Education

and Care, Elementary and Secondary Education, and Higher Education about better aligning and coordinating current initiatives and improving the implementation of programs to ultimately ensure that every student in Massachusetts will read proficiently by the end of third grade.

The new literacy panel will make specific recommendations on several areas including: literacy curricula; effective instructional practices to promote children's language and literacy development in early education and

care programs and pre-kindergarten to third grade; pre-service and in-service professional development and training for educators on language and literacy development; developmentally appropriate screening and assessment to monitor and report on children's progress toward achieving benchmarks in language and literacy development; and family partnership strategies. The panel will also explore ways to leverage existing and new federal grant opportunities and private funding to support language and literacy proficiency for children from birth to third grade. These recommendations will inform the implementation of current initiatives as well as the development of new initiatives that will accelerate Massachusetts' progress toward the Governor's goal.

The Politics

In July 2008, Governor Patrick created the architecture for implementing his public education agenda by creating an Executive Office of Education (EOE). The EOE is responsible for achieving the Governor's goal of creating a more seamless, aligned 21st century public education system, one that provides comprehensive and integrated learning opportunities for all children from birth through post-secondary education. The Secretary of Education is appointed by the Governor and sits on the state's four public education boards - early education, elementary and secondary education, higher education, and the University of Massachusetts. Setting up this governance structure was key for the development and implementation of the third grade literacy policy, given that there is now improved coordination between the different levels of education.

In addition to a comprehensively integrated approach to education policy across sectors within the public education system, a multi- and cross-sector approach is also central to

Governor Patrick's theory of action. For example, the EOE works in collaboration with state, regional, and local partners in the health and human services sector, as well as with housing and economic development agencies, and labor and workforce development agencies. Furthermore, Governor Patrick believes that education policy should be made "with the field, not to the field." Multiple stakeholders should contribute to the work so that their expertise and knowledge can be leveraged from the development to the implementation stages of education reform.

Two additional groups of stakeholders that must be engaged with early and often are parents and family members and community members. Education policymakers should conduct outreach with these constituencies on an on-going basis and institutionalize partnerships as they are developing policy and delivering services to children and families.

The Results

This legislation complements and accelerates current initiatives that are being implemented, and it will be key in fulfilling Governor Patrick's goal of closing achievement gaps before they begin. It will also enhance the architecture that has been created to promote greater collaboration and integration across education sectors as well as support cross-sector and public/private partnerships. As a result, Massachusetts will be able to better ensure that all children receive the educational services and support they need to reach the critical benchmark of reading proficiency by third grade - which will in turn help ensure that they will be successful throughout the remainder of their academic careers and beyond.

To learn more about Massachusetts' efforts to close achievement gaps: <http://www.doe.mass.edu>

POLICY SOLUTIONS

Early Education

Expanding Access to High Quality Early Child Care



Hawaii Governor Abercrombie established the [Executive Office on Early Learning](#) with an appointed cabinet-level director, responsible for developing an implementation plan for an early learning program and ensuring government services among the state Departments of Health, Human Services, Education and Judiciary and other agencies are coordinated, well implemented, continuously improved, and consistently meeting needs. The new office's goal is to have a universal network of child care and preschool support for every four year old in the state.

North Carolina Governor Perdue issued an executive order to expand North Carolina's Pre-Kindergarten program - a state funded pre-K program designed to prepare at-risk four year olds in North Carolina for success in school. An additional 6,300 children will be able to be served in 2012-2013.

Massachusetts Governor Patrick [signed legislation](#) to give nearly 4,000 qualified family child care providers, who offer subsidized early education and child care services to low-income and other at-risk children through the state, the ability to unionize and collectively bargain with the state over subsidy rates, reimbursement and payment procedures, recruitment/retention of providers and professional development opportunities. The law also allows eligible family child care providers to collectively bargain with the Department of Early Education and Care (EEC) on matters of educational and training opportunities, and recruitment and retention of qualified providers, helping to ensure that programs are providing high quality care and education opportunities for children at an early age.

K-12

Improving Public Schools

Connecticut Governor Malloy enacted an [education reform package](#) that increases access to high-quality pre-school by creating 1,000 new pre-K School Readiness seats, focused in high need, low performing communities; establishes the Commissioner's Network, enabling the state to provide the intensive supports and interventions needed to turn around 25 of its most chronically low-performing schools; creates an ambitious pilot program to enhance literacy for students in kindergarten through third grade; expands the availability of high-quality school models, including traditional schools, magnets, charters, and others; removes red tape and other barriers to success, especially in high-performing schools and districts, by reducing the number of data forms it requires school districts to complete by one-third and enhancing the formation of a Red Tape Review Task Force that will propose ways for the state to reduce the regulatory burden on districts; requires annual performance evaluations of principals, administrators, and teachers; strengthens professional development for educators, requiring job-embedded coaching as the predominant form of training;

reforms the state's tenure statute by awarding tenure on the basis of effective practice and allowing termination of ineffective teachers; delivers more resources to the state's lowest-performing districts conditioned on their use of reform strategies; and enhances transparency for state and local education spending by providing a common and public budgetary template for all districts and schools.

Massachusetts Governor Patrick announced the [Commonwealth's Gateway Cities Education Agenda](#). This set of strategies aims to eliminate persistent achievement gaps that disproportionately affect children living in poverty, students of color, students with disabilities, and students who are English language learners. Many of these children are heavily concentrated in the Commonwealth's 24 Gateway Cities, those with higher rates of poverty. The Governor's Gateway Agenda focuses on five goals: (1) getting every child to reading proficiency by the third grade; (2) providing every child with a healthy platform for education; (3) providing students, particularly English Language Learners, with the quality and quantity of education they need to succeed; (4) preparing all students for college and career success; and (5) seeding and incentivizing education. The Governor proposed \$10 million in funding for the Gateway Cities Education Agenda in his FY '13 budget, with the Massachusetts Legislature ultimately appropriating \$3.5M to implement portions of this ambitious agenda.

Minnesota Governor Dayton launched a pilot project for school districts to share resources and provide innovative education programs and activities.

Illinois Governor Quinn [signed legislation](#) that will give parents and communities more information about their schools' performance on school report cards and allow comparisons between similar schools across the state, including current and past outcomes and progress. The report cards will include school characteristics and student demographics; curriculum information; and information relating to student outcomes, student progress, and school environment.



Oregon Governor Kitzhaber created a [system of accountability for the state's schools](#) that will stress the importance of student growth and more authentic measures of college and career readiness, such as thinking skills and academic behaviors, rather than emphasizing standardized testing. The state received a federal waiver to implement a new model for rating and supporting schools, replacing the Adequate Yearly Progress designations and sanctions of NCLB. In 2012-13 and beyond, features of the plan to be implemented include: 1) alignment with new achievement compacts, which describe how each district will improve key student outcomes; 2) accountability for ensuring underserved students are demonstrating academic growth and graduation rates that allow us to close the state's achievement gap; 3) emphasis on individual student growth and demonstrations of proficiency in reading and math; 4) customized support plans designed to help struggling schools better serve all kids; and 5) collaborative systems of teacher and administrator evaluation designed to improve student outcomes by better supporting professional growth. The state will conduct a pilot to study a teacher evaluation framework that includes measuring teachers' impacts on student learning without evaluating teachers based solely on standardized test scores.

North Carolina Governor Perdue proposed expanding an initiative that provides teachers with mobile technology that empowers them to accurately assess children's reading programs, through

the use of diagnostic software that allows them to monitor children's reading progress on a regular basis and target trouble spots.

Delaware Governor Markell implemented The Delaware Department of Education's [Education Insight system](#) - a one-step electronic system to allow educators to make data-driven decisions to improve instruction and learning. The project includes the development of web-based "dashboards" that provide educators access to timely and actionable information on all students to help manage academic performance and anticipate issues that could arise throughout the year. The dashboards aggregate data from existing sources to show a comprehensive view of each student - including items such as student biographical information, schedule, attendance, assessment scores, grades and credits - as well as roll-up views of the data for classrooms, schools and districts. Teachers can use the information to review information on their incoming classes, identify students at risk and plan interventions, design lessons or activities for their professional learning community (shared planning time among teachers) and incorporate all such information into parent-teacher and principal-teacher conferences. The platform requires no additional data input by teachers, is accessible from any location, and is provided free of charge by the state to all districts and charter schools.

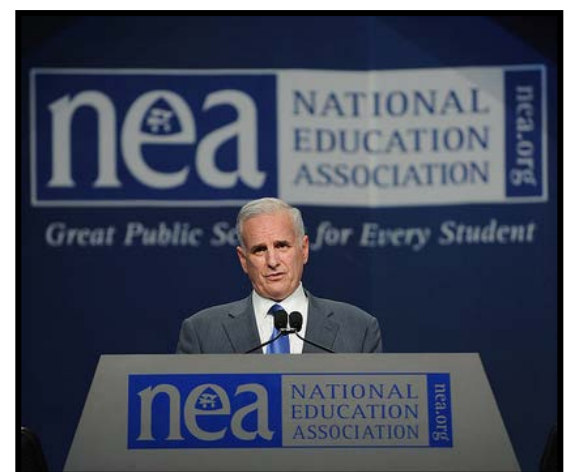
Vermont Governor Shumlin [changed the state Board of Education-appointed Education Commissioner to a Governor-appointed secretary level position](#) in the Governor's cabinet in order to ensure they work more closely with the gubernatorial administration on education issues.

New York Governor Cuomo created the [New NY Education Reform Commission](#), a group of nationally recognized education, community and business leaders, to develop a blueprint for addressing the state's educational challenges. The Commission held 11 public hearings in each of the 10 regions of the state and received thousands of pages of testimony and heard from more than 300 students, parents, educators and stakeholders. It has submitted its recommended Action Plan, which focuses on extended school hours, full day pre-kindergarten in highest need communities, promotion of Community School Models, instituting stricter standards for entry into the profession, paying for performance of the highest-performing teachers, innovation Zones to enhance the use of technology in teaching and learning, and incentivizing school district consolidation, regionalization, and shared services. Cuomo has proposed a competitive grant to implement the Commission's recommendations.

Ensuring Better Qualified Teachers

Minnesota Governor Dayton [signed legislation](#) requiring teacher candidates to pass a basic skills exam in order to receive a Minnesota teaching license.

Washington Governor Gregoire enacted a law creating a new model for teacher and principal evaluations so they would know exactly what was required of them and parents would know that their children's instructors were held to clear standards of proficiency. The new evaluation system is based on a four-tier rating system that includes unsatisfactory, basic, proficient and distinguished. Once implemented, teachers or principals with more than five years of experience who are rated in the "basic" level for two years in a row will have to move up to



“proficient” to keep their job, and new teachers are required to reach the “basic” level before they can move from provisional status to continuing-contract status.

New York Governor Cuomo adopted a [comprehensive teacher and principal evaluation system](#) to help improve education and school accountability statewide. This system was developed in cooperation with the State Education Department and the teachers' unions. The new evaluation system uses multiple measures of performance that include student achievement and rigorous classroom observation to provide local school districts with clear standards and guidance to improve teaching and learning in the classroom.

Expanding Parental Involvement

Kentucky Governor Beshear launched the [Governor's Commonwealth Institute for Parent Leadership](#) (GCIPL) - an independent non-profit organization with the mission of preparing parents to take leadership roles in parent-teacher organizations, school councils and committees, local school boards and in other roles that could positively influence student achievement. The Institute teaches and mentors parents over a 24-month period to understand what Institute leaders call “the business of education” - such as how to read aggregated test scores to understand trends, and then recommend steps to help struggling students based on that data. The Institute unlocks educational jargon and technical language so that teachers, administrators and parents can speak with a common understanding of tools and goals. It also teaches parents to understand how a school's budget works and how to maximize resources.



Preparing Students for 21st Century Jobs

Illinois Governor Quinn launched the [Illinois Pathways Initiative](#), a public-private partnership between Illinois' public education institutions and the business community to foster Science, Technology, Engineering and Math (STEM) learning. Illinois Pathways is a STEM initiative that will help students pursue their academic and career interests through STEM Learning Exchanges. The Learning Exchanges work to increase student enrollment in STEM programs by forming public-private statewide networks in specific career areas that will include PreK-12 and higher education institutions working together with employers, industry associations, labor organizations and other education partners. The STEM Learning Exchanges will focus on educating and training students in nine key career fields, including health science; agriculture, food and natural resources; information technology; finance; architecture and construction; transportation, distribution and logistics; manufacturing; research & development; and energy. They will provide targeted resources that provide students with internships and other work-based learning opportunities and connect students with adult mentors and offer a clear path from school to work. The initiative is funded through the state's federal Race to the Top education funds.

Kentucky Governor Beshear [signed legislation](#) to provide a career pathway process for secondary education in Kentucky by requiring the Kentucky Department of Education to issue core content standards for career and technical education, assess student progress, and develop new courses relevant to college and career readiness. The law provides a process to assess at-risk students and provide evidence-based programs to help students learn, stay in school, and be successful in their transition to postsecondary education or the workplace. Governor Beshear also signed an [executive order](#) to overhaul the state's career and technical education (CTE) system by uniting the state's two CTE systems under the guidance of Kentucky's Department of Education, and establishing a CTE Advisory Committee that will provide guidance in the design and implementation of programs that give all students the best possible opportunity for career preparation.

Massachusetts Governor Patrick announced that Massachusetts joined the [Pathways to Prosperity Network](#) to help advance the Commonwealth's efforts to create clear career pathways for students and adult learners that will equip the state's workforce for success in a 21st century global economy. The Pathways to Prosperity Network is a collaboration between the Pathways to Prosperity Project at the Harvard Graduate School of Education, Boston based Jobs for the Future (JFF), and six states (Illinois, Maine, Missouri, North Carolina and Tennessee). It is focused on ensuring that many more young people complete high school, attain a postsecondary credential with value in the labor market, and get launched on a career while leaving open the prospect of further education. To accomplish this goal, the Massachusetts Executive Office of Education (EOE) has joined forces with regional employers and workforce development organizations to build a system of pathways for high school age students to and through a post-secondary technical education program and on into the labor market.

Vermont Governor Shumlin announced plans [to make Geometry and Algebra I required high school coursework](#) for graduation in order to better prepare students for college and the workforce.

Illinois Governor Quinn [signed legislation](#) to implement a stronger mathematics curriculum in the state's classrooms. The law requires the Illinois State Board of Education to work with stakeholders and educational organizations to create and coordinate the development of mathematics curriculum models that will be implemented in middle and high schools statewide to help school districts and teachers ensure that students graduate prepared to succeed in college classrooms, as well as in today's competitive job market.



Missouri Governor Nixon established [Innovation Campuses](#) at colleges across the state to train adults and high-school students for career opportunities in high-demand science and technology fields, cut the time to earn a college degree, and reduce student debt through college aid. Innovation Campuses will partner with private businesses to provide targeted on-site training and mentoring for participants, and students will be able to earn 30 college credit hours or more while still in high school.

Kentucky Governor Beshear launched the [Governor's School for Entrepreneurs](#) (GSE) - a new initiative for high school students centered on innovation, creative thinking and entrepreneurship. GSE is an immersive, hands-on summer experience which will allow the students who are accepted to be grouped into "entrepreneurial teams" that will develop and take an idea through the components of a business model in order to learn about company start-up and growth, product

validation and design, product development and operations, marketing and sales, investment capital and revenue models.

Higher Education

Expanding Opportunities for a College Degree

Missouri Governor Nixon [signed legislation](#) to make it easier for Missourians to complete associate degrees by directing the state's Coordinating Board of Higher Education to develop a reverse transfer policy among Missouri's public colleges and universities. This will enable students who have accumulated sufficient credit from those institutions to earn an associate degree from a two-year college. The law also requires state colleges and universities to create a core of at least 25 undergraduate courses that are transferable among all public institutions.

Maryland Governor O'Malley launched a reverse transfer program in conjunction with the Maryland Higher Education Commission. The program is a process by which a student can retroactively apply a portion of the credits earned at his or her four-year college to the associate's degree that the student started before the transfer.

Massachusetts Governor Patrick began implementing his plan to create [a more integrated, effective community college system](#) that is responsive to both local and statewide employer needs by giving community colleges additional capacity to expand their efforts to provide students with high-quality, relevant educational and training programs. This plan will also help strengthen the connections between the state's campuses, employers, and workforce so that students of all ages in Massachusetts have the opportunity to succeed.

Making College More Affordable

California Governor Brown [signed legislation](#) requiring state higher education institutions to consult student representatives prior to increasing future fees, and to give adequate advance notice of such increases. He also [signed legislation](#) to create a website where students will be able to download popular and required college and university textbooks in order to save academic costs.

ADDITIONAL RESOURCES FOR STATES

- ❖ The National Governors Association issued a paper on the role of governors in aligning early education and K-12 reforms: <http://www.nga.org/cms/home/nga-center-for-best-practices/center-publications/page-edu-publications/col2-content/main-content-list/governors-role-in-aligning-early.html>
- ❖ The Center for American Progress issued a report looking at the new teacher evaluation systems being used by states: <http://www.americanprogress.org/issues/education/report/2012/12/18/48368/using-multiple-evaluation-measures-to-improve-teacher-effectiveness/>
- ❖ The Gates Foundation has research and reports on college-ready education: <http://www.gatesfoundation.org/college-ready-education/Pages/default.aspx>

CHAPTER III

HEALTH CARE

OVERVIEW

With Medicaid costs being the largest component of total state spending, at nearly 24 percent, Democratic governors are developing innovative approaches to change the way services are paid for, in order to provide better quality health care at a lower cost. Furthermore, recognizing that health care must start before individuals get sick and must occur inside and outside of the doctors' office, Democratic governors are putting policies in place to incentivize individuals, employers and providers to focus on preventive services.



LESSONS LEARNED

Incentivize the private sector to do the right thing. Governors must work with providers and payers early on to engage them in any reforms and make sure that they understand that changing the way things are done will be cost-effective to them, in addition to creating a better quality health care system.

Look at health care comprehensively, instead of episodically. Health care policies need to recognize that the traditional fee-for-service model generally has not been working. Incentives need to be put in place to encourage innovative approaches to paying for and providing health care services.

Take steps to create a health care system, instead of a sick care system. Too often, our current health care system focuses on treating people who are sick. Governors need to expand their state's health care system to include wellness programs and other preventive services to save costs and lives later on.

CASE STUDY

ARKANSAS' HEALTH CARE PAYMENT IMPROVEMENT INITIATIVE

The Problem

Arkansas Governor Mike Beebe sought to avoid the financial crises and cuts to vital Medicaid services that several states faced in the midst of ever-rising health care costs. He recognized that to do so, the state needed a dramatic transformation in its Medicaid program. Arkansas's health care system was similar to many others - it was severely fragmented, often resulting in less than desirable patient outcomes, with too many inefficiencies and duplications of services. To move Arkansas to a new, sustainable model of financing, the Governor undertook the Arkansas Payment Improvement Initiative (APII).

The Policy

After two years of planning, Governor Beebe shifted the way the state pays for health care services from a pure fee-for-service model to one that is designed to reward physicians, hospitals, and other providers who give patients high-quality care at an appropriate cost. Providers are still reimbursed for each health care service they provide; however, the quality, utilization, and costs of the care delivered are measured against pre-determined thresholds. The thresholds are set considering evidence-based treatment and Arkansas providers' experience. Further, they

are designed to reflect targeted costs for an episode of care, for example, the entire pregnancy experience.

The Arkansas Payment Improvement Initiative is a collaboration among Arkansas Medicaid, the Arkansas Department of Human Services, and two private insurance companies - Arkansas Blue Cross and Blue Shield and QualChoice of Arkansas. The goals of the initiative are to reward high-quality, efficient

outcomes for patients; align financial incentives with how care is delivered rather than volume of care; and promote and reward prevention and early intervention, coordinated team-based care, and clinical innovations.

The change to episode-based payments to

physicians is invisible to patients. Patients continue to seek care from their providers as they did before. Providers continue to file claims as usual and will be reimbursed as they were before. But, as of July 2012, lead providers began getting information on the entire "episode" of care for select conditions from a new Provider Portal. Medicaid and the private insurers use the information from the portal provided by providers, along with claims data, to create provider performance reports that detail the overall quality of care for an



episode that the Principal Accountable Provider (PAP) had lead responsibility for. This information includes quality, utilization and cost information over a set time period, typically one year. The PAP is identified by the payer and is the provider with the main responsibility for the patient's care within a given episode across the entire team of clinical contacts. At the end of a set time period - also typically one year - each PAP's average cost per episode is calculated and compared to "acceptable" and "commendable" threshold levels of costs. These performance reports are given to providers so they know how their care delivery compares to thresholds.

Each payer separately sets its threshold level for an episode based upon their Arkansas experience and communicates these to providers before a performance period. If a provider meets the required quality metrics but their average cost is above the acceptable level during a performance period, the provider will pay a portion of the "excess" costs back to the payer. If the provider's average cost is acceptable but not commendable, there will be no payment changes for the provider. If, however, the provider offers high-quality care at a cost below the commendable level, then he or she will be eligible to share in the savings with the payer. The first wave of episodes launched in July 2012. The collaborating partners continue to select, design, and build infrastructure for additional waves of episodes, with significant input from providers, patients, and others interested in the initiative. The goal is to have most episodes of care designed and launched within three to five years.

A complementary component of the episode-based delivery model is a population-based delivery model that includes both medical homes and health homes. Within three to five years, most Arkansans will have access to a patient-centered medical home that provides comprehensive, team-based care with a focus on chronic care management and preventive services. People with complex or special health care needs, such as those with developmental

disabilities, those requiring long-term services and support, or those with serious behavioral health needs will also have access to health homes. Health homes will work with the patient's medical home to coordinate across medical, community, and social support services. Payment incentives will include performance-based care coordination fees and, for medical homes, shared savings on total cost of care. Initial roll-out of the population-based model builds on the multi-payer collaborative - the Comprehensive Primary Care (CPC) Initiative, a Centers for Medicaid and Medicare Services (CMS)-funded initiative that began in Arkansas in May 2012. Joined by Medicare, Arkansas Medicaid and private payers began providing payment incentives to primary care practices that are participating in the CPC in October 2012.

The Politics

Both public and private payers developed the initiative with significant input from hundreds of providers, health professionals, patients, and families. The overarching principle was that to truly transform the system, payers had to send aligned financial signals to the delivery system and lead clinicians had to be partners in the solution. To accomplish this type of payment transformation, it is critical that governors and their staffs sit down early on with all of the health care players in the state who will be impacted by any changes in the payment system. This should include insurance



companies, providers, and hospitals, as well as the patients affected by changes in care systems. These stakeholders need to contribute to the development of the system. To incentivize them to do so, the state must demonstrate to them why the changes will benefit their bottom-lines and the quality of health care. If everyone is not on board, a state will end up with different health care payment systems which will not lead to overall change or savings.

Arkansas has also worked closely with the federal government - the Department of Health and Human Services (HHS) and CMS - to be given flexibility. Since the federal government pays more than three-quarters of the costs of Medicaid in Arkansas, it was critical to get their buy-in to the new system. Walmart recently joined as a self-insured company and Arkansas has requested Medicare's further participation in the system. The state is pursuing this not as a demonstration or experiment but with the commitment to achieve a truly transformed delivery system with payment incentives aligned with desired quality outcomes.

The Results

Though some aspects of this initiative have been or are being tried elsewhere in the country, Arkansas is the first to use this approach statewide and with both public and private payers. In July 2012, the state shifted to an outcomes-based payment system for five specific medical conditions - upper respiratory infections, total hip and knee replacements, congestive heart failure, attention deficit/hyperactivity disorder, and perinatal episodes. Four more episodes will be added in the spring of 2013, including colonoscopy, cholecystectomy, tonsillectomy, and oppositional defiant disorder. Another five episodes are expected to be launched in the fall of 2013.

In the most recent six-month review, the Medicaid growth rate in Arkansas was the lowest it had been in 25 years. While the reforms had not been implemented yet, the recognition by payers and providers that changes in the payment system were forthcoming, the understanding of the new approach as a cost-saving method, and reports on their performance incentivized them to start taking action to save money even before it was required.

To learn more about Arkansas' Health Care Payment Improvement Initiative:

<http://www.paymentinitiative.org/Pages/default.aspx>

POLICY SOLUTIONS

Making Health Care Delivery More Affordable and Efficient

Oregon Governor Kitzhaber received approval from the federal government of a five-year demonstration of a Federal-State partnership to transform the way that care is delivered in the state's Medicaid program. Oregon is getting an initial \$620 million investment from the federal government in 2013, with \$1.9 billion expected over five years. The program will provide care for Medicaid beneficiaries in the state through a new coordinated health care system model that will reduce the cost trend in Oregon's Medicaid program by at least two percentage points within two years while improving health outcomes. Oregon's [transformed health care system](#) will focus on primary care, prevention, chronic disease management and the integration of physical, mental and dental health care under one local entity called a coordinated care organization (CCO). CCOs contract with the state and operate under one global budget at a fixed rate of growth with public and financial accountability for health outcomes.



Washington Governor Gregoire worked with the federal Department of Health and Human Services in designing HealthPathWashington - a voluntary Medicare-Medicaid initiative aimed at integrating patient-centered care in health homes to more than 115,000 of the state's highest-need medical assistance clients. The program ensures that "dual eligibles" - clients who receive both Medicare and Medicaid - get care that is more effectively coordinated by the state. It is projected to save nearly \$14 million over five years.

Massachusetts Governor Patrick [signed legislation](#) that sets a first-in-the-nation target for controlling the growth of health care costs. The legislation measures this by setting an annual increase in total health care spending to the rate of growth of the state's Gross State Product (GSP) for the first five years, through 2017, and then even lower for the next five years, to half a percentage point below the economy's growth rate, and then back to GSP. To control costs and improve quality of care, the law requires government agencies use global and other alternative payments to achieve savings for taxpayers, and encourages alternative delivery systems across health care fields to deliver additional savings. The law also gives consumers better information about the price of procedures and health care services by requiring health insurers to provide a toll-free number and website that enables consumers to request and obtain price information. To monitor and address the market power and price disparities that can lead to higher costs, the law allows a Health Policy Commission to conduct a cost and market impact review of any provider organization to ensure that they can justify price variations, and it identifies triggers for when a provider or provider organization will be referred to the attorney general for investigation.

Maryland Governor O'Malley established a one-stop, transparent health care exchange, the [Maryland Health Connection](#), where individuals and small businesses can compare rates, benefits and quality among private insurance plans to ensure all Marylanders have access to affordable healthcare. Based on recommendations established through an open and collaborative stakeholder process, legislation put in place policies to guide the exchange's operations to ensure quality coverage, reduce costs, and assist consumers in choosing the best plan for their family. In December 2012, Maryland was one of the first six states to receive conditional approval to operate their health care exchange.

New York Governor Cuomo invested \$75 million in [supportive housing](#) for high-cost Medicaid recipients. Although the link between stable housing and Medicaid cost control is well known, this is the first time that projected Medicaid savings have been directed to the development of supportive housing. Governor Cuomo's innovative approach to housing for Medicaid recipients will pave the way to new thinking about the way states provide medical care and contain costs.

United States Virgin Islands Governor deJongh, Jr. embarked on a [first of its kind partnership with the State of West Virginia](#) to implement a Medicaid Management Information System capable of automating the Medicaid Claims reimbursement process for the entire territory. Following the signing of an MOU between both state governments outlining the details of a shared information technology platform, a contract was signed between the USVI Government and MOLINA Medicaid Solutions which is the vendor for both government's Medicaid systems. The system will go live in 2013 and will lead to improvements in claims fraud monitoring, monthly payment cycle parameters and provider enrolment and verification.



Helping Small Businesses

Illinois Governor Quinn [signed legislation](#) to allow more small businesses to join together to form a Healthcare Purchasing Group (HPG) so that small businesses that may not have been able to provide health insurance coverage individually for their employees can pool resources with other businesses to acquire affordable coverage plans for up to 2,500 participants per group.

Improving Mental Health Care Services

Colorado Governor Hickenlooper introduced ["Strengthening Colorado's Mental Health System: A Plan to Safeguard All Coloradans"](#) to redesign and strengthen the state's mental health services and support system. The plan incorporates five key strategies: 1) provide the right services to the right people at the right time by creating an overall civil commitment law and allows mental health commitment records to be transferred electronically and directly to the Colorado Bureau of Investigation in real-time so the information is available for firearm purchase background checks; 2) enhance the state's crisis response system by establishing a single statewide mental health crisis hotline and establishing 24/7 walk-in crisis stabilization services for urgent mental health care needs; 3) expand hospital capacity; 4) enhance community care by improving access to community

residential facilities with wrap-around health care services; and 5) build a trauma-informed culture of care.

Promoting Wellness

Massachusetts Governor Patrick signed legislation creating a [Wellness Fund](#) of \$60 million administered by the Massachusetts Department of Public Health for competitive grants to community-based organizations, health care providers and regional planning organizations.

Delaware Governor Markell launched a social media campaign on January 1st called [“31 Days to a Healthier You,”](#) in partnership with the Delaware Department of Health and Social Services and the YMCA of Delaware. Each day, using Facebook, Twitter, Pinterest, flickr, Instagram or YouTube, “31 Days to a Healthier You” offers fitness/activity ideas, nutritional information and healthy recipes, advice on how to quit smoking, tips on health screenings and more. The interactive campaign shares links to information, photos, how-to videos and contact information, all using the hashtag #healthDE. The goal is to provide quick and easy-to-implement small steps that are both practical and will make a real difference in people’s lives.



Maryland Governor O’Malley enacted the Maryland Health Improvement and Disparities Reduction Act of 2012 which will create a series of geographically based [Health Enterprise Zones](#) (HEZs) in underserved communities impacted by health disparities. Within a designated zone, incentives would be provided to eligible primary care practitioners and community-based organizations or local health departments to expand and improve access to care, improve health, and reduce disparities.

Improving Women’s Health

California Governor Brown [signed legislation](#) making it easier for women to obtain birth control by allowing registered nurses to dispense and administer hormonal contraceptives under a standardized procedure, and allowing RNs to dispense drugs and devices upon an order by a certified nurse-midwife, a nurse practitioner, or a physician assistant while functioning within specified clinic settings.

New York Governor Cuomo signed legislation to help ensure that women who may be at higher risk for [breast cancer](#) have the information they need to conduct necessary screenings and other preventive measures by requiring mammography services to inform patients if dense breast tissue is found during an exam.

Improving Health Care for Seniors

Minnesota Governor Dayton launched the [Own Your Future](#) initiative, encouraging Minnesotans to plan for retirement, long-term care, and end of life decisions. Letters and internet ads direct individuals between the ages of 40 and 65 to the Own Your Future website where Minnesotans can

find information on how to create a plan and find products and approaches that will allow them to prepare, save, invest and pay for long-term care services. The website includes a toolkit of information employers can share with their employees, and an 800 number has been created for individuals who want to talk to experts in long-term care planning and a variety of other needs. The campaign has several phases: 1) education to make Minnesotans aware of the importance of planning now to identify personal and financial options to meet their future long-term needs and to increase the number of Minnesotans who have taken action to address and provide for their future long-term needs; 2) development of more affordable long-term care products for use by individuals who do not qualify for public programs but are not wealthy enough to self-fund their long-term care; and 3) evaluation of possible changes to Medicaid to better align with and encourage private payment for long-term care .

Hawaii Governor Abercrombie [signed legislation](#) creating aging and disability one-stop resource centers in each county.

ADDITIONAL RESOURCES FOR STATES

- ❖ The Kaiser Family Foundation provides an analysis of a 50-state Medicaid budget survey for FY 2012 and 2013: <http://www.kff.org/medicaid/8380.cfm>
- ❖ The National Conference of State Legislatures provides reports and research on state implementation of the Affordable Care Act: <http://www.ncsl.org/issues-research/health/state-implementation-entities-to-implement-the-aca.aspx>
- ❖ The Progressive States Network issued a report on state Medicaid reform strategies: <http://www.progressivestates.org/sync/pdfs/State%20Medicaid%20Reform%20Strategies%2002.29.12.pdf>



CHAPTER IV

ENERGY & THE ENVIRONMENT

OVERVIEW

Democratic governors have provided a broad range of incentives for both energy consumers and producers to shift toward renewable energy sources and, through those policies, have both helped the environment and created jobs. Many states are also leading by example - making state government buildings and government-owned vehicles more energy efficient, while saving taxpayer dollars.



LESSONS LEARNED

Put reforms in place to attract new investments. Government should facilitate private sector investments in new technologies and renewable energy sources by reducing regulatory barriers.

Implement innovative financing mechanisms for energy efficient projects, such as low-interest loans, tax incentives and paying for costs with future savings.

Lead by example. By prioritizing energy efficiency for state buildings and vehicles, governors can save taxpayers money, maximize renewable energy use, and encourage the production of more renewable energy sources in their states.

CASE STUDY

NEW YORK'S ENERGY HIGHWAY INITIATIVE

The Problem

Governor Cuomo recognized that his state was facing an overall energy transmission problem - excess power supply in the upstate region of the state and excess demand in downstate, with congestion points along the energy highway that prevented the lower cost, more efficient power in one part of the state from being delivered to where it was needed most. With different service territories run by different private entities, fixing this problem would lead costs to fall on one company, with the benefit going mainly to its competitors. Cuomo realized that government intervention, in a surgical way, was needed to incentivize the private sector to act to benefit the whole state, so he created a system that would determine cost allocation of infrastructure investments based on who would benefit to encourage congestion reduction.

The Policy

Governor Cuomo launched the Energy Highway initiative in his 2012 State of the State address to ensure that a cost-efficient, reliable and environmentally sustainable supply of power is available to fuel the state's economic growth and to meet the needs of its residents. A key element called for proposals to modernize existing transmission lines to improve

the efficiency of grid operation and to build new transmission lines in existing right-of-ways to carry excess power from upstate sources to the downstate area, where demand for electricity is greatest. The plan also envisioned the repowering of existing power plants to make them more efficient and combat air pollution in urban areas. In addition, it provided for the potential construction of new plants, particularly those powered by the wind, the sun and other renewable sources.



Cuomo convened an Energy Highway Task Force to oversee implementation of the Energy Highway initiative and enlist the private sector in a wide-ranging effort to upgrade and modernize the state's electric system. The Task Force is co-chaired by

the head of the New York Power Authority and the Commissioner of the state's Department of Environmental Conservation, and members include the heads of the Empire State Development Corporation, the State Public Service Commission, and the State Energy Research and Development Authority.

In the Spring of 2012, the Task Force issued a Request for Information (RFI) - seeking ideas for potential energy projects that would simultaneously promote clean energy supplies, job creation and economic growth - from private developers, investor-owned utilities, the

financial community and others. Public comments were invited on the RFI responses.

The Task Force convened two conferences early in the process. First, it held a summit that brought together federal, state and industry officials to discuss and explore ways to meet the state's future electric power needs while protecting the environment and creating jobs. National industry experts explored various topics, including state energy policy objectives, public/private partnerships, case studies of infrastructure development success stories, and building a sustainable energy system. Second, it organized a Conference of RFI Respondents and Interested Parties.

In the Fall of 2012, after reviewing the responses and the comments, the Task Force developed and publicly released the Energy Highway Blueprint. The Blueprint identified specific actions to modernize and expand the state's electric infrastructure. The comprehensive plan, supported by public and private investments, will add up to 3,200 megawatts of additional electric generation and transmission capacity and clean power generation by initiating new renewable energy projects; investing in modernizing and repowering existing inefficient, high emission plants; accelerating investments in existing transmission and distribution projects; investing in Smart Grid technologies and creating the most advanced energy management control center in the country; and initiating field studies of Atlantic Ocean offshore wind development potential.

The Politics

The process that Governor Cuomo and his Task Force created contributed to the plan's success. First, they articulated a clear set of policy objectives up front. Next, they engaged the private sector by asking them for their thoughts on how to move forward, what the best projects and technologies would be, and what obstacles they had faced in the past that could be overcome with the state's help. Getting buy-in from the private sector, including Investor Owned Utilities, early on was

invaluable and this was done by asking them for their participation during the RFI process, and engaging the New York Independent System Operator throughout the process. Governor Cuomo also demonstrated that the private sector would be rewarded for their participation, by accelerating the permitting process for the rebuilding of the infrastructure. Finally, the whole process was done in a transparent manner. A website was created that included a summary chart of all RFI responses with links to each response document and two graphic maps showing the general location of proposed projects, when that information was provided in the RFI response. The maps also had an interactive feature to give viewers on-the-spot details about a proposed project and provided a link to a comment email form in order to make it easy for the public to provide input.

It is critical to set up a governance structure that the private sector will both support and that will incentivize them to participate in a productive way. The Task Force members included individuals from agencies that have the relevant expertise and decision-making authority in the industry. This signaled to industry that the process was serious and that the Governor meant what he said he was going to get done.

In order to move a process like this forward, the state's leadership must do early and consistent outreach to educate the public, including local communities, unions, the environmental community, and other impacted groups, about the process and how the results will benefit their own interests.

The Results

The "Energy Highway" system will be built with at least two billion dollars of private sector funds. It will tap into the generation capacity and renewable energy potential in Upstate and Western New York to bring low-cost power to meet the tremendous energy needs in Downstate New York.

Following the Energy Highway's Task Force's

Request for Information, 85 private developers, investor-owned utilities, financial firms and other entities responded with 130 ideas to upgrade and revitalize the state's aging infrastructure, totaling more than 25,000 megawatts (one megawatt is enough electricity to meet the needs of 800 to 1,000 typical homes). The breakdown of responses by category was: 51 for generation, 29 for

transmission, 4 for gas pipelines and 46 covering various ideas related to the energy industry. Demonstrating the success of the process, six private and two public utilities jointly proposed a set of projects. The State's Public Service Commission has begun implementing several of the recommended actions to review specific project proposals.

To learn more about New York's Energy Highway initiative:

<http://nyenergyhighway.com>



POLICY SOLUTIONS

Maximizing Renewable Energy Use

New York Governor Cuomo issued an executive order directing state agencies to increase energy efficiency in state buildings by 20 percent in seven years - one of the most ambitious initiatives in the nation that will save millions of dollars for taxpayers and create thousands of jobs while significantly reducing greenhouse gas emissions. To meet this goal, Cuomo designed [Build Smart NY](#), a strategic implementation plan that will use state building energy data to prioritize projects that will deliver the greatest energy savings per dollar spent. The largest and most inefficient buildings will be addressed first and undergo comprehensive whole-building improvements, including measures like new lighting fixtures and controls, heating, ventilating and air-conditioning systems, electric motors, and automated energy management systems. A unique funding mechanism for the projects has been



approved by the New York Power Authority. NYPA will provide loans off-budget for state agencies to do the work, and the loans will be paid back over a designated time frame, depending on the size of the project, with future energy savings by the agencies.

Washington Governor Gregoire issued an executive order directing all cabinet agencies to reduce total building energy use by 20 percent by 2020.

Oregon Governor Kitzhaber released a [10-Year Energy Action Plan](#) that outlines strategies to meet energy efficiency, renewable energy, greenhouse gas reduction,

and transportation objectives, while creating investment opportunities to keep more capital circulating in the state. The plan presents three core strategies where the state can play a lead role in innovation, policy development and market transformation: 1) meeting 100 percent of new electric load growth through energy efficiency and conservation; 2) enhancing clean energy infrastructure development by removing finance and regulatory barriers to attract new investment and pursue promising new technologies; and 3) accelerating the market transition to a more efficient, lower-cost and cleaner transportation system, including strategies for fleet vehicle conversion and access to cleaner-burning and more efficient vehicles. The plan calls for building retrofits and efficiency improvements on up to four million square feet of state-owned buildings and office space to improve their energy performance and help drive private sector investment; proposes streamlined permitting for renewable energy facilities to provide more certainty for companies considering investments in Oregon; and recommends workforce development initiatives to ensure Oregonians have the skills and training necessary to land clean energy jobs. The draft 10-Year Energy Action Plan was shaped by input, advice, and technical expertise from over one thousand Oregonians, businesses and organizations through the creation of a citizen task force that met regularly for six months and submitted nearly 200 recommendations that were then incorporated into a draft plan that was released for public review and comment.

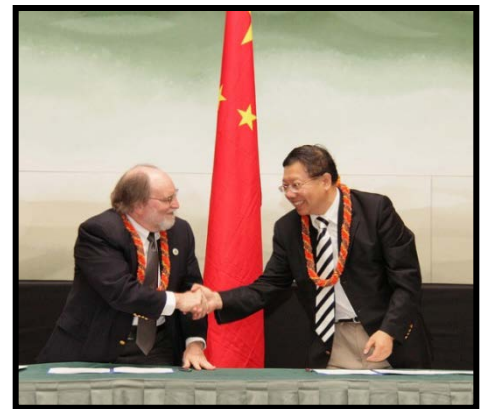
Connecticut Governor Malloy [released a blueprint for planning and shaping the state's energy future](#) that will create 10,000 jobs, give residents and businesses more choice about the fuels they use for heat and power, lower energy costs and better protect the environment and natural resources. The plan makes a lower-cost natural gas option available to more than 250,000 residents and 75% of businesses in the next seven years; expands efficiency programs to help residents and businesses reduce energy use; and reexamines the state's Renewable Portfolio Standards - which currently calls for 20% renewable power by 2020- with an eye toward both raising the standard and increasing the mix of renewable options.

Hawaii Governor Abercrombie [signed legislation](#) allowing renewable energy systems on land designated for agriculture when the energy is used for the agricultural activity of that parcel.

Massachusetts Governor Patrick [signed legislation](#) to protect the state's ratepayers while providing greater reliability and energy independence for all residents. The law extends long-term contracts between the utilities and renewable energy companies; raises the cap on net metering to three percent, which allows customers who install renewable energy technologies to run their meters backwards and sell power back to the distribution company for credits; and allows for long-term contracts as an incentive for companies that purchase coal-fired power plants and transition them to gas-fired generators, so long as they agree to completely remediate the site.

Promoting Clean Energy Investments

Hawaii Governor Abercrombie [signed a Memorandum of Understanding](#) with Secretary General Xu Hubin of the China Council for the Promotion of International Trade (CCPIT) signifying a partnership to start a clean energy investment and deployment program in Hawaii. The program will allow CCPIT to refer interested Chinese clean energy investors and developers to the Hawaii Energy Office in the state Department of Business, Economic Development and Tourism (DBEDT) to facilitate the matchmaking process with clean energy project partners in Hawaii in need of capital or development partners.



New York Governor Cuomo created the [NY-Sun Initiative](#), which brings together and expands existing programs to ensure a coordinated, well-funded solar energy expansion plan. The NY-Sun is investing \$800 million through 2015. As part of a balanced statewide renewable energy policy, NY-Sun will install twice the customer-sited solar photovoltaic (PV) capacity added during 2011 and quadruple that in 2013. Furthermore, the initiative increases the financial incentives for large, commercial-sized PV projects and expands incentive programs for small-to-medium residential and commercial systems.

Encouraging Development of Energy-Efficient Vehicles

Colorado Governor Hickenlooper, along with Oklahoma Governor Fallin, [created a process to encourage auto manufacturers in the U.S. to develop more functional and affordable compressed natural gas \(CNG\) vehicles](#) by leading a multistate solicitation for compressed natural gas vehicles to

be used in state fleets. More than 100 bids were submitted by dealerships in 28 states representing Ford, Chrysler, General Motors and Honda. In Colorado, awards given through the multi-state Request for Proposal will allow the state to: save up to 19 percent below current CNG vehicle retail or conversion prices; offer at least four classes of CNG vehicle types to state and local fleets; extend the same vehicle savings to all local governments through the state's bid list; and purchase CNG vehicles as required by law if the lifecycle cost is within 10 percent of that of a gasoline vehicle.

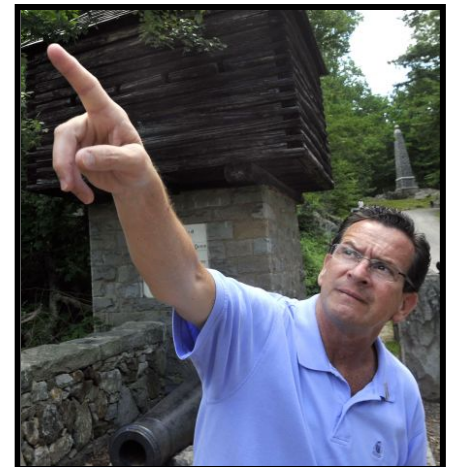
New York Governor Cuomo provided \$4.4 million in funding to install more than [325 new electric-vehicle charging stations](#) ten companies, municipalities and other entities across the state. This EV funding helps New Yorkers cope with high gas prices by providing a fuel-efficient alternative to gas- and diesel-powered vehicles while helping reduce the nation and state's dependence on fossil fuels. A diverse infrastructure of EV charging stations will create new jobs and business opportunities across the state, as well as promote the sale of electric cars, trucks and other vehicles.

Protecting Natural Resources

Washington Governor Gregoire issued a first-in-the-nation executive order directing the Department of Ecology and other state agencies to address the growing problem of ocean acidification in the state, which threatens the state's shellfish resources and its \$270 million shellfish industry, by advocating for reductions in emissions of carbon dioxide at global, national and regional levels. Gregoire also proposed a new center for ocean acidification at the University of Washington to investigate impacts on native species and begin to reduce local water pollution increasing acidification, to be funded from existing taxes collected on hazardous substances and revenue from leases on state-owned aquatic lands.

Minnesota Governor Dayton established, through [executive order](#), a process for stakeholders to assess and recommend action regarding how to maintain the state's goal of "no net loss of wetland."

Connecticut Governor Malloy [signed legislation](#) to strengthen the state's efforts to preserve important land as open space - with the goal of protecting 673,210 acres, or 21 percent, of state land as open space by 2023 - through updating the state's open space plan by the end of the year and then at least once every five years; prioritizing land acquisition to integrate existing priorities such as wildlife habitat and ecological resources having the greatest need of immediate preservation; making recommendations for establishing a voluntary statewide catalogue to keep track of all conserved lands - private, municipal, state, and federal - in a format that is easily accessible to the public; and developing a plan to identify and permanently protect land of conservation value that is held by other state agencies.



Maryland Governor O'Malley enacted [the Sustainable Growth and Preservation Act of 2012](#), which assists local communities in moving septic growth away from areas where it will contribute to wasteful land development practices and pollution.

Illinois Governor Quinn [signed legislation](#) to protect the environment from air and water contaminants by preventing both new landfills from being built and existing landfills from expanding in Cook County, a densely populated area.

Addressing Climate Change



California Governor Brown [launched a website "Climate Change: Just the Facts"](#) to document the serious impact of climate change on California's economy, environment and public health, and debunk the claims of deniers.

Promoting Recycling

Illinois Governor Quinn [signed legislation](#) to establish the Task Force on the Advancement of Materials Recycling to review recycling and solid waste management planning in Illinois. Task Force appointees will have two years to analyze recycling and waste management policies, initiatives and funding in Illinois and then will report their findings and recommendations to the governor and General Assembly. Quinn also signed legislation establishing recycling and composting standards that each county waste management plan must meet.

ADDITIONAL RESOURCES FOR STATES

- ❖ The National Governors Association issued a policy brief on state policy innovations to advance energy efficiency and renewable energy: <http://www.nga.org/cms/home/nga-center-for-best-practices/center-publications/page-eet-publications/col2-content/main-content-list/ten-trends-to-track-state-policy.html>
- ❖ The U.S. Department of Energy maintains a database of information on state, federal, local, and utility incentives and policies that support renewable energy and energy efficiency: <http://www.dsireusa.org>
- ❖ The National Council of State Legislatures tracks state energy and environment legislation: <http://www.ncsl.org/issues-research/energyhome/energy-environment-legislation-tracking-database.aspx>

CHAPTER V

CRIMINAL JUSTICE

OVERVIEW

Democratic governors have remained “tough-on-crime” while creating fairer and more equitable criminal justice systems. They have targeted criminal justice spending to ensure it has the biggest impact on public safety. And, they have been making sure our citizens are safe - in their homes, in their schools and in their communities - through sensible reforms.



LESSONS LEARNED

Engage a broad range of stakeholders. Criminal justice policies should be reviewed and reformed with the input of law enforcement, attorneys, judges, victims' rights groups, and community organizations.

Use evidence-based strategies. By using data-driven, proven strategies, states can reduce spending on corrections while improving public safety and holding offenders accountable.

Make sure long-term strategies are put in place. Reforms must take into consideration long-term costs and community safety.

CASE STUDY

KENTUCKY'S CRACKDOWN ON PRESCRIPTION DRUG ABUSE

The Problem

Governor Beshear recognized that Kentucky was ground zero for the prescription drug epidemic that was growing across the country. Every year, there were increases in prescription drug sales, overdose emergency room visits, hospitalizations and deaths, and the number of infants born into withdrawal. According to Kentucky's Drug Control Policy Office, nearly 1,000 Kentuckians die every year from drug overdoses - an annual fatality rate that exceeds deaths from car accidents, and more than 5,000 overdose patients are admitted to hospitals annually. Furthermore, while the state had an electronic prescription drug monitoring system (KASPER) less than 30% of licensed providers had an account and fewer were actually utilizing it. There was also limited coordination among the entities who regulate and those who enforce drug laws. Finally, prescribing and dispensing standards were in the form of advisory opinions and were not being followed.

The Policy

Governor Beshear proposed comprehensive legislation, with bi-partisan support in the House and Senate leadership, and took several executive actions to combat prescription drug abuse in the state.

HB 1 passed in April 2012 and went into effect in July. It takes numerous steps to combat prescription drug abuse. First, it requires all prescribers to use KASPER in order to root out doctor-shoppers or the overprescribing of potentially addictive painkillers.

Second, the law requires collaboration and cooperation among agencies both within Kentucky and with other states. To ensure that all appropriate enforcement authorities are aware of drug diversion complaints, the Kentucky State Police, the Attorney General, the Cabinet for Health and Family Services, and the licensing boards are required to share reports of illegal or inappropriate prescribing,

within three days. The six professional boards - Medical Licensure, Nursing, Dentistry, Pharmacy, Podiatry and Optometry - are required to share reports with the Attorney General, KSP and CHFS, but are not required to share among each other. This alleviates concerns that the professional organizations would be forced to report information to other boards that have no jurisdiction over the complaint. In addition, access by law enforcement officials to KASPER reports was broadened to include prosecutors who are engaged in drug investigations.



Third, it requires licensing boards to issue regulations to protect patients, including mandatory prescribing and dispensing standards; limitations on “in office” dispensing; emergency license suspension procedures when public health is endangered; commencement of complaint investigation within 7 days, production of a charging decision within 120 days; no licensing of practitioners convicted of drug felonies; mirroring of sanctions imposed by other states; mandatory reporting of criminal or disciplinary actions by medical professionals; participation in the National Practitioner Data Bank; and continuing medical education on addiction and pain management.

Fourth, it requires that all “pain management facilities” be owned by a physician holding an active Kentucky medical license. The state had previously identified 44 pain clinics in the state that were not physician-owned.

On the executive side, Governor Beshear took several actions to better coordinate efforts to reduce prescription drug abuse. He created an Interstate Prescription Drug Coalition with representatives from law enforcement, treatment, prescription monitoring, education, prevention and policy areas from Kentucky, Tennessee, Ohio, and West Virginia, to improve dialogue among the states about ways to collaborate. Beshear also created, by executive order, the KASPER Advisory Council - comprised of medical practitioners, law enforcement and policy officials - charged with identifying thresholds of prescribing that may indicate inappropriate prescribing. And, the state is conducting training sessions for medical practitioners on addiction, appropriate use of Opiates, and treatment resources. Finally, the governor used his budget

to increase KASPER funding to support upgrades and improvements to its operating systems.

The Politics

States should act on their own but also recognize that the problem of prescription drug abuse doesn't stop at state lines so coordination is needed with both neighboring states and the federal government to develop aggressive shared tactics.

Governors and their staffs should communicate early on with the medical community impacted by reforms so they understand the goal is not to increase regulation but rather to save lives. By doing early outreach, compromises can be made up front when possible so that the medical community will be an ally, rather than an obstacle, to passing any new legislation. It is also critical that efforts are bi-partisan and that the governor makes it clear that the reforms are a priority by demonstrating leadership on the issue.

The Results

For the first time in a decade, the fourth quarter of 2012 saw a decline in the number of prescriptions for controlled substances in Kentucky. Since passage of the new law, prescriptions for oxycodone and hydrocodone are down 12 percent; prescriptions for oxymorphone are down 44%, and overall controlled substance prescriptions are down 12%. In addition, 20 pain management clinics have closed because they cannot comply with new requirements. Furthermore, when the law passed in April, KASPER had 7,911 registered accounts. Since then, another 9,137 providers have signed up for the program - a 115 percent increase.

To learn more about Kentucky's efforts to combat prescription drug abuse:

<http://odcp.ky.gov>

POLICY SOLUTIONS

Reducing Illegal Drug Activities

Vermont Governor Shumlin banned the use, sale, possession or manufacture of dangerous drugs commonly known as ["bath salts"](#) any derivatives of those drug compounds. The ban has led to a decline in calls to the regional poison control center and a drop in the number of hospital cases involving those synthetic drugs.

Delaware Governor Markell signed legislation making permanent a ban on a class of designer drugs popularly known as ["bath salts,"](#) and providing police and prosecutors more flexibility in dealing with the dangerous drugs.

New York Governor Cuomo issued new regulations to [crack down on the use of "bath salts"](#) and other synthetic drugs that are manufactured to have a structure that is similar, but not identical, to controlled substances. The regulations expand the existing list of prohibited drugs and chemicals to include dozens of additional substances that are now used to make synthetic drugs so that distributors can no longer skirt the law by simply modifying the drug's ingredients.

Minnesota Governor Dayton [signed legislation](#) to expand the definition of illicit "synthetic" substances and grant the Minnesota Board of Pharmacy expedited rulemaking authority to handle the ever-changing chemical formulae used by drug producers. The law increases the penalty for the sale of synthetic cannabinoids from a gross misdemeanor to a felony, punishable by imprisonment for up to five years, a \$10,000 fine, or both.

Kentucky Gov. Beshear helped launch a privately-funded statewide campaign aimed at [increasing public awareness about smurfing](#), the illegal process of buying products containing pseudoephedrine (PSE) on behalf of methamphetamine criminals. The goal of the Anti-Smurfing Campaign is to inform potential smurfers and the general public - through signage displayed at pharmacy sales counters - that smurfing is a serious criminal offense that can result in jail time. Kentucky retailers, on a voluntary basis, will carry out the campaign.

Fighting Prescription Drug Abuse

West Virginia Governor Tomblin [enacted legislation](#) requiring real-time, stop-sale technology to enable pharmacists to block illegal pseudoephedrine purchases right at the point of sale and provide law enforcement with valuable criminal data up to the minute. The law requires that new prescriptions are recorded in a statewide database within 24 hours of being dropped off, to stop patients from collecting duplicate prescriptions from different doctors. The law also imposes the nation's strictest yearly purchasing limit for pseudoephedrine, the key ingredient in meth; limits controlled substances dispensed directly from a doctor's office to two



72-hour doses per patient in a 15-day period; and strengthens consumer protections against illegitimate online pharmacies.

Delaware Governor Markell launched the [Delaware Prescription Monitoring Program](#), to prevent “doctor shopping” by allowing medical practitioners and pharmacists to use the database to review patients’ controlled substance prescription histories to ensure there is a legitimate need for the medication. Practitioners are also required to check the database if there is a reasonable belief that a patient may be seeking a controlled substance for other than the treatment of an existing medical condition.

New York Governor Cuomo developed a [comprehensive prescription drug reform package](#) including enacting a “real time” prescription monitoring registry to provide timely and enhanced information to practitioners and pharmacists. The new law requires all prescriptions to be electronically transmitted, improving safeguards for the distribution of specific prescription drugs that are prone to abuse. In addition, the law creates a workgroup of stakeholders with the responsibility to help guide the development of medical education courses and other public awareness measures regarding pain management and prescription drugs.

Ending Bullying

Minnesota Governor Dayton established, through executive order, [a task force to recommend an overhaul of state laws protecting students from bullying](#), harassment and intimidation. The Task Force is comprised of 15 members including the Commissioners of the Department of Education and the Department of Human Rights, members of the legislature, and experts in the fields of psychology, education, pediatrics and anti-bullying advocacy. Dayton also called for an administrator in every school district who would oversee anti-bullying programs and work to ensure students feel safe.

New York Governor Cuomo signed legislation [to help protect students from cyberbullying, harassment, bullying and discrimination](#). The new law requires that schools act when such cases (whether on or off campus) create or would create a substantial risk to the school environment; substantially interfere with a student’s educational performance or mental, emotional or physical well-being; or cause a student to fear for his or her physical safety. It also requires school districts to put in place protocols to deal with cyberbullying, harassment, bullying and discrimination, including assignment of a school official to receive and investigate reports; prompt reporting and investigation; responsive actions to prevent recurrence of any verified bullying; coordination with law enforcement when appropriate; development of a bullying prevention strategy; and notice to all school community members of the school’s policies. Finally, the legislation sets training requirements for current school employees, along with new teachers and administrators applying for a certificate or license, regarding the identification and mitigation of harassment, bullying, cyberbullying and discrimination.

Delaware Governor Markell signed legislation to implement the state’s first [uniform policy to combat cyberbullying](#) in public schools, and to require consistency in how bullying incidents are reported. The state’s Department of Education will propose by regulation a statewide cyberbullying policy and, after considering public comment, will issue a final cyberbullying policy. Each public school and charter school will have 90 days to adopt the policy. The Attorney General’s office will be allowed to defend school districts and charter schools if they face a legal challenge after implementing the new statewide cyberbullying policy. In addition, the state Department of

Education will begin auditing a small number of public schools each year to ensure that schools are properly investigating and reporting suspected incidents of bullying, and school districts will be required to report both substantiated and “unsubstantiated” incidents of bullying to the state Department of Education, so the Department can determine if some schools or districts are failing to properly investigate or report claims of bullying.

Keeping Communities Safe

New York Governor Cuomo [enacted the New York Secure Ammunition and Firearms Enforcement Act](#) (NY SAFE ACT). The package is the most comprehensive and strongest set of gun laws in the nation. The NY SAFE Act will keep guns out of the hands of convicted criminals and the potentially dangerous mentally ill, ban high capacity magazines and assault weapons, close the private sales loophole by requiring universal background checks and strengthen school safety plans. In addition, the Act establishes tougher penalties for those who use illegal guns as well as measures to help combat gang violence. The Act does not affect rifles and shotguns used by traditional sportsmen and hunters.



Illinois Governor Quinn [signed legislation](#) to fight gang crime and reduce violence in Illinois by empowering law enforcement with the ability to prosecute street gang leaders for the criminal acts of their organizations so that they could more effectively target the street gang leaders who order and benefit from the crimes of lower-ranking members. The law, modeled off the federal Racketeer Influenced and Corrupt Organizations (RICO) Act, was designed to help law enforcement fight organized crime by treating criminal acts committed by members of the group as part of an ongoing criminal enterprise. Gang members convicted of criminal conspiracy under the new law could face more than 30 years in prison depending on the associated crimes, and fines of up to \$250,000 or twice the gross amount of any criminal proceeds.

Maryland Governor O'Malley implemented the [Safe Streets Initiative](#) in five Maryland jurisdictions: Baltimore City, Cumberland, Hagerstown, Harford County and Frederick. Safe Streets is a state-funded, offender-based model established to increase collaboration and information sharing across all levels of government. Partners include the US Attorney's Office, County Executive Departments, municipal police departments, local detention centers, and related state agencies. O'Malley also began actively sharing live arrest data with Delaware and Pennsylvania so that supervisory agents know, almost in real-time, if any of their offenders have been arrested outside of the local jurisdiction. Maryland also shares live arrest with D.C., New York and Virginia. Maryland is working with the National Criminal Justice Association and the Bureau of Justice Assistance to develop a protocol for information-sharing around the Northeastern region of the country and to become the “hub” for the re-distribution of arrest feeds from each state in the region to one another.

Delaware Governor Markell [signed legislation](#) creating a formal statewide framework for comprehensive school safety by requiring the state's Department of Safety and Homeland Security to work with schools, districts and first responders to develop comprehensive, up-to-date safety plans. The new law requires schools and school districts to designate a “school safety team,” who will assist in developing and submitting to DSHS an approved school safety plan, and to work with DSHS and first responders to conduct one critical incident exercise per year and one “tabletop exercise” (i.e., an informal discussion involving simulated emergency scenarios) every 2 years.

Minnesota Governor Dayton [signed legislation](#) permitting law enforcement to access the Department of Human Services civil commitment database for a background check when an individual applies for a permit to purchase explosives.

Protecting Women and Children

Illinois Governor Quinn [signed legislation](#) to allow prosecutors to use prior domestic violence offenses as evidence in first- and second-degree murder cases involving domestic violence. He also [signed legislation](#) to create the Sexual Assault Services and Prevention Fund to give grants to provide community-based assistance to victims of sexual assault and for activities to prevent sexual assault from happening. The fund will be paid for by a surcharge on adult entertainment facilities.



New York Governor Cuomo enacted the [Domestic Violence Omnibus Act](#) - a landmark expansion of protections against abuse. The law establishes a statewide fatality review process to help determine way to reduce domestic violence related deaths; upgrades repeat domestic violence offenses to a felony; allows judges to

consider risk factors such as firearm possession and violations of restraining orders in determining bail; and improves safeguards to protect the locations of victims of domestic violence.

Kentucky Gov. Beshear issued an executive order to establish the [Child Fatality and Near Fatality External Review Panel](#) - an independent, multi-disciplinary 17-member panel charged with conducting comprehensive reviews of child fatalities and near fatalities that are determined to be the result of child abuse or neglect. The panel is comprised of a wide range of experts and stakeholders including those of law enforcement and social services, and representatives of all three branches of state government. The members meet quarterly to review official records, case files, or information relating to child fatalities or near fatalities and analyze the medical, psychosocial and legal circumstances of the child to identify conditions that contributed to the death or serious injury. The panel will recommend improvements to the Cabinet for Health and Family Services (CHFS), the Department for Community Based Services (DCBS) and to any other public or private agencies involved with the family relating to protocols, practice, training or other protections to keep children safe. The panel will also publish an annual report of case reviews, findings and recommendations that will be submitted to the Governor, the CHFS Secretary, the Chief Justice of the Supreme Court and the General Assembly and will be available to the public on the websites of both the Justice and Public Safety Cabinet and CHFS.

Delaware Governor Markell [signed legislation](#) enacting tougher penalties against child abusers by creating the offense of child abuse in three levels: First Degree Child Abuse: individuals convicted of recklessly or intentionally causing serious physical injuries to a child will face a maximum of 25 years in prison; Second Degree Child Abuse: adds additional protections for the most vulnerable children by providing a maximum two-year jail term for those who injure children aged three and under or children who have significant intellectual or developmental disabilities; and Third Degree Child Abuse: causing physical injury to a child will carry a maximum prison term of one year and a maximum fine of \$3,200. Markell also [signed legislation](#) to ensure that the investigation and disposition of cases of child abuse and neglect are conducted in a comprehensive, integrated and multi-

disciplinary manner. The law requires the Department of Services for Children, Youth and Their Families (DSCYF) to use their case management system to track every case of child abuse reported to the 24-hour child abuse and neglect report line; creates a position within DSCYF, the Investigation Coordinator, whose job will be to track every reported case of child abuse, as well as monitor cases involving death of, or serious injury to, a child or allegations of sexual abuse of a child, from inception to final criminal and civil disposition; and allows the Investigation Coordinator to provide information to the Child Protection Accountability Commission (CPAC), as requested, regarding the status, trends and outcomes of cases of child abuse or neglect that are reported to DSCYF.

New York Governor Cuomo signed legislation that will more effectively [prohibit Internet access to child pornography](#) and ensure that child pornography can never be legally possessed in the state. The legislation prohibits individuals from knowingly accessing, with the intent of viewing, child pornography on the Internet.

Keeping Roads Safe From Drunk Drivers

Minnesota Governor Dayton [launched several new programs to keep drunk drivers off the roads in Minnesota](#).

The Triple Check program is designed to ensure that Minnesota does not issue a license to anyone with an active record of drunk driving in other states. To date, the program has prevented almost 15,000 drunk drivers from unlawfully obtaining a driver's license in Minnesota. The Ignition Interlock program requires convicted drunk drivers to prove they are sober with a breath test before their car will start. Nearly 2,900 drunk drivers are currently enrolled in Ignition Interlock, with 289 drivers successfully completing the program. Dayton also launched eCharging - replacing the manual, paper process with an electronic charging service that allows criminal justice agencies to pass criminal complaints, DWI forms, citations and incident reports electronically between law enforcement, prosecutors, and the courts. eCharging [reduced the amount of time](#) it takes Troopers to process paperwork for a single DWI arrest from 75 minutes to just 17 minutes, allowing for an additional hour on patrol for every DWI.



Ensuring A Fair Justice System

New York Governor Cuomo signed legislation [expanding the state's DNA databank](#) by becoming the first state in the nation to require DNA samples from anyone convicted of a felony or Penal Law misdemeanor. The new law also provides defendants with improved access to DNA testing before and after conviction, as well as better access to post-conviction discovery, in order to give the wrongly accused a better opportunity to demonstrate their innocence.

Reducing Recidivism

Vermont Governor Shumlin, in order to [decrease recidivism](#) in the state, proposed and enacted legislation to expand transitional housing opportunities for former prisoners and directed his Commissioner of Corrections to grow the programs that have a proven record of recidivism reduction, including: using a new instrument to provide an in-depth evaluation of the risk to reoffend beyond simply relying on criminal convictions; providing appropriate treatment, education and job skill training to individuals when they are released from prison; coordinating housing in a geographic area appropriate to each person's risks and jobs skills; and electronic monitoring to ensure compliance of conditions while living in the community. Shumlin also instructed the Department of Corrections to increase coordination with available social services prior to release. His actions have helped to reverse the skyrocketing trend in prison growth in the state, saving taxpayer money while keeping nonviolent offenders out of expensive jail cells and ensuring that communities are safe.

Hawaii Governor Abercrombie [signed legislation](#) designed to lower recidivism, increase efficiency in the criminal justice system, and ensure accountability of people convicted of crimes by increasing the amount of restitution paid to victims from 10 to 25 percent of any deposit made to an inmate's account. The law also adds staff for victim services in Prosecuting Attorney offices, the state Department of Public Safety, and the Crime Victim Compensation Commission; invests \$1 million to enhance community-based treatment programs; and eliminates delays in pre-trial risk assessment for flight and re-offense.

Delaware Governor Markell signed the [Justice Reinvestment Act](#) to promote informed decision-making in the criminal justice system by institutionalizing the use of evidence-based practices in decisions concerning bail, rehabilitation and probation supervision, and helping ensure scarce resources are focused on higher-risk offenders. The new law requires implementation of an objective assessment instrument that gauges defendants' risk of flight and re-arrest to help magistrates make informed decisions about the terms or conditions of pre-trial release; requires the Statistical Analysis Center (SAC) to provide magistrates with data on rates of re-arrest and failures to appear for scheduled court dates, creating a track record for release decisions and help improve future

decision-making; provides that the court may request an objective risk and needs assessment by the Department of Correction (DOC) for use in sentencing; allows offenders to reduce time served by up to 60 days per year if they complete evidence-based programs that successfully reduce recidivism; directs the DOC to evaluate the availability of community-based programs that reduce risk of re-offense; and requires the SAC to produce annually a recidivism report of one-year, two-year, and three-year rates of re-arrest, reconviction and recommitment.



New York Governor Cuomo created the [Work for Success jobs initiative](#), a partnership between government officials, non-profits and national experts focused on reducing crime through employment. With employment shown to be one of the best antidotes to recidivism, the Work for Success team is developing a client matching system to ensure that ex-offenders are put on the path to becoming law-abiding, tax-paying citizens by increasing their job readiness and improving their employment options.

ADDITIONAL RESOURCES FOR STATES

- ❖ The Brady Campaign provides information on state gun laws: <http://www.bradiycampaign.org/stategunlaws/>
- ❖ The National Governors Association Prescription Drug Abuse Project includes materials on strategies to reduce prescription drug abuse: <http://www.nga.org/cms/Rx>
- ❖ The National Council on State Legislatures provides resources on justice reinvestment initiatives: <http://www.ncsl.org/issues-research/justice/justicereinvestment.aspx>

CHAPTER VI

GOVERNMENT REFORM

OVERVIEW

While state budget shortfalls for FY 2013 are smaller than the totals from recent years, recovery has been slow and Democratic governors are continuing to take steps to make the delivery of government services more cost-efficient. In addition, Democratic governors are working to make government more accountable and transparent, including implementing reforms that make it easier for all citizens to be engaged in the governing process.



LESSONS LEARNED

Shift to an outcomes-based approach. By setting specific long-term goals for government, policies can be developed in a comprehensive way with numerous stakeholders, rather than on a programmatic basis.

Engage citizens. Whether it is getting their input before new policies are developed or making it easier for them to vote for elected officials, governors must make processes simpler for citizens to be involved with government.

Get state employees to be part of the reform process. By engaging state workers early on, reforms will be easier to implement and are likely to be more targeted towards the existing problems since they have first-hand knowledge of the way services are currently delivered.

CASE STUDY

OREGON'S TEN-YEAR BUDGET PLAN

The Problem

After winning re-election promising to “rebuild Oregon's house,” Governor Kitzhaber recognized that a different approach to budgeting needed to be done. Oregon had a history of a ricocheting economy (boom-bust-boom), and operated with biennial budgets and annual legislative sessions. Kitzhaber recognized the need to shift the budgeting focus to what gets done, rather than who does it - by budgeting for specific outcomes, rather than funding programs by agencies.

The Policy

Governor Kitzhaber reformed the state budget process by proposing a biennial budget with a long-term framework built on strategic priorities and outcomes, rather than existing programs. His outcomes-based budget shifts away from stand-alone agency initiatives and instead prioritizes five cross-cutting outcome areas - education, jobs and innovation, healthy people, safety and healthy environment. It targets investments to meet specific 10-year goals driven by five guiding principles: 1) common vision - development of a statewide vision for the state investment now and in the future; 2) defined outcomes - defining specific outcomes with clear accountability to Oregon's citizens; 3) fiscal sustainability - the delivery of programs and services efficiently within available resources; 4) innovative solutions - prioritizing investments in areas of change and innovation; and 5)

informed decisionmaking - reliance on evidence-based information to inform policy decisions and decision makers.

The process for coming up with the budget proposal included several concrete steps. First, a narrative was developed for each issue area to determine what outcomes were desired. This was conducted with the help of volunteer Program Funding Teams, made up of four or five private sector representatives that were appointed for each issue area to evaluate spending priorities and programs for their

potential to help meet long-term goals. These individuals worked alongside the governor's staff. Second, individual agencies came in at the program level and pitched their programs and the amount of funding needed to meet

those outcomes. Third, priorities were ranked. Finally, a dollar amount was assigned to each of the rankings.

This new approach requires the state to set clear budget limits, expectations and criteria for investment; seeks to deliver critical public services more efficiently and effectively by integrating, streamlining and reducing redundancy; changes the focus of the biennial budget from balancing the bottom line to budgeting to meet long-term outcomes; and directly involves Oregonians from outside government in recommending program investment levels with accountability measures to track progress over time.



The Politics

Going through an outcomes-based budgeting process should include asking specific questions as decisions are made, including: What do we want to get done over the next ten years?; What outcomes do we want?; and How much money do we have to spend?

Given that the budget process is being taken out of the agency context for the first time, it is critical that the governor and his staff communicate early on to agency leadership and staff the reasons for doing so.

While it is helpful to have outside reviewers of the budget priorities in order to provide transparency and accountability, states should think carefully about who the right people are and should look for people with both policy expertise and the ability to be objective. Utilizing members of the private sector introduces a new perspective. In addition, the

budget process should be made transparent so that all impacted groups understand how financial decision-making was done.

The Results

Governor Kitzhaber has proposed a budget for fiscal years 2013-15 using this new approach. The budget includes a 10-year plan that lays out intended outcomes, steps to reach those outcomes, and metrics that will be used regularly to measure progress. Going through the budget process for the next fiscal year allowed the state to take a close look at what was being funded and redefined what factors should be considered through the budgeting process when limited funds are available. In addition to reforming the actual budgeting, the process of bringing different players together to think through outcomes, and how to get there, has had an impact beyond financial decisions to other policy decisions.

To learn more about Oregon's Ten-Year Budget Plan:
<http://www.oregon.gov/COO/Ten/Pages/index.aspx>

CASE STUDY

VERMONT'S TROPICAL STORM IRENE RECOVERY EFFORTS

The Problem

In August 2011, Tropical Storm Irene hit Vermont. The storm was the greatest natural disaster that had hit the state since 1927 - impacting 225 of 251 towns, cutting off 13 communities, closing 500 miles of state highways and 24 state bridges, damaging 2,500 homes, including destroying 500 mobile homes, filling 20,000 acres of farmland with debris, and damaging more than 400 businesses. Governor Shumlin had only been in office for eight months, and there had been little awareness or focus on building emergency preparedness infrastructure in the state up to that point.

The Policy

Vermont's storm recovery was approached in three phases: 1) immediate emergency response, 2) long-term recovery - focusing on both individual recovery and community and economic recovery; and 3) preparedness for future disasters.

Immediate Recovery Efforts

Before Tropical Storm Irene hit, Governor Shumlin declared a state of emergency and the state's focus was on personal preparedness. All key agency leaders worked together from the day the storm hit. Silos of government were broken down through the

creation of an Interagency Recovery Team that met every two weeks and included representatives from emergency management, transportation, human services, and commerce departments, among others.

Due to the magnitude of the transportation impact, the state established three regional command centers for transportation response. Governor Shumlin also created, through executive order, an Irene Recovery Officer. The officer serves in a temporary cabinet-level



position with the responsibility and authority to oversee statewide recovery by working across agencies and with outside partners to sustain collaborative, mission-focused recovery efforts. Within 24 hours, call centers were established and Google crisis maps were created that provided real time road

condition updates. Immediate priority was given to re-connecting cut-off communities (which was accomplished within 48 hours), and partnering state and utility workers to restore power, which was accomplished to 90% recovery within the first week of the disaster. Shumlin utilized his emergency powers to expedite permitting processes to enable infrastructure repairs to move forward quickly, without red tape and long waiting periods. The

massive destruction of infrastructure, including the severing of every east/west highway, was repaired in record time.

Long-Term Recovery Efforts

Policies have been put in place to assist with individual recovery, community and economic recovery, and infrastructure and ecosystem recovery.

The individual recovery has been coordinated through, and funded by, the state and federal government, as well as outside organizations and individuals. State agencies developed a website to serve as the clearinghouse for information, keep the public updated on the status of the recovery, develop case studies of lessons learned, and share community recovery stories.

In November 2011, Governor Shumlin launched the Community Recovery Partnership. This initiative targeted affected towns and regions with facilitated local and regional conversations and cross-agency State support, as well as collaboration in long-term planning and implementation of recovery efforts. Following Tropical Storm Irene, The Vermont Disaster Relief Fund, a private entity, was created to serve as the primary vehicle for providing disaster relief to individuals. While it is a non-profit entity, it was formalized by, and the governing body was established by, the governor. Nine community-based Long Term Recovery Committees were formed to oversee individual recovery at a regional scale. These volunteer committees are supported by FEMA-funded Disaster Case Managers, who are developing individual recovery plans for Irene survivors. Survivors' needs are brought to the Vermont Disaster Relief Fund by the Recovery Committees and Case Managers.

Governor Shumlin enacted legislation creating an "I Am Vermont Strong" license plate and authorizing Vermonters to purchase the \$25 plate and affix it to the front of their vehicles. Money raised by the sales will go to the Vermont Disaster Relief Fund to help people impacted by Tropical Storm Irene, as well as to

the Vermont Foodbank. Following the storm, Shumlin also requested funding so that the state's economic development agency could provide no-interest and low-interest loans to businesses who suffered economic losses. Using federal funding (both the FEMA Hazard Mitigation Grants and the Community Development Block Grant Disaster Relief funds), the state is leading a homeowner buyout program to encourage those living in damaged and at-risk houses to move and utilizing case managers across the state. Flood plain management programs are also being strengthened.

Preparedness

Preparedness has included emergency management trainings, restructuring the Vermont Emergency Management office, and rebuilding infrastructure in a way that is more resilient to natural disasters. The Irene Recovery Office directed efforts to review state and local policies that expedite actions during disasters. Local shelters are being created, in partnership with the Red Cross, following the state's realization of the critical need for "sheltering-in-place," given the difficulty to move around the state after a natural disaster. Led by a statewide NGO (Institute for Sustainable Communities), many partners across the state are engaging in a process to evaluate and strengthen Vermont's future "resilience."

The Politics

Among the most critical factors in the successful recovery efforts was the strong leadership of the governor. In the face of a natural disaster, it is critical that the governor and members of their Administration provide strong leadership and solid teamwork across the varied agencies of government. Governor Shumlin canceled his public schedule for three weeks and focused solely on Irene recovery, traveling to every single impacted community at least twice. He issued a mission immediately after the storm to reconnect the 13 cut-off communities within 24 hours. A governor must offer strong leadership and provide clear

priorities with specific tasks to both the public and private sectors.

Governors must reach out to a broad range of partners to help with both the immediate and long-term response. States cannot do this alone, and neither can the federal government. The federal government has played an essential role both in the immediate response and the long-term recovery process. Immediately after the storm, Governor Shumlin toured the state in a National Guard helicopter joined by congressional leaders, to show that the federal and state government were working together. He worked with his colleagues in other states to get assistance from the National Guard from eight states.

Recognizing that government cannot meet all of a state's recovery needs, cooperation and coordination with the private and non-profit sectors, as well as organizations and individuals outside of government, is essential. Governor Shumlin coordinated closely with the contracting communities and utilities to make sure they had what they needed, and that they worked most effectively on rebuilding efforts. In addition, he worked with volunteer organizations and the private sector to implement programs to help impacted individuals and businesses and to increase financial resources available for recovery programs. By engaging the communities directly, the Governor was able to get buy-in and support for initiatives up-front, as well as help build an understanding for some of the issues that would cause some aspects of the recovery to take longer than he would like.



Communications is also a key component of a successful recovery effort. The Governor and his staff held daily briefings with emergency management staff and leadership, as well as briefings for the press and public so that people were aware of the efforts going forward. Utilizing the media in an efficient way is critical - from before the disaster hits through the recovery phases. Media events were held where the damage was in order to publicize the state's needs and attract more offers of help from inside and outside the state. Media should be utilized to highlight successes as well as the damage, by holding public events when progress is made, such as road openings. Messaging is also important. Using the slogan "We are Vermont Strong" Vermont's strong spirit was incorporated into all recovery policies to allow people to feel hopeful and determined to bounce back.

Fundraising is another key area that requires the governor's leadership and the engagement of the private sector. The state partnered with major Vermont artists to hold fundraising concerts and held fundraising drives on public television and radio. Creating a private non-profit fundraising arm requires the governor's leadership as well as careful thought as to who should be involved, in order to maximize publicity and the ability to raise money.

Finally, it is important to engage the state's citizens early on, both in the immediate response, the recovery, and in plans for preparedness for the future. The more engaged they are from the outset, the more help they are likely to provide, and a large volunteer base is essential following a natural disaster.

The Results

Because of its immediate response, Vermont was able to restore basic needs to the state's residents swiftly. Within four days, 90% of power outages were restored; within four months, all state roads were re-opened. While there is still much to be done - including families without permanent housing, businesses struggling to recover, farms facing feed shortages and concerns about damage to fields - key legislative and executive actions were taken to

move the state forward. In addition, the state is in much better shape to handle any future disasters through the new current structure of its emergency management systems, more resilient infrastructure, and a statewide fundraising entity that will be there to secure financial assistance for future individual needs. So far, the Vermont Disaster Relief Fund has received more than seven million towards its \$10 million goal to meet the critical needs of Irene survivors.

To learn more about Vermont's Irene Recovery efforts:

<http://vtstrong.vermont.gov>



POLICY SOLUTIONS

Making Government More Efficient

New Hampshire Governor Lynch worked with agencies across state government to implement LEAN practices, which have been successful in the private sector in reducing waste and costs, while greatly improving customer service. Lynch hosted the first-ever LEAN summit, bringing together state agency and business community leaders to highlight LEAN successes in various state agencies. Employees from all state agencies attended the LEAN summit and, following the summit, managers and employees attended conferences to become LEAN certified. After this process, these individuals then took the initiative in their agencies to identify a process that is not efficient, map the steps, goal and outcome, and then eliminated duplicate or unproductive steps.

Washington Governor Gregoire issued an executive order which directed state agencies to adopt LEAN principles and techniques, complete at least one LEAN project and submit a report summarizing lessons learned from the state's LEAN transformation journey. The state held a two-day conference to boost state government employee understanding of LEAN concepts, tools and techniques, and released an inaugural report of executive cabinet agencies' progress that highlighted key activities, agency project results and recommendations for extending the state's LEAN focus into 2013 and beyond.

New York Governor Cuomo enacted a series of budget streamlining proposals including giving the state the authority to move certain funds and operations between state agencies to reduce the costs of back office operations, such as business services, real estate management, IT and call centers. Furthermore, Cuomo made the state procurement process more efficient by allowing state agencies to purchase common goods and services through centralized contracts that will save a projected \$755 million over the next five years.



Virgin Islands Governor John P. de Jongh Jr. created a more efficient Department of Planning and Natural Resources to save resources by training the reduced staff to effectively communicate standards to customers, ensuring that submissions are corrected before accepted, and initiating a weekly public notice and information forum for the local media.

Minnesota Governor Dayton [signed legislation](#) designed to speed up the environmental permit applications process for businesses and local governments, by directing the Minnesota Pollution Control Agency and the Department of Natural Resources to act on any permit application within 150 days of submission. Previously, an application had to be "substantially completed" for consideration.

Reforming How Services Are Delivered

Hawaii Governor Abercrombie unveiled the [State of Hawaii Business and Information Technology/Information Resource Management Transformation Plan](#), a 12-year roadmap that leverages modern technologies and streamlines business processes to improve the delivery of government programs and services.

United States Virgin Islands Governor deJongh, Jr. reformed the structure of service provision by several agency services through leveraging existing federal and local fiscal resources. This included cross-training Health and Human Services staff to provide a “one-stop” shopping experience to consumers for medical and social services that serve a similar income-eligible population, and transitioned first responders of medical services to be under one entity as a mechanism to improve emergency response times, capitalize on workforce cross-training, share operating resources, promote overtime reduction, and leverage federal grant resources.

Connecticut Governor Malloy [signed legislation](#) and other emergencies by standardizing emergency preparedness for natural disasters and intense weather events through 1) establishing standards for the utility, telecommunication, and cable companies during emergency events and establishing penalties in the event the companies do not meet these standards; 2) requiring utility companies, telecommunication companies, and Voice Over Internet Protocol (VOIP) Service Providers to submit emergency plans for restoring service; 3) creating a microgrid pilot program to be administered by the Department of Energy and Environmental Protection; 4) studying the feasibility of requiring backup power for telecommunications towers and antennas; 5) encouraging the coordination of underground infrastructure projects; and 6) requiring the development of procedures to expedite the process of road-clearing following an emergency. The law expands the scope of the state's civil preparedness and training requirements by requiring all private utility companies, including electric, gas, telephone, water, and cable TV companies, to comply with the state's comprehensive civil preparedness plan, and requires all state departments, offices, and agencies to participate in civil preparedness planning, training, and exercises when directed to do so by the Department of Emergency Services and Public Protection (DESPP) commissioner.

Massachusetts Governor Patrick [launched Ping4alerts!](#) - a new free mobile communications app for alerting citizens about Public Safety and Public Health emergencies and disasters. Through geofencing technology, Ping4alerts! enables Massachusetts Emergency Management Agency (MEMA) to send highly targeted, instant multimedia alerts to iPhone and Android devices to notify citizens to situations and events happening near them.

Maryland Governor O'Malley made the first call on [Maryland FIRST](#) - the state's new interoperable radio system for first responders. Maryland completed construction of the first phase of the system in December 2012, covering one-third of the State's population and two-thirds of the State's critical infrastructure. All phases will be completed by 2016. Gap interim solutions are currently in place in all regions.



Holding Government Accountable

New York Governor Cuomo launched a new website that provides unprecedented access and transparency to New York's budget. [Open Budget's](#) easy-to-use tools, charts, and information are available to the public and uses technology to promote transparency, improve government performance and enhance citizen engagement.

Connecticut Governor Malloy [signed legislation](#) requiring all state agency regulations to be published on the internet and made available for easy access by the public. The new law requires agency regulations to be published on the Office of the Secretary of the State's website and on the individual regulating agencies' websites.

Illinois Governor Quinn proposed a constitutional amendment that would allow state voters to enact [ethics reforms](#) - including laws relating to campaign finance reform, conflict-of-interest voting, pay-to-pay abuses, patronage abuse and misuse of taxpayer funds - through popular initiative and referendum. The amendment gives citizens the power to enact fundamental ethics reforms to local governments, school districts, and the legislative, executive and judicial branches of state government by gathering eight percent of the total votes cast in the most recent gubernatorial election.

Delaware Governor Markell enacted legislation to [expand disclosure requirements for lobbyists](#) by requiring that lobbyists specifically identify each piece of legislation, each area of the budget or the bond bill, or each proposed state agency regulation that they are lobbying to change within five business days of the lobbyist having "direct communication" with a legislator or the Lieutenant Governor or Governor on a bill, or with a state agency employee regarding a proposed regulation. The reporting by the lobbyists will be done electronically and all the reports will display on a public website.

Reforming Voter Laws



California Governor Brown [signed legislation](#) making it easier for Californians to vote by allowing same-day voter registration.

New York Governor Cuomo launched a [new on-line voter registration service](#) that allows New Yorkers for the first time to apply to register to vote or update their address or party enrollment through a secure on-line site. More than 100,400 New Yorkers - including nearly 40,000 new voters - have used the on-line system.

Connecticut Governor Malloy [signed legislation](#) to make voter registration more efficient and increase participation in elections by creating web-based voter registration that will allow eligible Connecticut citizens who have a valid and current driver's license to register to vote online; allowing Election Day registration; and creating a more accurate voter file.

Strengthening Campaign Finance Laws

Delaware Governor Markell [signed legislation](#) to overhaul the state's campaign finance laws by requiring reporting of all campaign advertisements; requiring prompt reporting of third-party

spending on campaign ads; requiring greater disclosure from those who spend money to influence elections; and enhancing disclaimer requirements for third parties.

ADDITIONAL RESOURCES FOR STATES

- ❖ The Pew Center on the States has information on government performance initiatives: <http://www.pewstates.org/issues/government-performance-328359>
- ❖ The Brennan Center for Justice provides resources on state voting reform efforts: http://www.brennancenter.org/content/section/category/voting_rights_elections/
- ❖ The National Conference of State Legislatures issued a report on top fiscal issues for 2013 state legislative sessions: <http://www.ncsl.org/issues-research/budget/top-fiscal-issues-for-2013-legislative-sessions.aspx>



CHAPTER VII

LOOKING AHEAD

Just as Democratic governors made significant progress in their states in the areas of jobs, health care, education, environment and energy, criminal justice and government reform, they laid out concrete plans to keep moving their states in the right direction. Here is a sample of what Democratic governors have planned for 2013, as laid out in their State of the State and inaugural addresses:

Arkansas Governor Mike Beebe

Making Sure Veterans and Their Families Have Access to Quality Jobs and Educational Opportunities:

“As we remain mindful of our men and women in uniform protecting us at home and those abroad, we have to take steps to help military families who find themselves stationed in Arkansas. I am supporting legislation to join an interstate education compact to give incoming students of these families a smoother transition into our schools. Not only that, many military spouses want to contribute to the workforce while they’re here, and have professionally licensed skills to offer. We’ll also have a bill to help get them licensed and ready to work in Arkansas, while they’re here supporting their spouses, be it at Little Rock Air Force Base or any other place.”

California Governor Jerry Brown

Giving Everyone The Quality Education They Need: “I am asking you to approve a brand new Local Control Funding Formula which would distribute supplemental funds - over an extended period of time - to school districts based on the real world problems they face. This formula recognizes the fact that a child in a family making \$20,000 a year or speaking a language different from English or living in a foster home requires more help.”

Colorado Governor John Hickenlooper

Helping Businesses Succeed: “We have begun an inventory of state assets that the private sector can use to make location and investment decisions. With your support we hope to partner with the Secretary of State and fund a comprehensive suite of business services that will give entrepreneurs additional resources to grow their businesses.”



Connecticut Governor Dannel Malloy

Keeping Communities Safe: “Last week, my administration announced the formation of the Sandy Hook Advisory Commission, comprised of experts in mental health, education, law enforcement, and first response. We may never know what motivated the events at Sandy Hook Elementary, but that won’t stop us from working to prevent future tragedy. Over the coming months, the commission will come together to make specific, actionable recommendations in the areas of school safety, mental health services, and gun violence prevention.”

Delaware Governor Jack Markell

Training Workers for In-Demand Jobs: “[D]eveloping a Delaware Skills Bank - an inventory of essential tasks for in-demand occupations in our state - and use it to ensure that our training programs provide our workers with the right opportunities. Once workers have completed the training they need to fill in-demand jobs, we should make sure that employers know it, by providing these workers with a Career Readiness Certificate that employers respect and trust.”

Hawaii Governor Neil Abercrombie

Providing Critical Investments To Promote Entrepreneurial Businesses: “I will be proposing the HI Growth Initiative, a state investment program focused on building an innovation ecosystem that supports entrepreneurial high growth businesses and creates high wage jobs for our people. We intend to provide \$20 million of state investment capital that will focus on the critical building blocks of research commercialization, entrepreneur mentoring and the mobilization of startup investment capital. This comprehensive investment program represents a commitment to reinvigorate state efforts to fuel an innovation economy. The HI Growth Initiative will engage with the private sector to startup and grow creative and innovative companies. This initiative will help keep our established industries competitive and create new areas of opportunities to allow our young people to pursue their dreams here in Hawaii.”

Illinois Governor Pat Quinn

Creating an Advanced Manufacturing Hub: “Now is the time to take that same innovative, public-private approach to advanced manufacturing. In the last 3 years, manufacturing has been one of our state's leading growth sectors, creating nearly 40,000 new jobs. We're at the cutting edge of advanced manufacturing, and we need to stay there. That's why we're partnering with the University of Illinois and the National Center for Supercomputing Applications to create an advanced manufacturing hub where companies - big and small - come to learn and use the world's most sophisticated tools and software. The Illinois Manufacturing Lab will make our manufacturers more competitive.”

Kentucky Governor Steve Beshear

Ensuring Teens Stay in School: “We must keep our teenagers in school....phase in an increase in the mandatory school age from 16 to 18, unless a student graduates earlier.”

Maryland Governor Martin O'Malley

Making College More Accessible: “We need to pick up the pace at our four-year colleges. Here are some things we can do, together with our university system, that actually work: We can redesign college curricula and more courses to better promote completion. We can move our system toward rewarding a student's competency, and not merely the number of years he or she spends sitting in a lecture hall. We can rework financial aid so that more students can afford to carry full course loads to complete their degrees on or ahead of time. And we can give students more online options for earning college credit.”

Massachusetts Governor Deval Patrick

Ensuring Funding for Infrastructure Building: “I propose to restructure our tax system by placing a greater reliance on the income tax and less reliance on the sales tax. In my budget, I will propose that we cut the sales tax from the current rate of 6.25 percent to 4.5 percent and dedicate all of the proceeds to a public works fund. That fund will support the transportation plan I have laid out - both our existing responsibilities and the necessary expansion projects - as well as the school building fund and other public infrastructure.”

Minnesota Governor Mark Dayton

Providing High Quality Choices for Long-Term Care: “My new budget proposes a comprehensive redesign of the fastest growing part of our HHS budget, our long term care system. By providing more choices to keep seniors and people with disabilities in their homes, with better care, we save \$151 million in the short term. More importantly, we will have built a system that is financially sustainable when the age wave descends upon Minnesota starting in 2020.”

Missouri Governor Jay Nixon

Building Modern Schools: “When we talk about our state's long-term needs, nothing is more important than our schools. A bond issuance will allow the state to establish a permanent, low-interest loan fund dedicated to improving our local schools. Which is why I am proposing the creation of the BOOST Fund. BOOST stands for Building Opportunities in Our Schools Today. Because, folks, let's not kid ourselves. If we want our children to get a first-rate education and compete in a 21st Century global economy, they'll need first-rate, 21st Century facilities: state-of-the-art computers and science labs, libraries and wired classrooms. The BOOST Fund will go to work in your communities, in schools in every corner of Missouri.”



Montana Governor Steve Bullock

Making Sure Jobs Stay Local: “Right now, we have a law on the books that is supposed to require that at least half of the workers on any construction project funded by state or local tax dollars be Montana residents, but it's riddled with loopholes and not enforceable. When taxpayer money is funding a project, let's put Montana companies and Montana workers first. Let's work together to close these loopholes and expand this requirement to all projects – not just construction. And let's also significantly increase the proportion of Montana workers required on any state or locally funded project.”

New Hampshire Governor Maggie Hassan

Ensuring Businesses Remain Competitive: “I want New Hampshire to be a leader in exports, and in the next two years I'll work to help our businesses sell their products around the globe. To encourage innovation, we should also encourage the creation of new technologies here in New Hampshire by doubling the research and development tax credit. We want entrepreneurs with innovative ideas to come to New Hampshire, and we want those who start businesses here to stay here and grow here. That means continuing to build strategic partnerships between our colleges and universities and our inventors and entrepreneurs.”



New York Governor Andrew Cuomo

Promoting Job Creation: “We propose creating new innovation hotspots. An innovation hotspot is a high-tech incubator between the higher-ed and the private sector for startup companies. An innovation hotspot will be a tax-free zone. No business, real property, or sales tax. If a business stays an incubated business: is located in that zone, they will pay no tax. That zone will provide one-stop funding and services - legal services, accounting services, all the services they need to grow their business.”

Oregon Governor John Kitzhaber

Reducing the Costs of Corrections: “Oregonians deserve the careful and objective consideration of the policy options forwarded by the Public Safety Commission to keep our communities safe while reducing the cost of corrections. There is an opportunity here to find alternative and effective ways to sanction non-violent offenders, invest in proven crime prevention and community corrections strategies instead of additional prison beds.”

United States Virgin Islands Governor John de Jongh Jr.

Investing in Students: “We continue our commitments to and investments: In Parent University. In a student information system to provide more access to parents to look at their children’s grades and attendance, see homework assignments, send messages to teachers and receive instant alerts from either the school or teachers. In a Kindergarten Camp aimed at helping parents to better prepare their children for kindergarten and helping kindergarten teachers to better provide that first solid, formal schooling foundation necessary to help children be more successful. In Saturday Academies offering classes in mathematics, reading, science, English, and social studies. In a Career Academy Program geared towards increasing the graduation rates for high school students with disabilities. In Microsoft Academies that will offer technology-based foundations to our middle and high school students with the ability to obtain industry-level certification. In the development of an Early Warning and Implementation System that will lead to personalized plans for students who are showing indications that they may drop out and not complete high school. And we continue to move ahead with a new school on St. John. Each of our new programs and initiatives, from parenting support and student development, to initiatives in science and math, to acceptance of career and technical pathways, are efforts that will bear fruit years, if not decades, down the road. They are essential to our strategy to remake our economy and give our students the tools they need.”

Vermont Governor Peter Shumlin

Investing in Early Childhood Education: “I propose to make the largest single investment in early childhood education in Vermont’s history. We will redirect \$17 million from the state’s Earned Income Tax Credit to make high quality childcare affordable to hardworking lower-income Vermonters. There is no bigger obstacle to Vermont parents who want to work or advance than the high cost of quality childcare. This bold action will nearly double the state’s contribution to childcare for low-income families.”

Washington Governor Jay Inslee

Fostering Innovation: “My plan focuses on job growth in seven industry clusters: aerospace, life sciences, military, agriculture, information technology, clean energy technology and the maritime trades. These clusters represent both the present and the future key drivers of economic growth and job creation in our state. We must support innovators in these areas with incentives to take risks and bring ideas from dream to reality. I have proposed a tradable research and development tax credit to help early-stage companies to develop and commercialize their idea. It’s worked in other states, and it’s something we can do this session. I will work with the Legislature to make it more desirable for small and medium-size businesses to hire more people in Washington. We must also do a better job commercializing the technologies developed in our world-class research institutions, connecting the dots from the classroom to the laboratory to the marketplace.”



West Virginia Governor Earl Ray Tomblin

Preparing Students for 21st Century Jobs: “First, all students should be motivated to stay in school and be prepared for a good job. Workforce education should begin in middle school and more vocational training should be made available to students not planning to attend college. Second, we need to make sure our students understand the opportunities available for good jobs in our State. Some of our largest employers tell me they want to meet with our students, and share with them what they need to do to be prepared to secure a good job. In order for our students to understand their opportunities, they should have access to counseling from our community and technical college staff and be engaged with employers who are prepared to hire qualified graduates. Finally, quality vocational courses that prepare students to meet the high demands of today’s job market must be a part of every school curriculum. To assure the needed quality, we must require every vocational school to have at least one program that meets the rigorous requirements of the “Preparation for Tomorrow” program of the Southern Regional Education Board. Whether it is Mechatronics in the Eastern Panhandle, Flooring in Central West Virginia, or Drilling in the Northern Panhandle, we will insist on quality certified programs. If our schools prepare students for college and a career, every graduate will be ready to go to work in West Virginia.”