

STATELINE MIDWEST



MIDWEST

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SURPLUS OF IDEAS IN UNIQUE BUDGET YEAR

Record-high reserves and big influx of federal aid have lawmakers considering new spending plans and tax cuts, but they also see need to prepare now for coming fiscal cliff

by Tim Anderson (tanderson@csg.org)

In his nine years as a legislator, Rep. Troy Waymaster says, he's never experienced a budget situation even close to the one right now in Kansas: a projected surplus nearing \$2.9 billion by year's end and close to \$4 billion by 2023.

But he's also clear-eyed about what lies ahead in the not-so-distant future. "There has just been this huge infusion of money from the federal government into the economy, and that's what has precipitated our ending balances to be so high," says Waymaster, chair of the House Appropriations Committee. "The federal government cannot continue to infuse that money. It's going to stop.

"So we've got to be prepared for when that fiscal cliff happens and our ending balances begin to dwindle."

Pay off debts. Address Kansas'

unfunded liabilities in its retirement system for public employees. Build up a rainy day fund. Ensure any new spending or tax-cutting proposals can sustain budgetary ups and downs over the long term.

Those were some of the ideas and principles guiding Waymaster entering the 2022 legislative session.

It's a cautious approach that Josh Goodman of The Pew Charitable Trusts says he was seeing early in the year in other states as well.

"One thing that has been gratifying to me, at least, is as lawmakers talk about new investments — whether it's in the form of spending or tax cuts — they're also recognizing that a lot of this is temporary money, and that we need to prepare for this cliff when the federal aid expires and when state revenue returns to a normal level," says Goodman, a senior officer for Pew's State Fiscal Health program.

'A LOT OF UNCERTAINTY'

The last year has not been "normal" in terms of state finances.

According to the National Association of State Budget Officers, states closed their books for FY 2021 with year-over-year growth of 14.5 percent. That was the highest annual increase in at least four decades. In comparison, NASBO data show, average annual revenue growth for U.S. states has been 5.4 percent.

"It's an impressive amount of money that states are sitting on right now, not only to pay pandemic bills, but to make investments that they otherwise could never have afforded," says Barb Rosewicz, project director for Pew's State Fiscal Health program.

In Minnesota, the state's most recent budget projections point to a surplus of \$9.25 billion by the end of the current biennium.

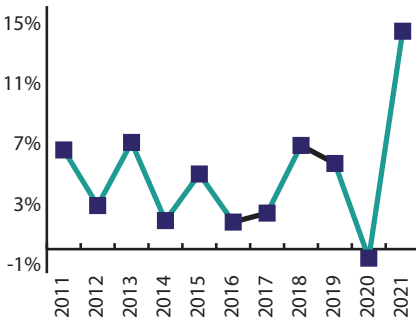
"I've probably been through more deficits than surpluses as a legislator, but this year reminds me of a saying I heard a long time ago: In the legislature, you're going to argue more when there's a surplus than when there is a deficit," says Minnesota Sen. Julie Rosen.

That's because everyone has ideas on what to do with the excess money, she adds.

Entering the legislative year, Rosen was envisioning a balanced approach: return some money to taxpayers; spend more in high-need areas such as public safety, mental health and financial support for frontline COVID-19 workers; get Minnesota's unemployment trust fund out of debt and back on solid footing, and shore up the state's long-term fiscal health.

"I would like us to look at paying off some of the responsibilities, some of the debt that we have — whether it's our tobacco fund bonds or just our overall bonding debt," says Rosen,

ANNUAL CHANGE IN U.S. STATES' REVENUE COLLECTIONS: FY 2011 TO FY 2021



Source: National Association of State Budget Officers

U.S. STATES' ACTUAL TAX COLLECTIONS IN FY 2021 COMPARED TO PROJECTIONS USED TO ADOPT FY 2021 BUDGETS

Sales tax	8.5% higher than projected
Personal income tax	21.9% higher than projected
Corporate income tax	37.9% higher than projected
Gaming/lottery revenue	8.0% higher than projected
All other revenue	8.5% higher than projected

Source: National Association of State Budget Officers

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CRIMINAL JUSTICE & PUBLIC SAFETY

Police in the schools: States play central role in the funding and training of resource officers

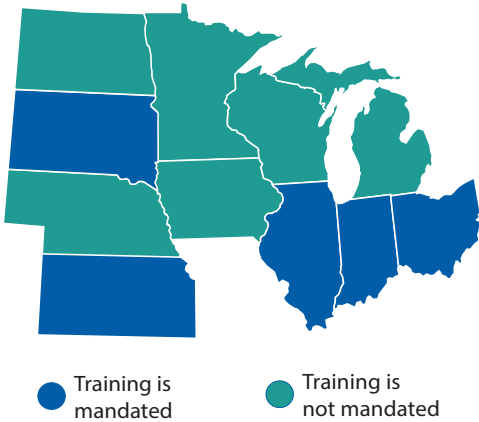
by Derek Cantù (dcantu@csg.org)

Last November, a teenage gunman opened fire at Oxford High School in Michigan, killing four students. According to local news sources, an on-campus school resource officer (SRO) played a key role in ending the tragedy. Michigan Rep. Gary Howell, too, credits the SRO for preventing further losses of life at the school, where his own son works as a teacher. Two days after the shooting, Howell took legislative action: a proposal to increase state support for schools seeking to employ SROs. As originally written, HB 5522 would have provided \$10 million in grants, via a mix of state and federal dollars. Howell’s amendment — included in a House-passed version of HB 5522 — hiked that total to \$50 million. “There are some districts that, for whatever reason, prefer not to have police officers in the schools,” he says. But for districts wanting SROs in their schools, Howell does not want a lack of financial resources standing in the way. Across the country, the presence of SROs in schools has become more common in recent decades; the availability of state and federal dollars is one reason why. However, this approach to school safety also has been under increased scrutiny, particularly following the police killing of George Floyd. In the Midwest, some of the largest school districts have dramatically reduced, if not outright eliminated, the use of SROs.

In Des Moines, Iowa, this decision was made in part based on feedback from town hall events and survey responses. District leaders also had found that Black students were twice as likely to receive referrals to the principal’s office compared to White students, and were arrested at a rate of six times their White classmates. “What we have seen is that we overused the law enforcement when they [were] on campus,” says Jake Troja, an administrator in the Des Moines school district. “In all cases, law enforcement are invited into the situation by the schools. The disproportionality that occurred, is that the responsibility of the school? I think that’s why we evaluated that program and wanted to make some changes.” Another factor in shifting away from SROs, Troja adds, was an evaluation of the return from investing in these officers. “Looking at data, we saw that almost always our staff members were the first folks involved [in responding to student-misbehavior incidents],” he says. Recent national studies have examined the roles and impacts of SROs as well. In 2021, researchers from the RAND Corp. and State University of New York-Albany found that SROs reduce the number of in-school fights, but don’t make a statistically significant difference in preventing other incidents such as school shootings. Their study, “The Thin Blue Line in Schools: New Evidence on School-Based Policing Across the U.S.,” also concluded that the presence of SROs can increase schools’ use of suspensions, expulsions and arrests, all of which disproportionately

affect students who are Black, are male or who have a disability. ‘PROACTIVE’ AND ‘VERSATILE’ D.J. Schoeff, president of the National Association of School Resource Officers, says some of the data on SROs doesn’t necessarily reflect their true impact in schools. For example, serious incidents preemptively thwarted by an SRO are hard to measure. During the school shooting at Oxford High School, Howell says, the quick response time of an on-campus SRO proved to be invaluable. According to Schoeff, who is a police sergeant in the Indianapolis suburb of Carmel, the job of an SRO is to foster safe school environments through supportive student interactions. “Our role is proactive. . . . We’re about being a positive adult influence in the lives of kids who need [it],” he says. “It is a very versatile position,” he adds. “You have to understand the teen brain, you have to understand special education.” The National Association of School Resource Officers offers its members a 40-hour training course on those topics, as well as on de-escalation tactics, cultural awareness, and how to effectively address behavioral problems in adolescents. As of 2019, five states in the Midwest required SROs to take part in training of some kind (see map). Early in 2022, Indiana lawmakers were advancing a bill (HB 1093) to tighten statutory language defining

SCHOOL RESOURCE OFFICER TRAINING REQUIREMENTS IN MIDWEST, AS OF 2019



Source: Education Commission of the States

SROs and related training requirements. Rep. Howell says he supports training SROs on adolescent behavior, but cautions that some smaller communities in Michigan may not have the capacity to devote a single officer to work in schools. “Some of these [officers] may end up being very part-time people, and if you’re in a small town with, say, a three- or four-person police force, it’s harder to specialize,” Howell says.

North Dakota Rep. Shannon Roers Jones and Illinois Sen. Robert Peters serve as co-chairs of the Midwestern Legislative Conference Criminal Justice & Public Safety Committee. Nebraska Sen. John McCollister is the vice chair. Derek Cantù is CSG Midwest’s staff liaison to the committee.

MIDWEST-CANADA RELATIONS

First two disputes under new trade agreement center on core Midwest industries: dairy and autos

by Mitch Arvidson (marvidson@csg.org)

For the first time under the 20-month-old United States-Mexico-Canada Agreement (USMCA), a three-person panel issued a decision on a trade dispute among participating countries. The decision, announced in early January, revolved around Canada’s administration of tariff rate quotas (TRQs) on dairy products. Under a TRQ, a predetermined amount of imports is allowed into a country at a low or zero-tariff rate; once that limit is reached, additional imports face higher tariffs. Canada maintains TRQs on a variety of dairy products — from milk and cream, to industrial cheeses and yogurt — under the USMCA. The problem, U.S. trade officials and dairy groups said, was that a large share of the lower-tariff quotas were being designated for Canadian processors. According to the International Dairy Foods Association, this kind of TRQ allocation was “restricting

the ability of exporters to sell directly to [Canadian] distributors or retailers.” The three-person panel ruled that Canada was in violation of the agreement, leaving the country with one of two options: comply with the decision, or risk U.S. trade retaliation. U.S. Trade Representative Katherine Tai said the decision “will help eliminate unjustified trade restrictions on American dairy products.” Canadian officials, meanwhile, cited the ruling’s endorsement of the country’s system of supply management in the dairy industry: controls on production and imports along with the use of pricing mechanisms. Others said the decision marks a victory for the continent as a whole — because there finally appears to be a functional mechanism in place to handle inter-governmental disputes. “We didn’t promise dispute-free trade in the USMCA, we just promised a vehicle through which to resolve disputes instead

of [a country] unilaterally taking action,” says Dan Ujcz, senior counsel with Thompson Hine’s International Trade and Transportation practice groups. He represented various companies involved in negotiations over the three-nation deal. Under the USMCA, if two countries are unable to resolve a trade dispute, the complaining country can request the formation of a dispute panel. The North American Free Trade Agreement had a dispute-panel process as well, but there were no deadlines to appoint members. The result: A country on the receiving end of a complaint could effectively avoid a decision by refusing to appoint panelists. In the entire history of NAFTA, only three disputes were settled through the panel process. In contrast, under the USMCA, if one or both countries refuse to make selections, panelists are drawn randomly from a roster of 30 predetermined individuals. “It gives us a place to resolve our disputes, so we don’t have trade policy by tweet,” Ujcz says. “But I also think people have to brace for the reality that we didn’t fix everything in USMCA. Countries are going to use this dispute mechanism, so we are going to see disputes.” The next one will impact another big industry in the Midwest: auto manufacturing.

Under NAFTA, 62.5 percent of a car had to be North American-made in order to qualify for tariff-free status. It’s now 75 percent under the USMCA. Typically, foreign-made components or parts have qualified if they were used or modified in North American assembly. Now, though, the United States says that 75 percent of the components that go into “core parts” (such as an engine or transmission) need to be North American-made. Canada and Mexico say this is inconsistent with the agreement, which was negotiated with automakers and parts suppliers. “The new interpretation changes how we’ve been doing things for 30 years,” says Ujcz, who also works with auto manufacturers. “We need to get this resolved now ... because we are planning models for five, seven years out right now, and we need to know what the rules of the game are.” Ohio House Speaker Robert Cupp and Manitoba Minister Kelvin Goertzen serve as co-chairs of the Midwestern Legislative Conference Midwest-Canada Relations Committee. Ontario MPP Percy Hatfield and Michigan Sen. Jim Stamas are co-vice chairs. Mitch Arvidson is CSG Midwest staff liaison to the committee.

CANADA'S DAIRY TRADE WITH UNITED STATES, 2020	
Imports from U.S.	\$315 million
Exports to U.S.	\$219 million
Trade balance	-\$96 million

Source: Government of Canada

AGRICULTURE & NATURAL RESOURCES

Fruits of a Nebraska 2021 law: More statewide coordination to get locally grown food in school cafeterias

by Carolyn Orr (carolyn@strawridgefarm.us)

Since he joined the Legislature, Nebraska Sen. Tom Brandt has been eager to find ways of providing Nebraska children with more opportunities to access and enjoy the foods grown right in their home-state communities.

A good place to start, he says, was the nation's largest "restaurant chain" — K-12 school lunch programs.

And Brandt's vision for a more robust farm-to-school program in his home state appears to be becoming a reality.

One year after the passage of LB 396 (it received unanimous legislative approval), local producers were being offered state-led training sessions on the process of selling to schools. Likewise, leaders from select Nebraska schools had participated in virtual Farm To School institutes, where plans were developed on how to bring locally grown foods to their cafeterias.

"The economic benefits of farm-to-school percolate throughout our local communities," says Brandt, whose background includes work as a food system engineer and farmer. "By providing a stable, reliable market for local produce, it enables Nebraska communities to start recapturing a portion of the 90 percent of our school food dollars that are currently leaving the state."

Previously, he adds, one missing piece in state policy was a full-time farm-

to-school coordinator — someone to connect farmers and schools and to raise awareness about the program.

Hiring such a coordinator was recommended by an interim legislative task force in 2020 and subsequently included in LB 396, which established the statewide Farm to School program.

"It's a win for our farmers, it's a win for our communities, and it's a win for our students at our schools," Sarah Smith, who was hired by the Nebraska Department of Education as the farm-to-school coordinator, says about local procurement.



Nebraska Sen.
Tom Brandt

Through the Farm to School Institute, eight school teams were connected with coaches and developed action plans for implementing programs this school year. (The institute gets funding from the U.S. Department of Agriculture and assistance from Nebraska Extension.)

Along with the institutes for school leaders on local procurement and training for producers on selling

locally, other new or growing initiatives in Nebraska include:

- the launch of a local version of MarketMaker, a database that connects producers of food directly with consumers of food (one finding of the legislative task force was that local procurement was being limited by school districts' lack of knowledge about producers in their area);
- "Nebraska Thursdays," a partnership between the state and the Center for Rural Affairs that strives to have locally

sourced menus in school cafeterias on the first Thursday of the month;

- a "Harvest of the Month" program that introduces a new fruit or vegetable into participating schools and encourages taste-testing among students;

- a "Beef in Schools" partnership between schools and the Nebraska Cattlemen association that gets locally produced beef on lunch menus (more than one-third of the state's schools are participating).

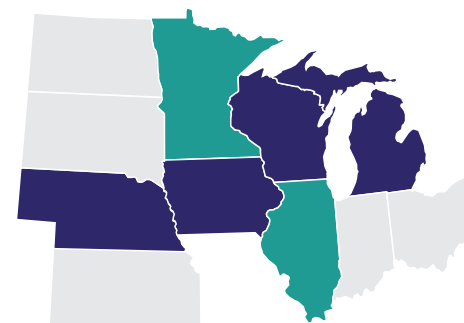
Brandt also believes that by raising awareness among young people about Nebraska agriculture and how food is made, LB 396 can help build the state's future workforce in this sector of the state's economy. One provision in the new law, for example, says the farm-to-school program "may include activities that provide students with hands-on learning opportunities, including, but not limited to, farm visits, cooking demonstrations, and school gardening and composting programs."

"If [it] encourages some young people to get involved in agriculture and food, and provides an opening for those young people to farm, it's a winning proposition," says Brandt, who this year has proposed expanding to include early-childhood education programs (LB 758).

Across the Midwest, there is a great deal of variability in terms of the scope and reach of farm-to-school programs, as well as how they are formalized in state law.

Nebraska has now joined Iowa, Michigan and Wisconsin with a comprehensive program that includes

SUPPORT OF FARM-TO-SCHOOL PROGRAMS: CSG MIDWEST REVIEW OF STATE LAWS AND FUNDING



- Laws found providing for a statewide farm-to-school coordinator, appropriating money in state budget, and directing schools to buy local
- Laws found appropriating money in state budget and directing schools to buy local

a statewide coordinator, budget appropriations, and resolutions or laws directing schools to buy local.

Recently, too, Michigan and Minnesota legislators appropriated additional funds for schools to increase their purchase of locally sourced foods. In Michigan, schools are incentivized with matching funds: 10-cents-per-meal for purchasing and serving foods grown in the state.

Minnesota Rep. Paul Anderson and Illinois Rep. Norine Hammond serve as co-chairs of the Midwestern Legislative Conference Agriculture & Natural Resources Committee. The co-vice chairs are Saskatchewan MLA Steven Bonk and Kansas Sen. Marci Francisco. Carolyn Orr is CSG Midwest staff liaison to the committee.

HEALTH & HUMAN SERVICES

Ohio legalizes family video monitoring of long-term-care residents to deter, document elder abuse

by Jon Davis (jdavis@csq.org)

In 2011, an Ohio man placed a camera in his mother's room at a long-term-care facility and quickly discovered her being physically abused by attendants. That incident resulted in not only criminal convictions for two people involved in the abuse, but a 10-year effort to legalize such monitoring by families.

In December, Ohio became the fourth Midwestern state allowing the placement of video cameras in rooms of long-term-care residents to prevent physical abuse when Gov. Mike DeWine signed "Esther's Law" (SB 58) — named for the victim in that 2011 case, Esther Piskor.

"Every once in a while, we work on a piece of legislation that transcends partisanship and party politics," says the bill's co-sponsor, Ohio Sen. Nickie Antonio, who counts the Piskors among her constituents.

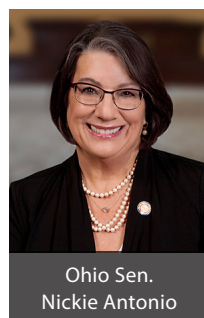
"Everyone recognized this was a bill they could be proud to go home and tell their constituents, 'I helped get this one through.'"

Passed unanimously by the General Assembly, SB 58 is similar to recent laws in Illinois (2016), Kansas (2018) and Minnesota (2020). These measures allow cameras to be placed in a resident's room with his or her permission; authorization of the resident's relatives, legal guardians or attorney; and, if applicable, permission of the roommate.

Ohio's law bars discrimination against a resident who allows a camera to be placed in his or her room and requires long-term care facilities to make a reasonable attempt to accommodate a resident wishing to use electronic monitoring, but whose roommate does not consent. Illinois' law (HB 2462 from the 2015 legislative session) was a model for SB 58's fundamental language, with changes made to suit

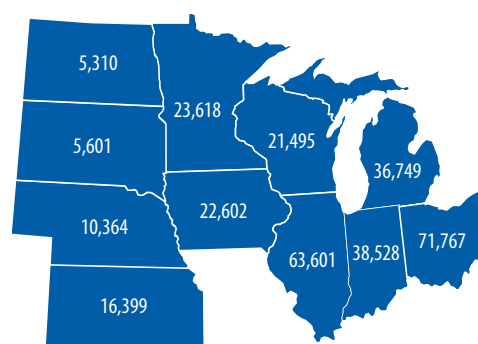
Ohio's needs and to avoid unintentional interference with any elder abuse investigations by the state attorney general's office, Antonio says.

Before SB 58, Ohio law didn't address



Ohio Sen.
Nickie Antonio

OF NURSING FACILITY RESIDENTS IN MIDWEST (2020)



Source: Kaiser Family Foundation

the legality of such monitoring.

"The law was silent, so nursing homes defaulted to, 'You're not allowed,'" she says. "This is a permissive bill. It doesn't require anyone to do anything."

Louisiana, Missouri, Oklahoma, New Mexico, Texas and Washington also allow cameras to be placed in residents' rooms. Maryland has issued guidelines for use of these cameras, and the New Jersey attorney general's office will loan camera equipment to families wishing to monitor their relatives' care,

according to the National Center on Elder Abuse.

Sam Brooks, program and policy manager for The National Consumer Voice for Quality Long-Term Care, says effective camera permission laws should require a roommate's consent and bar nursing facilities from using video surveillance to monitor residents.

Families should also work to ensure that a roommate is not visible on camera and — if a loved one is unable to consent — consider the resident's privacy interests, and balance it with the family's interest in ensuring the security of a loved one, he adds.

"Our primary and motivating concerns are consent and privacy," Brooks says. "We also strongly believe that video surveillance should never be considered a replacement for proper nursing care and supervision."

Minnesota Rep. Jennifer Schultz and Michigan Rep. Bronna Kahle serve as officers of the Midwestern Legislative Conference Health & Human Services Committee. Jon Davis is CSG Midwest's staff liaison to the committee.

VIEW FROM THE GOVERNORS' OFFICES: FOUR POLICY IDEAS FROM RECENT STATE OF THE STATE ADDRESSES, BUDGET PROPOSALS IN MIDWEST

1 NORTH DAKOTA GOV. BURGUM: 'DOUBLE DOWN' ON TAX CREDIT FOR BUSINESS AUTOMATION

A special guest made an appearance near the tail end of Gov. Doug Burgum's State of the State address in February at the Fargo Theatre.

Otto the Robot, built by the robotics team at North Dakota State University, wheeled in some water for Burgum while also drawing attention to one of his core messages: Let's embrace the power of automation.



North Dakota Gov. Doug Burgum

"Whether it's manufacturing, whether it's warehouses, whether it's in biosciences or manufacturing, whatever it is, we have an opportunity to be training the people that can run the automation, as opposed to doing the mundane jobs," he said.

That means higher-paying jobs for individuals, Burgum added, and alleviating a persistent workforce shortage.

"We should actually be the leader in automation in the nation," Burgum said. "It's one way for us to be having to fight less for all the people that may want to live someplace other than North Dakota."

He called on legislators in 2023 to "double down" on an existing automation tax credit for businesses. The credit covers 20 percent of the cost of new machinery and equipment that automates operations in some way. To qualify, a purchase must be shown to improve job quality (a 5 percent increase in wages or improvement in workplace safety) or output (5 percent increase).

The existing credit is capped at \$1 million in yearly state appropriations. Burgum wants it expanded. "Make it the most ambitious and most expansive workforce tool yet," he said to legislators.

2 WISCONSIN GOV. EVERS: DO MORE TO ADDRESS MENTAL HEALTH NEEDS OF STUDENTS

More money will be going to K-12 districts across Wisconsin to expand school-based mental health, a service for students and families that Gov. Tony Evers said improves lives as well as success in the classroom.

"A kid who's in crisis isn't going to be able to pay attention at school, finish their homework, or engage with their friends or teachers," he said during his February State of the State address.

Under the \$15 million Get Kids Ahead Initiative, which Evers unveiled during that speech, every district is eligible to receive new state funding, anywhere from \$10,000 for the smallest districts in the state to close to \$1 million for Milwaukee Public Schools.

Schools have discretion on how to use these dollars — for example, hire staff to provide direct care or help families access it in the community, contract with local providers, or develop new training for school employees in areas such as mental health first aid and trauma-based care.

Another \$5 million will go to the University of Wisconsin System to build more mental health supports for college students. Last spring, Evers said, 75 percent of students in the system screened positive for moderate or severe psychological distress.

3 ILLINOIS GOV. PRITZKER: INVEST MORE THAN \$800 MILLION IN VIOLENCE PREVENTION

Over the past three years, Illinois has more than doubled its spending on violence prevention and youth employment programs — up to \$517 million in fiscal year 2022.

That figure would rise to \$832 million under Gov. J.B. Pritzker's proposed budget for the coming fiscal year.

One point of emphasis: Provide more dollars and technical assistance for community-based groups in the state's highest-crime neighborhoods. They, in turn, would use this additional state support to implement evidence-based programs — for example, Medicaid-funded trauma recovery services for adults, or outreach services for young people most impacted by violence.

"Crime is a complex and multi-faceted problem to tackle, and it's cynical and counter-productive to simply shout 'Lock them up' while providing fewer resources to the people and programs that prevent crime in the first place," Pritzker said during his State of the State address.

Under his plan, the state also would hire more police, forensic scientists and evidence technicians, as well as put \$20 million toward a program that helps local prosecutors protect victims and witnesses in cases involving gang violence.

"A truly effective approach to tackling crime involves both short-term and long-term investments," Pritzker said, "and a commitment to see those investments through."



Illinois Gov. J.B. Pritzker

4 MINNESOTA GOV. WALZ: LAUNCH 'GREEN BANK' TO ADVANCE CLEAN ENERGY PROJECTS

Minnesota Gov. Tim Walz is seeking \$34 million in seed funding to launch a quasi-public Green Bank. Run as an independent, nonprofit corporation, the bank would provide low-cost financing for projects that reduce greenhouse gas emissions and improve energy efficiency. According to the governor's office, once this initial investment is made by the Legislature, the bank would be responsible for ongoing administrative and capital costs.

The idea for a Green Bank was part of a larger supplemental budget unveiled by Walz at the start of Minnesota's legislative session. (He had not yet given a formal State of the State address as of February.)

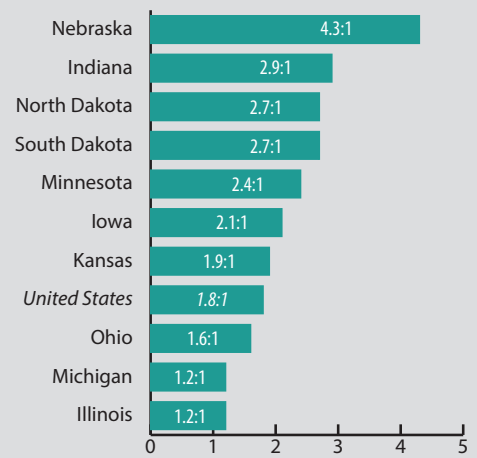
In introducing his proposal, Walz pointed to the success of other states' green banks in jump-starting clean energy projects (offering loans when conventional financing is not available) and leveraging public and private investments. For example, Connecticut's Green Bank leverages \$7.40 for every \$1 it provides.



Minnesota Gov. Tim Walz

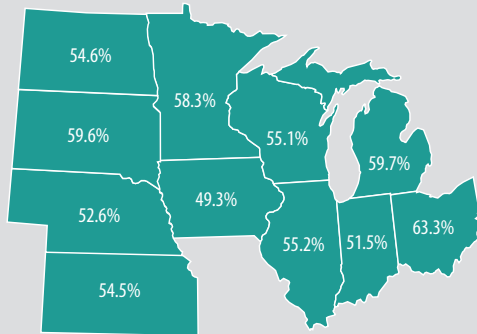
Article written by Tim Anderson, CSG Midwest publications manager, who can be reached at tanderson@csg.org. The January/February edition of *Stateline Midwest* highlighted proposals from the State of the State addresses given in January by the governors of Indiana, Iowa, Kansas, Michigan, Nebraska and South Dakota.

ESTIMATED RATIO OF # OF JOB OPENINGS IN STATE TO # OF UNEMPLOYED IN STATE, AS OF END OF 2021



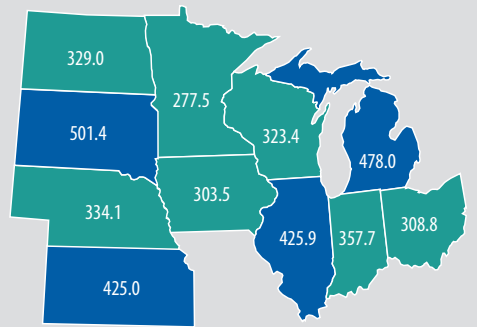
Source: CSG Midwest calculations based on data from U.S. Bureau of Labor Statistics

% OF YOUNG PEOPLE WITH MAJOR DEPRESSION NOT RECEIVING ANY MENTAL HEALTH TREATMENT



Source: Mental Health America

OF VIOLENT CRIME OFFENSES PER 100,000 RESIDENTS (2020)



Higher than U.S. crime rate (398.5) Lower than U.S. crime rate (398.5)

Source: FBI

PER CAPITA GREENHOUSE EMISSIONS IN MIDWEST, 2018

State	Metric tons of energy-related CO ₂ per person	% change: 2000-2018
Illinois	16.7	-10.9%
Indiana	28.2	-27.8%
Iowa	26.3	-3.1%
Kansas	21.4	-24.1%
Michigan	16.4	-15.9%
Minnesota	17.0	-14.3%
Nebraska	27.2	+11.8%
North Dakota	77.7	-2.6%
Ohio	23.4	-23.3%
South Dakota	18.8	-5.6%
Wisconsin	20.1	-12.7%
All U.S. states	20.7	-21.7%

Source: U.S. Energy Information Administration

WITH NEW LAW AND FEDERAL FUNDS, ILLINOIS SET TO LEAD ON LEAD-PIPE REMOVAL

by Jon Davis (jdavis@csg.org)

No city in America has more lead service lines than Rep. Lamont Robinson Jr.’s hometown of Chicago. And his home state has an estimated 12 percent of the nation’s total.

Now, though, Illinois may be poised to lead the nation in another way — getting rid of the lines that put people at risk of having their drinking water contaminated with lead.

“We have been kicking the can for several years, particularly since the ‘70s, on lead pipes and paint,” Robinson says. “Since then, we’ve had Flint, we’ve had other communities with issues as it relates to clean water.

“I felt it was time to put this issue to bed.”

The result: his sponsorship of HB 3739, a measure signed into law last year that makes Illinois one of the first U.S. states with a plan, timeline and statutory requirements for local water utilities to replace all of their lead service lines.

The exact deadlines for full replacement vary based on the number of lead pipes that need to be replaced in a given service area; every utility, however, will need to remove a certain percentage of lines every year. Priority will be given to projects in preschools, day care centers

and other facilities where high lead levels are of particular concern.

Negotiated with involvement by water utilities, municipalities and advocates, the Illinois law also prioritizes rural and minority communities — areas that Robinson says tend to have the biggest problems with lead service lines and/or lack the resources to implement response strategies such as the use of filters or bottled water.

For Illinois and other Midwestern states, one continuing obstacle to replacing lead service lines is the cost. The Brookings Institution has estimated the price tag for a nationwide replacement at anywhere between \$28 billion and \$47 billion.

Over the next five years, though, much more assistance will be coming to states: a total of \$15 billion under the Infrastructure Investment and Jobs Act of 2021 (see map for the Midwest). That \$15 billion is on top of congressional appropriations already available through the Drinking Water State Revolving Fund.

These recent federal actions should help kick-start Illinois’ plans to remove lead service lines, Robinson says, but will not get the state to the finish line.

“The will is there for us to find money in the state of Illinois to get rid of lead

pipes,” Robinson says.

Finding a way is part of HB 3739. It creates a Lead Service Line Replacement Fund, and directs a new state advisory board to identify “dedicated, long-term revenue options” for lawmakers to consider.

Robinson views the removal of lead service lines as part of a broader strategy to improve long-term outcomes in children and to reduce violence — an idea backed by research showing that early childhood exposure to lead creates behavioral problems, from aggression to crime, in teenage and young adult years.

Illinois is now one of two states in the Midwest with a requirement that all lead service lines be replaced.

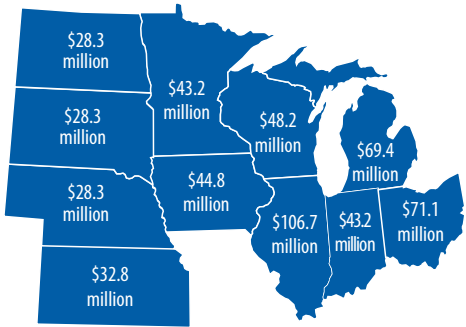
In 2018, spurred by the Flint water crisis, Michigan adopted a new Lead & Copper Rule that mandated the removal of these lines by 2041.

In late 2021, the Michigan Senate passed legislation (SB 565) allocating \$1 billion for the state’s lead service line removal program. This expenditure is part of a larger, \$3.3 billion plan that uses newly available federal dollars to invest in the state’s water infrastructure.

In the Midwest, related legislative action in early 2022 included:

- Bills in Minnesota (HF 2650/SF 2531) to appropriate \$30 million a year (through 2032) for cities to remove

NEW MONEY FLOWING TO STATES TO REPLACE LEAD PIPES: \$ IN FEDERAL INFRASTRUCTURE LAW TARGETED FOR REPLACEMENT PROJECTS



Source: U.S. Environmental Protection Agency

the privately owned portion of lead service lines. Projects in disadvantaged communities would be prioritized.

- The South Dakota Legislature’s allocation of \$1.5 million for a statewide inventory of lead service lines (SB 64).
- Approval by the Indiana House of a new requirement (HB 1313) for health care providers to screen children between 9 months and 5 years old for lead poisoning.

Kansas Sen. Carolyn McGinn has chosen water policy as the focus of her Midwestern Legislative Conference Chair’s Initiative for 2022. A series of articles will appear in *Stateline Midwest* this year in support of this initiative.

QUESTION OF THE MONTH

QUESTION | What recent laws have Midwestern states adopted to address concerns about short- or longer-term teacher shortages?

In 2021, one common legislative action was to expand the pool of substitute teachers. These actions often were designed as short-term fixes, a response to many school districts reporting shortages since the COVID-19 pandemic.

Ohio has temporarily removed a state-level bachelor’s-degree requirement for substitutes, most recently with the passage of SB 1 in fall 2021. School districts are now able to set their own educational requirements, and can hire anyone who passes a criminal background check and is “deemed to be of good moral character.”

During this school year In **Michigan**, individuals without a teaching certification, but who already work for the district, can be employed as substitutes (HB 4294 of 2021). **Iowa** (HF 675) and **Kansas** (executive branch action) are among the other states that have eased their requirements for substitute teachers over the past year.

In **Illinois**, one policy response has been to ease restrictions on the number of hours/days that a retired teacher can return to the classroom without losing retirement benefits. SB 1989, signed into law last year, removed a lifetime cap and made it yearly: 120 paid days or 600 paid hours. Early in 2022, legislation was advancing (SB 3201) to temporarily raise that annual cap, to 150 days or 750 paid hours. And under a separate measure (SB 3465), retired Chicago Public Schools teachers could return to work, without a pension penalty, to fill positions in “subject shortage areas.” A similar exception already applies in other parts of Illinois.

Along with these temporary fixes targeting an acute need for substitutes, states have initiated broader, longer-term strategies over the past year to attract and retain more teachers.

Indiana set a minimum-pay threshold for teachers of \$40,000; any school district not meeting this level must provide a written explanation to the state. Additionally, districts must use at least 45 percent of state school funding for teacher pay (HB 1001 of 2021).

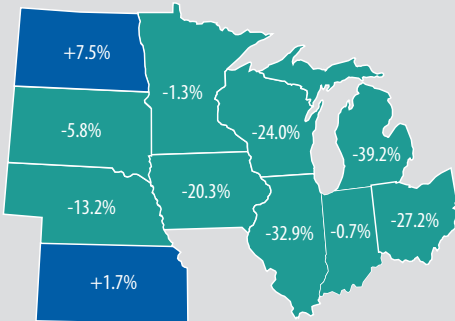
Minnesota’s budget (HF 2) includes funding for initiatives to bring more people of color into the teaching profession — for example, improved mentorship programs and hiring bonuses to recruit minority teachers from out of state. Another approach being tried in Minnesota, as well as in states such as **North Dakota**, Michigan and Illinois, is to invest in local “grow your own” programs: Districts identify school employees and/or community members as potential teachers, and then provide financial assistance to help these individuals become state-certified.

A related strategy is to build more interest in the profession among local high school students. Illinois and Minnesota are appropriating state dollars for new dual-credit courses and education-career pathways within their K-12 systems, and Iowa has started a registered apprenticeship grant program for future teachers and paraeducators.

Additional options for states include:

- creating “residencies” or other models that improve mentorship and support programs for new teachers (Ohio, for instance, has a four-year Resident Educator Program);
- offering new career ladders and pay increases for effective, veteran instructors who take on leadership roles in their schools (Iowa’s Teacher and Leadership Compensation System is an oft-cited example of this approach);

CHANGE IN # OF PEOPLE COMPLETING TEACHER PREPARATION PROGRAMS: 2018-’19 COMPARED TO 2013-’14



Source: U.S. Department of Education

- dedicating state dollars to raise teacher pay (a part of **South Dakota’s** sales tax does so);
- providing loans, scholarships and incentives for people to teach in high-need subject or geographic areas; and
- expanding and accelerating alternative pathways to teacher certification.

Early this year, legislative proposals in the Midwest included an Indiana proposal (SB 356) allowing districts to hire part-time “adjunct teachers” and two **Nebraska** bills providing loan repayments to teachers (up to \$25,000 per recipient under LB 945 and \$30,000 under LB 1128).

Question of the Month response by Tim Anderson (tanderson@csg.org), publications manager for CSG Midwest, which provides individualized research assistance to legislators, legislative staff and other government officials. This section highlights a research question received by CSG Midwest. Inquiries can be sent to csgm@csg.org.

TWO CANADIAN PROVINCES PARTNER ON FINDING A VACCINE FOR CHRONIC WASTING DISEASE

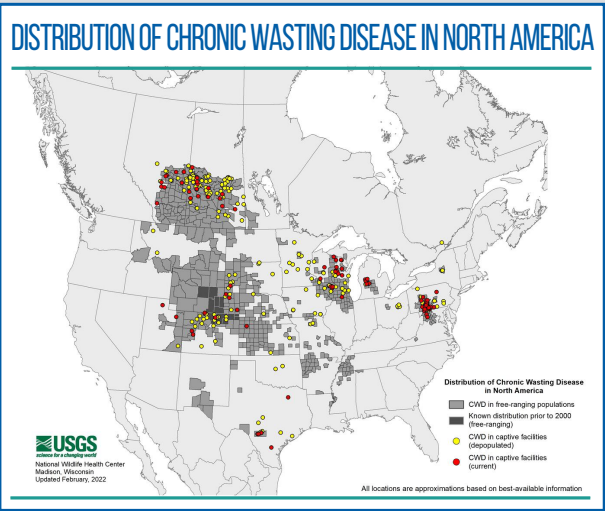
With chronic wasting disease continuing to spread among their deer, elk and related wildlife populations, **Alberta** and **Saskatchewan** are working together on a five-year, \$1.3 million project to develop a new oral vaccine. The plan, announced in early 2022, will fund university-based research that tests five potential antigens. To be effective, the vaccine would need to be broadly and efficiently distributed in the environment via forage.

Saskatchewan is using revenue from the province’s Fish and Wildlife Fund to pay for its part of the research project. Money in that fund comes from the sale of hunting, fishing and trapping licenses.

According to the U.S. Geological Survey’s National Wildlife Center, chronic wasting disease has been detected in 29 U.S. states and four Canadian provinces. In nearly every Midwestern state and province, CWD has been found in both farmed and free-ranging populations of cervids.

In **Minnesota** this year, bills have been introduced to require live-animal testing of farmed deer (HF 2814/SF 3037) and to invest in new CWD testing equipment (HF 2980/SF 2937). Last year, the Minnesota Legislature expanded the Department of Natural Resources’ authority to regulate farmed deer and banned the importation of all cervidae carcasses. In recent years, too, the state has upped its spending on CWD-related monitoring, mitigation, testing and research.

A package of bills in **Wisconsin** (AB 771/SB 748, AB 772/SB 749 and AB 773/SB 750) would appropriate new state dollars for CWD research and management, testing kiosks and carcass disposal sites.



WISCONSIN EYES BIG GROWTH IN AGRICULTURAL EXPORTS, HAS NEW 5-YEAR PLAN TO REACH GOAL

Wisconsin wants to export more of its agricultural products to the world, and it has a \$5 million plan to increase international sales by 25 percent over the next five years. The Wisconsin Initiative for Agricultural Exports is the result of AB 314, a measure passed unanimously by the Legislature and signed by Gov. Tony Evers in late 2021.

The new law directs two state agencies — the Department of Agriculture, Trade and Consumer Protection and the Wisconsin Economic Development Corp. — to meet the 25 percent goal by collaborating on new export-focused strategies. The Legislature’s Joint Finance Committee released first-year funds for the initiative in February.

AB 314 specifies amounts to be spent on each product area over the five years: \$2.5 million on milk and dairy, \$1.25 million on meat and meat products, and \$1.25 million on crops and crop products. These new state dollars will be used to promote products made in the state, cultivate and train Wisconsin agricultural exporters, and elevate the Wisconsin brand across the world.

In 2021, Wisconsin hit a record high for the value of its agricultural exports — more than \$3.96 billion. Dairy products are the state’s top export commodity. The past year also was a record for all U.S. farm and food products: \$177 billion sold around the world. The top four markets for these products are China, Mexico, Canada and Japan; together, they account for 55 percent of U.S. agricultural exports.

Saskatchewan also reported record-high agricultural exports in 2021, a total of \$17.5 billion.

TOP AGRICULTURAL EXPORT COMMODITIES IN MIDWEST, FY 2021 (BASED ON \$ VALUE)	
Top export	State(s)
Pork/pork products	Iowa, Indiana, Minnesota, South Dakota
Beef/beef products	Kansas, Nebraska
Dairy products	Wisconsin
Soybeans	Ohio
Wheat	North Dakota
Other “consumer-oriented products”	Illinois, Michigan
Source: U.S. Department of Agriculture	

MICHIGAN OFFERS TAX-ADVANTAGED PLAN TO HELP INDIVIDUALS SAVE FOR PURCHASE OF FIRST HOME

For aspiring homeowners in **Michigan**, the state is offering a new option: Open a first-time home buyer savings account and make contributions to it that can be deducted from state income taxes (up to \$5,000 a year for single filers and \$10,000 for joint returns). The state’s First-Time Home Buyer Savings Program is the result of HB 4290 and SB 145, bipartisan bills signed into law in early 2002. The program would sunset after 2026 without additional legislative action.

Balances in these new accounts are capped at \$50,000, but interest earnings can continue to accrue beyond this maximum level. Withdrawals for any unqualified expense will incur a 10 percent penalty. Michigan joins **Iowa** and **Minnesota** in offering such a savings program for first-time home buyers.



EARLY LEARNING, LASTING EFFECTS: INDIANA PROGRAM HAS HELPED IMPROVE STUDENT READINESS

Indiana’s investment in an early-learning program for low-income children is showing signs of paying off in the classroom — improved kindergarten readiness and stronger math and literacy skills through at least grades three and four.

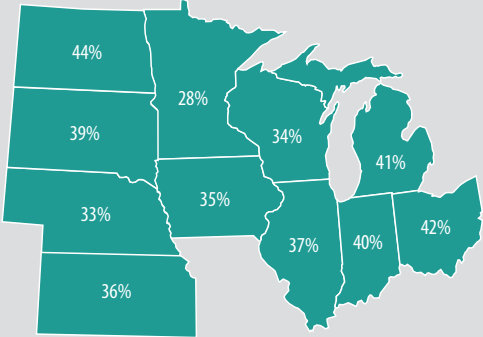
On My Way Pre-K was created by the Indiana General Assembly in 2014 as a pilot program in select counties. It has since been expanded statewide, with enrollment at close to 5,000 students for the current school year.

Qualifying families receive state grants to send their 4-year-old to an eligible early-education program. Indiana allows various types of providers to participate: public and private schools, licensed family homes and child care centers, and registered ministries. To qualify, a provider must meet the state’s quality measurements.

When they first established On My Way Pre-K, legislators included statutory language requiring the state’s Family and Social Services Administration to “carry out a longitudinal study of students who participate in the pilot program to determine the achievement levels of [participating] students in kindergarten and later grades.”

Results were released earlier this year. According to Purdue University researchers, students in the On My Way Pre-K pilot program had stronger school readiness, language and literacy skills than peers with similar income levels who attended lower-quality child care or prekindergarten programs. Higher levels of performance continued through third and fourth grades, as measured by standardized math and English/language arts scores, researchers found.

% OF CHILDREN, AGES 0 TO 8, LIVING IN HOUSEHOLDS WITH INCOMES BELOW 200% OF FEDERAL POVERTY LEVEL



Source: Alliance for Early Success

OHIO ADDS SUPPORTS FOR BUSINESSES OWNED BY WOMEN, MINORITIES AND VETERANS

Ohio has a mix of new financial and regulatory tools to help businesses in the state owned by women, minorities and veterans.

The financial assistance is coming in the form of two targeted loan initiatives, both of which were included in the state budget. Under the first program, zero-interest-rate loans (minimum of \$10,000 and maximum of \$45,000) are available for these businesses to establish permanent working capital, purchase new equipment or build up inventory. A second loan program is for women-owned enterprises only.

Ohio already has a program to certify businesses as minority- and women-owned or as “veteran-friendly.” It sets a goal that at least 15 percent of state agencies’ contracts be awarded to certified minority-owned businesses.

Local governments also have their own set-aside goals or programs for minority-, women- and veteran-owned businesses. SB 105, signed into law in February, aims to make participation in these programs easier. It does so by providing for “certification reciprocity”: once certified under the state program, business owners are automatically eligible for local initiatives across Ohio.



STATES MULL OPTIONS FOR PUTTING BIG BUDGET SURPLUSES, FEDERAL DOLLARS TO BEST USE

» CONTINUED FROM PAGE 1

chair of the Senate Finance Committee. “There are a lot of things we could start to pay down, which would really benefit the state.”

“And we want to maintain that healthy budget surplus because with inflation and other things coming down the pipeline, I think there is a lot of uncertainty right now [about the future].”

VALUE OF A LONG-TERM BUDGET OUTLOOK

Lucy Dadayan, a senior research associate with the Urban-Brookings Tax Policy Center, says there are many reasons for states to prepare now for the bursting of what she calls a “fiscal bubble.”



Minnesota Sen. Julie Rosen

For one, her research shows a “huge gap” in recent state revenue growth compared to increases in GDP, with the former significantly outpacing the latter. Such a disparity is atypical, Dadayan says, and will not continue.

Two, the pandemic temporarily changed consumer habits, with a shift to more spending on goods (subject to the sales tax) than services (often not taxed in many states). A return to the longer-term trend — more spending on services, less on goods — is coming and will cause a negative impact on sales tax collections, she says.

Third, the additional federal dollars supporting the overall economy, and states in particular, will be gone. Money from the American Rescue Plan Act’s (ARPA) State Fiscal Recovery Fund must be appropriated by the end of 2024 and spent by the end of 2026.

In a November 2021 study, the Center on Budget Policy and Priorities noted that of the nearly \$200 billion set aside in ARPA for states, more than half of it already had been allocated by the nation’s governors and state legislatures.

The most common uses of ARPA dollars thus far have been: 1) the replacement of lost state revenue due to the pandemic (23 percent of total state allocations); 2) replenishing unemployment trust funds and improving UI systems (15 percent); 3) human services (14 percent); 4) economic development (10 percent); and 5) broadband access and expansion (8 percent).

“I am worried that, three, four years down the road — or even less time than that — we are going to be seeing state revenue growth declining, and maybe even negative growth,” Dadayan says.

According to Goodman, to plan for volatility and uncertainty, states need to use data and budget projections that look more than only one or two years out.

“I think three years would sort of be a minimum, and we see some states looking five years, sometimes even 10 years out,” he says. “The right length really depends in part on when things will change. So let’s say a state had a major tax that was set to expire in six years. You wouldn’t want to only look five years out and ignore what’s going to happen in that sixth year and beyond.

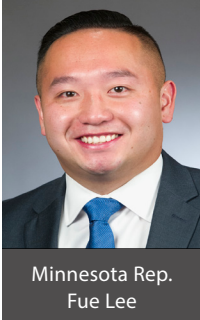
“And so right now, in particular, states should be thinking about their budget picture after the federal relief is spent or expires.”

Likewise, looking back at the volatility of state revenues can help fiscal leaders make sound long-term budgeting decisions.

Over the past 20 years, Pew research shows, the 50 U.S. states had a combined volatility score of

4.99, meaning total tax revenue fluctuated 4.99 percentage points above or below overall growth trends. In the Midwest, the volatility scores ranged from a high of 17.2 in North Dakota (due to its reliance on an oil and gas tax, a turbulent revenue source) to a low of 2.8 in South Dakota (the state has no income tax and relies heavily on the sales tax, a relatively stable revenue source).

“By studying volatility, policymakers can better determine their own budgetary risk and put in place evidence-based savings strategies that harness tax growth in good years to cushion the lean years,” Pew notes.



Minnesota Rep. Fue Lee

FLEXIBILITY AND OPPORTUNITY IN 2022

This is undoubtedly one of those “good years” for states, and there is excitement about some unprecedented opportunities.

In Minnesota, every even-numbered year is known as a “bonding” year — a bill is passed by the Legislature and signed by the governor to borrow money in order to issue bonds for capital investment projects.

“With the kind of budget surplus we have, we have more flexibility in what we could bond for to help our communities, especially some of those that have been traditionally marginalized or under-invested in,” says Rep. Fue Lee, chair of the House Capital Investment Committee.

For example, he says, many communities are in need of more housing, educational and occupational services for young people, and job training in growing sectors such as clean energy.

According to Lue, because of the state’s strong fiscal situation, general-fund dollars could be used for one-time investments in these kinds of community assets, on top of whatever is included in a final bonding bill.

In addition, an estimated \$7.3 billion is coming to Minnesota as a result of passage of the Infrastructure Investment and Job Act. That law prioritizes spending on states’ transportation, water, energy and broadband infrastructures, thus freeing up more state bonding dollars for capital projects related to higher education or workforce development, Lee says.

That juggling of state and newly available federal dollars also has been part of discussions in Kansas, Waymaster says.

“Part of what we tried to communicate early on with our [legislative] budget chairs was that as you go through all of the budgets for the different agencies and departments for the state, and as you get requests for revenue enhancements, think about whether those enhancements would qualify under ARPA rather than being paid through the general fund,” he says.

There is, of course, another option being considered by state policymakers during this exceptionally strong fiscal period — cutting taxes. Numerous proposals had been introduced early in 2022, including several in the Midwest, to lower corporate and income tax rates.

“We want to reduce taxes. There’s no question about that, but we want to do it in a responsible and strategic manner,” Waymaster says about the outlook in Kansas.

“I came here to the Legislature in 2013 and lived through the budget issues that we had because of a tax plan that had passed the year before. That plan was just too aggressive.

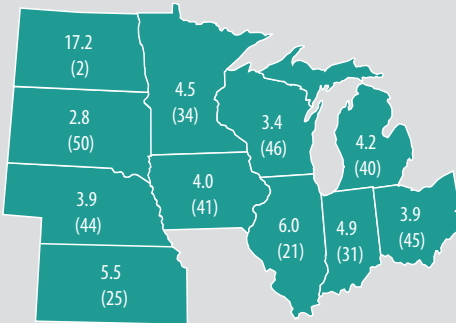
“Today, it’s very easy to look at the balances that we have in fiscal years 2022 and 2023 and say, ‘Let’s reduce taxes.’ But at the same time, this is not going to last forever. And if we are too aggressive, then we’ll find ourselves in a deficit.”

TAX COLLECTIONS IN THE MIDWEST, BY SOURCE (2020)					
State	Sales and excise tax	Personal income	Corporate income	Property	Other*
Illinois	45.6%	39.7%	7.7%	0.1%	6.9%
Indiana	55.9%	37.1%	3.4%	0.1%	3.5%
Iowa	46.5%	37.1%	5.8%	—	10.5%
Kansas	47.6%	35.0%	4.5%	8.1%	4.8%
Michigan	47.8%	32.2%	2.9%	8.5%	8.7%
Minnesota	42.4%	40.8%	6.0%	2.8%	8.0%
Nebraska	48.0%	41.8%	6.7%	—	3.5%
North Dakota	36.1%	8.7%	1.9%	0.1%	53.2%*
Ohio	65.6%	27.1%	0.0%	—	7.3%
South Dakota	80.6%	—	1.9%	—	15.0%
Wisconsin	43.2%	42.3%	7.2%	0.5%	6.8%
All U.S. states	48.2%	36.4%	5.0%	2.1%	8.4%

* The “other” category includes death and gift taxes, severance taxes on the extraction, production and/or sale of natural resources such as oil and gas, and documentary and stock transfer taxes.

Source: Federation of Tax Administrators (using U.S. Census Bureau data)

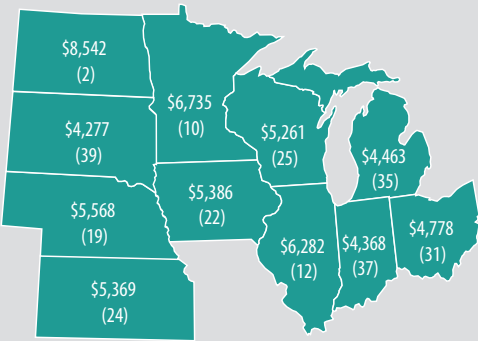
STATES’ TAX REVENUE VOLATILITY SCORES, FY 2001-2020 (U.S. RANK)*



* Volatility scores measure the variation in year-over-year percent changes between fiscal years 2001 and 2020. A low score means that revenue levels were similar from year to year, and a high score indicates that revenue grew or declined more dramatically. The 50 U.S. states had a combined volatility score of 4.99, meaning total tax revenue fluctuated 4.99 percentage points above or below overall growth trends.

Source: The Pew Charitable Trusts, Fiscal Health Project

TOTAL TAX COLLECTIONS, PER CAPITA, BY STATE AND LOCAL GOVERNMENTS, 2019 (U.S. RANK)



Source: Federation of Tax Administrators



PROFILE: IOWA SENATE MINORITY LEADER ZACH WAHLS

His political journey began in college with a speech at the Iowa Capitol that captured global attention; he’s returned as a legislator and, now, top leader

by Derek Cantù (dcantu@csg.org)

In 2011, only two years removed from his high school graduation, sixth-generation Iowan Zach Wahls got the chance to speak before his home state’s General Assembly.

The topic: same-sex marriage. His goal: show to the legislators that his parents — his two moms — had raised a perfectly normal (if not a bit boring, Wahls jokes) young man.

“I learned at a pretty young age that politics was very interested in families like ours,” he says. “[My speech] helped people to realize I didn’t have horns or a tail; I was just a relatively normal guy.”

Footage of the speech went viral on YouTube, earning Wahls the chance to share his personal story with TV personalities such as Ellen DeGeneres and Jon Stewart.

He also wrote a book, was invited to deliver a speech about marriage equality at the 2012 Democratic National Convention, and became an LGBTQ+ activist — for example, advocating for a change in the Boy Scouts of America’s policy on gay Scouts.

Wahls’ political journey eventually led him back to where it all started — the Iowa General Assembly.

Four years ago, he successfully ran for an open state Senate seat; within a few years, Wahls already had been elected to the top leadership position in his caucus.

In a recent interview with CSG Midwest, Wahls discussed his new role as Senate minority leader as well as his legislative priorities for Iowa. Here are excerpts.

Q There have been advancements in LGBTQ+ rights since you gave that speech in 2011. But what more does Iowa need to do in order to become an even more welcoming state?

A When I think about how we can help make this better, I think a lot of it comes down to just toning down the inflammatory rhetoric. We had something like 13 different anti-LGBTQ bills that were introduced last year. And I think we just need to kind of stop the culture war and focus more on the real issues that Iowans are facing. I mean, we’re in the middle of a workforce crisis that’s affecting literally every industry — Iowans from every walk of life.

Q You became minority leader at a young age and at an early point in your legislative career. What have been some of



BIO-SKETCH: IOWA SEN. ZACH WAHLS

- ✓ has served as minority leader since 2020; first elected to the Iowa Senate in 2018
- ✓ wrote the book “My Two Moms: Lessons of Love, Strength and What Makes a Family”
- ✓ is vice president of community investment and development at GreenState Credit Union
- ✓ has a bachelor’s degree from the University of Iowa and a master’s degree from Princeton University’s School of Public and International Affairs
- ✓ lives in Coralville, Iowa, with his wife, Chloe

“It’s easy in politics to get very adversarial and to dig into your position really fast. But I found that when you listen to people, there’s often so much more that you agree on than that you disagree on.”

your priorities for managing the caucus and building consensus within it?

A We’ve renewed our focus on our communications. We’re in the minority, and so we don’t have the votes on the floor. What we’ve got is the ability to help present a clear vision, a positive vision for the future of our state, and communicate that to voters and to the press. ...

In terms of consensus, it’s the old Will Rogers joke, “I’m not a member of an organized political party, I’m a Democrat.” We’ve set about trying to prove Will Rogers wrong. It’s not just about policy. It’s about how we run our campaigns, about our vision for the state. And I think it starts by sitting down with your leadership team, putting that vision together, and then taking it out to the caucus and listening.

It’s easy in politics to get very adversarial and to dig into your position really fast. But I found that when you listen to people, there’s often so much more that you agree on than that you disagree on.

Q You’ve talked about there being a “workforce crisis” in Iowa. Why?

A Before COVID-19, my local Chamber of Commerce would tell me, “You know, Zach, we’ve got three issues: workforce, workforce and

workforce.” Now, with where we are today, they’ve said, “Zach, well now we’ve got two more issues: workforce and workforce.” ...

Wages have been low in Iowa for a long time, and we’ve had a relatively low cost of living. But now, as the cost of living is starting to go up, we need to have more upward pressure on wages. And we’re starting to see that happen, which is good, but there’s a lot more that we need to do.

There are fewer people working today in Iowa than there were a decade ago. I mean, that’s a big problem. And it’s no secret that Iowa is an aging state. But if we don’t figure out how to attract more Iowans, younger Iowans and better-paid Iowans, we’re going to be in real trouble.

Q What is a workforce policy that you think the state should be focusing on?

A There are a lot of these things that we think we need to do to get more workers off the sidelines, and a lot of that is about supporting families. Look, it’s a perfectly economical choice to stay home with the kids if you’re going to be spending more on child care than you are on your mortgage, which is something that I hear from a lot of constituents.

Until we solve the child care issues, we’re just going to be in a really tough situation with the workforce.

Q What are other policies that you’ve gotten involved in as a legislator?

A I have gotten very involved in a big fight over trying to get new protections for the people living in manufactured housing. There have been tens of thousands of Iowans who live in mobile or manufactured homes. And Iowa has, I would say, some of the worst laws in the country when it comes to protecting the rights of [people] who own those homes. ...

It was an issue that really came to the fore in my first year in 2019, when some companies from Utah acquired several [mobile home] communities in Iowa and raised the rent — in some cases by 60 percent — from one month to the next...

I helped lead getting an amendment out of the Senate that would have created a just-cause requirement [for the termination of leases], limited rent increases and a few other things. ... I’ve worked over the last several years to build a bipartisan coalition to help actually make those reforms a reality. We had 30 co-sponsors for the legislation in 2020 before COVID hit and kind of derailed everything...

But we’re going to continue to fight for it because it’s really important. I mean, affordable housing is a top issue in virtually every Iowa community, and manufactured and mobile housing continues to be a really important source of affordable housing in many Iowa communities.

FIRST PERSON: HOW AND WHY NORTH DAKOTA IS GIVING ITS SCHOOLS A GREATER CHANCE TO INNOVATE

New state laws allow for personalized, competency-based model of learning



by North Dakota Sen. Don Schaible
(dgschaible@nd.gov)

OVERVIEW OF NORTH DAKOTA'S RECENT CHANGES TO PROMOTE INNOVATION IN K-12 EDUCATION

- ✓ PASSAGE OF SB 2816 IN 2017 — Allow school districts to pursue innovations by seeking waivers in state education law
- ✓ PASSAGE OF SB 2215 IN 2019 — Create the 18-member K-12 Education Coordinating Council (legislators, teachers, and local and state school leaders) to organize and disseminate information about innovative best practices
- ✓ PASSAGE OF SB 2196 IN 2021 — Allow school districts to pursue personalized graduation pathways and alternatives to traditional seat- and instructional-time requirements



North Dakota is a state that has not let COVID-19 slow down the momentum of striving for changes in education for the benefit of students.

In particular, there have been ongoing efforts from several sectors in our education system to move strongly in the direction of a personalized, competency-based model of learning: Students advance based on a demonstrated mastery of content, not on how many hours or months they've been in a class.

Likewise, we're looking to move away from our traditional "one size fits all" path to graduation.

We want to encourage innovation in our local schools, as well as more flexibility and choices for our students.

To implement these changes, we as legislators needed to end the "one-size-fits-all" approach embedded in some of our state laws and regulations — for example, inflexible rules in our North Dakota Century Code regarding the courses that students had to take or the amount of seat time they needed to graduate.

Over the past few years, with broad involvement and support from our education community, we have made the necessary statutory changes, most recently with the passage of SB 2196, a bill that I sponsored in 2021.

Our work has been time-intensive, and grounded in real data, science and thoughtful dialogue about the competencies that our K-12 students need to have mastered upon graduation.

The result is a set of new state policies that help our schools develop their own local frameworks to drive student success. To complement the conventional, credit-hour system in K-12 education, our vision is that students have more-personalized graduation pathways.

As indicated last year by Dr. Cory Steiner, superintendent at Northern Cass Schools in North Dakota, "We are faced with a moral imperative to transform our system."

As a state, we are now positioned to do just that.

HOW WE CREATED NEW PATHWAYS FOR STUDENTS

SB 2196 will bring to fruition innovative ideas in education. These ideas will be developed by local school leaders, get the blessing of local school boards and communities, and align with our new statewide Learning Continuum.

Under this new law, all districts can pursue a waiving of certain instructional- and seat-time requirements in favor of a "master policy framework": a locally driven plan that emphasizes a student's mastery of course content and academic skills.

And with these new mastery/competency pathways in place, our local schools can place a greater value on career and technical education. For some students, this may mean the path to graduation requires less time in the classroom, and more in work-based learning settings. Competency can be shown outside the walls of schools.

As Dr. Steiner told us last year, our state's traditional graduation requirements were built for a society that values postsecondary education "above all else."

But we need to recognize the viability of other pathways, and make these options available to the diverse set of learners in our K-12 system.

"The requirements of graduating high school must change to recognize the values of our current society," Steiner said in his legislative testimony.

"Our current educational system is based on reaction. If a learner struggles, we react as best we can, but this should not be how we operate. Our current system sees learners as interchangeable instead of as individuals. An educational system must be built to be proactive."

Some North Dakota schools already have been experimenting with new approaches. Five years ago, with the signing of SB 2186, the state created a

pilot program in which local districts could seek waivers from existing state rules to pursue innovations in education, including personalized, competency-based learning.

During our 2019 legislative session, we established the K-12 Education Coordinating Council under a bill that I sponsored (SB 2215). This diverse group of stakeholders — teachers, legislators, superintendents and others — tackles big issues in education and moves quickly to make recommendations that could work in practice.

The council will play an important role moving forward, including a review of plans for our new statewide Learning Continuum (ultimately certified by the Board of Education).

The Learning Continuum sets out qualities and competencies that students should master and/or show proficiency in — for example, the demonstration of critical reading skills in English, problem solving in math, "evaluation through investigation" in science, and engaged citizenship in social studies.

The Learning Continuum also identifies seven key attributes in our state's "portrait of graduate": adaptability, collaboration, communication, learner's mindset, critical thinking, empathy and perseverance.

Local school districts then have the flexibility to implement their own "mastery pathways framework" within this broad Learning Continuum. That includes personalized, competency-based learning models and individualized, student-centered routes to high school graduation.

"In schools, we have been tasked to prepare learners to be productive members of society," Dr. Steiner told us last year.

"We have been asked to prepare learners for college, career and military. We are asked to develop 'soft' skills such as collaboration, communication, creativity and critical thinking. We must develop academic, social and

We have school boards, administrators and educators who are ready to jump in.

emotional skills while making sure to develop long-lasting relationships in a safe environment.

"In other words, we must prepare learners to be choice ready for a future which is constantly changing."

SB 2196 passed with near-unanimous legislative support, indicating lawmakers' commitment to local control, innovation and doing what is in the best interest of all learners throughout the state of North Dakota.

We have school boards, administrators and educators who are ready to jump in, innovate and provide authentic learning through a personalized approach.

We are excited to see the fruits of these efforts.

Sen. Donald Schaible serves as chair of the North Dakota Senate Education Committee. He also is a member of The Council of State Governments' Midwestern Legislative Conference Education Committee.

SUBMISSIONS WELCOME

This page is designed to be a forum for legislators and constitutional officers. The opinions expressed on this page do not reflect those of The Council of State Governments or the Midwestern Legislative Conference. Responses to any FirstPerson article are welcome, as are pieces written on other topics. For more information, contact Tim Anderson at 630.925.1922 or tanderson@cs.org.

LEGISLATORS, OTHER STATE OFFICIALS NOW CAN APPLY TO TAKE PART IN TOLL FELLOWS — ONE OF NATION’S TOP LEADERSHIP PROGRAMS

The Council of State Governments is now accepting applications for this year’s Henry Toll Fellowship program, a unique leadership development opportunity for state legislators and other officials.

The application deadline is May 6; materials are available at csg.org. Elected, appointed and merit officials are invited to apply.

The program will be held Aug. 26-30 in Lexington, Ky. Participants also are required to attend the 2022 Toll Fellowship Graduation Ceremony, which will take place during the 2022 CSG National Conference in Honolulu, Hawaii (Dec. 7-10).

The Toll Fellowship Program targets outstanding and rising individuals serving in all three branches of state government. Toll Fellows is designed as a “graduate level” program complementing leadership development programs offered by CSG’s regional offices — including CSG Midwest’s Bowhay Institute for Legislative Leadership Development. It is suggested, but not required, that legislators first complete their respective regional program.

Over the course of five days, program participants will take part in a “leadership boot camp,” with sessions designed to stimulate personal assessment and growth while providing priceless networking and relationship-building opportunities.

The Toll Fellowship Program was canceled in 2020 and 2021 due to the COVID-19 pandemic. The 2019 class of Toll Fellows had 12 state officials from the Midwest, including seven legislators: Minnesota Rep. Jamie Becker-Finn, Indiana Sen. Michael Crider, Kansas Sen. Brenda Dietrich, Michigan Sen. Adam Hollier, Kansas Rep. Jarrod Ousley, North Dakota Rep. Brandy Pyle and Nebraska Sen. Tony Vargas.



LEARN, COLLABORATE, LEAD: VIRTUAL SESSIONS FOR MIDWEST’S LEGISLATORS OFFERED ON WIDE RANGE OF POLICIES

CSG Midwest continues to offer policy-based web sessions for the region’s legislators, with some of the latest offerings being hosted by the Midwestern Legislative Conference Social Justice Forum.

The forum was organized in 2021 by the MLC. Its goal is to provide opportunities for all interested Midwestern legislators to address a wide range of racial and social justice issues. In April, the Social Justice Forum is hosting virtual sessions on inequities in education (April 8) and public health (April 29). Sessions were held in March on criminal justice-related policies.

Registration for these virtual sessions is free and open to all legislators, legislative staff and interested others. Information is available at csgmidwest.org, where recordings of past sessions also can be found. During the first two months of 2022, CSG Midwest held web events on wetlands protection, state and provincial responses to missing and murdered Indigenous people, and the future of Canada-U.S. trade.



WITH HELP FROM CSG, TWO MIDWEST STATES MOVE FORWARD WITH IMPROVEMENTS TO JUSTICE SYSTEM

Goals include enhanced victim restitution in Iowa, better supervision in Minnesota

Most states in the Midwest have partnered with the CSG Justice Center to improve their criminal justice systems in various ways. Two of the latest: Iowa and Minnesota.

Here is an overview of recent activity and policy advances in those two states.

IOWA: VICTIM RESTITUTION

Five years ago, the Iowa attorney general’s office began working with the CSG Justice Center to identify challenges and barriers for victims seeking restitution. To start, they mapped Iowa’s restitution system and conducted a data analysis of it. This initial work led to the release of a report and a series of recommendations in 2019:

- Improve victims’ knowledge of their rights to restitution by analyzing the factors that impact how victims are informed of their rights.
- Disseminate best practices on restitution to practitioners (victim-witness coordinators, county attorneys, victim advocates, county clerks, etc.).
- Streamline the collection and disbursement of restitution across multiple agencies.

Over the past year, Iowa has taken action in all three of these areas.

“States often do not have the ability or the resources to address every challenge related to victim restitution. However, as Iowa



MINNESOTA: JUSTICE REINVESTMENT

Minnesota is positioned this year to improve the effectiveness and equity of its community supervision system. A list of policy options and recommendations has been developed with technical assistance from the CSG Justice Center, which conducted a comprehensive analysis of the current system. Options include taking steps to:

- improve access to behavioral health,
- hold people on probation consistently accountable, and
- ensure counties are equitably funded and positioned to comprehensively implement evidence-based supervision.

The Legislature has been given recommendations to consider during its 2022 session.

The Minnesota Governor’s Council on Justice Reinvestment has led the state’s recent work on justice reinvestment. This bipartisan, multibranch group includes three legislators: Sen. John Marty and Reps. Rena Moran and Paul Novotny.



REGISTRATION NOW OPEN FOR ONLY MEETING DESIGNED BY AND FOR MIDWEST’S LEGISLATORS

The Midwestern Legislative Conference is coming to Kansas’ largest city this summer, and online registration for this one-of-a-kind event has officially opened.

The 2022 MLC Annual Meeting will be held July 10-13 in Wichita, Kan. A discount on registration — which can be completed at csgmidwest.org — is available through May 9.

Led by Sen. Carolyn McGinn, chair of the MLC, the Kansas Legislature is serving as host of this year’s meeting, which typically attracts hundreds of state and provincial legislators from the Midwest.

The MLC is a nonpartisan association of all legislators representing 11 Midwestern states and the Canadian province of Saskatchewan. The provinces of Alberta, Manitoba and Ontario are affiliate members. Its Annual Meeting is designed to meet the needs and interests of Midwestern legislators.

Here are some of the sessions being planned.

- The meeting’s keynote session is “Lens on the Midwest: The Socioeconomic, Cultural and Political Forces Shaping the Region and Its Communities.” Dante Chinni, founder and director of the American Communities Project, will be the keynote speaker.
- Other featured meeting topics include the future of transportation and water policies in the Midwest (the latter is the subject of Sen. McGinn’s MLC Chair’s Initiative).
- All seven of the MLC’s binational, interstate policy committees will hold sessions —



on agriculture, criminal justice, economic development, education, health, Midwest-Canada relations and state budgets.

• Acclaimed U.S. historian H.W. Brands will be a featured luncheon speaker. He is the author of “The Zealot and the Emancipator,” an account of the epic struggle over slavery as embodied by John Brown and Abraham Lincoln.

SPECIAL EVENTS FOR ATTENDEES, GUESTS

The MLC Annual Meeting also is a chance for host legislators to showcase their state and the host city. This summer, special evening events will be held at some of Wichita’s top venues — an Opening Night Reception at Botanica, the Wichita Gardens and Family Night at the Sedgwick County Zoo.

For the guests of attendees, daytime activities and trips at some of Wichita’s top destinations will be offered, with separate programming available for adults and youths.

BILLD: PATHWAY TO LEGISLATIVE LEADERSHIP

911	# OF LEGISLATORS WHO HAVE GRADUATED FROM BILLD SINCE ITS INCEPTION IN 1995
258	# OF CURRENT LEGISLATORS IN 11-STATE MIDWEST WHO ARE BILLD GRADUATES
33	# OF CURRENT LEGISLATORS IN CANADIAN PROVINCES WHO ARE BILLD GRADUATES
9	# OF BILLD GRADUATES CURRENTLY SERVING AS TOP CAUCUS LEADERS IN THEIR RESPECTIVE STATES
11	# OF BILLD GRADUATES WHO HAVE SERVED OR ARE CURRENTLY SERVING IN U.S. CONGRESS
10	# OF GRADUATES WHO HAVE SERVED OR ARE CURRENTLY SERVING AS STATEWIDE ELECTED OFFICIALS
MORE THAN 180	# OF BILLD GRADUATES SERVING AS LEGISLATIVE COMMITTEE CHAIRS, VICE CHAIRS AND RANKING MEMBERS IN 2022
15	# OF BILLD GRADUATES WHO HAVE SERVED AS CHAIR OF CSG'S MIDWESTERN LEGISLATIVE CONFERENCE
26	# OF BILLD GRADUATES SERVING AS MEMBERS OF CSG'S MIDWESTERN LEGISLATIVE CONFERENCE EXECUTIVE COMMITTEE FOR 2021-2022

CSG Midwest is always looking to keep up to date on the work and accomplishments of BILLD graduates. Please submit Alumni News to Laura Tomaka, CSG Midwest program manager for BILLD. She can be reached at ltomaka@csg.org.



FOR NEWER STATE LEGISLATORS, BILLD OFFERS ONE-OF-A-KIND CHANCE TO DEVELOP SKILLS NEEDED FOR EFFECTIVE LEADERSHIP AND POLICYMAKING

April 20 is deadline to apply for fellowship; 5-day program begins Aug. 27

The Council of State Governments' Midwestern Legislative Conference is seeking applicants for the 27th annual Bowhay Institute for Legislative Leadership Development. The highly interactive curriculum, which is designed for legislators in their first four years of service, includes a series of leadership training courses, policymaking seminars and professional development workshops. Thirty-nine fellowships will be awarded this year to state and provincial lawmakers. The program's competitive application process is overseen by the MLC's BILLD Steering Committee, a bipartisan group of legislators from each of the MLC member states. Applications are due April 20; they are available at csgmidwest.org. Please contact Laura Tomaka, CSG Midwest's program manager for BILLD, for more information: ltomaka@csg.org or 630.925.1922.

27th Annual BILLD Program

- August 27-31, 2022
- Madison, Wisconsin
- BILLD Fellowships cover the cost of tuition, meals and lodging
- Each Fellow is eligible for a partial travel stipend to help offset the cost of transportation to and from Madison
- Application Deadline: April 20, 2022

LASTING VALUE: REFLECTIONS FROM PROGRAM GRADUATES

"Personal growth as a leader and one's confidence, compassion and understanding are unleashed after attending BILLD. This is a great opportunity for newer legislators to strengthen their leadership and communication skills. ... The most memorable session was about negotiations with former Nebraska Sen. David Landis. He emphasized the importance of listening and asking questions to understand issues and situations."

North Dakota Rep. Brandy Pyle, class of 2017



"I think the whole BILLD experience is all about leadership and looking at yourself. ... We were given opportunities to connect with everyone in the class. ... We can sit together, come together, and learn about how to do things. It makes you look at the big picture. You get to incorporate some of their ideas into your world as a legislator, in your own state's environment. ... [It's] an experience of a lifetime, which will carry over into your legislative career, your family life and friendships."

Wisconsin Rep. Jesse James, class of 2021



"My biggest takeaway from BILLD was to focus on where you can make a difference, and the more you focus on the development of fellow legislators, the more successful everyone will be. I found the civility training to be the most valuable. Prioritizing mutual respect, open communication and relationship building amongst my peers makes politics less divisive, and more importantly, we can focus on getting the work done for my state."

South Dakota Rep. Rebecca Reimer, class of 2019



"The BILLD program provides a great opportunity to meet the people and hear about the issues in other legislatures. Speaking with fellow representatives with both similar and different concerns leads to enlightening conversations and lasting connections. ... In the end, you realize that we are facing many of the same circumstances as our neighbors. Talking about what worked and what failed in approaching problems has been instructive in drawing up legislation that will fit my district."

Nebraska Sen. Myron Dorn, class of 2019



"One of the most valuable lessons was learning to understand one's personality and how that plays into leadership styles. I learned more about how I tend to lead than I expected — both good and bad — and that gave me a clear pathway to grow as a leader and public servant. ... BILLD has helped me identify ways to build and lead new coalitions while finding bipartisan support on issues that have historically been seen as polarizing ones. ... You learn that many of us are dealing with the same problems in our home states. This opened the door to discover a myriad of potential solutions to those issues. ... Hands down the best educational program I have attended in my 25 years of public service."

Ohio Rep. Sharon Ray, class of 2021



STATELINE MIDWEST

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CSG EVENTS

CSG Midwestern Legislative Conference Virtual Events for Legislators

Visit csgmidwest.org and csg.org to find dates of upcoming webinars and view recordings of past webinars on public policy, professional development and leadership training.



Midwestern Legislative Conference Annual Meeting

July 10-13, 2022 | Wichita, Kan.

Contact: Jenny Chidlow ~ jchidlow@csg.org
630.925.1922 | csgmidwest.org



CSG Henry Toll Fellowship Program

August 26-30, 2022 | Lexington, Ky
Application deadline: May 6, 2022

Contact: membership@csg.org
859.244.8000 | web.csg.org



Bowhay Institute for Legislative Leadership Development

August 27-31, 2022 | Madison, Wis.
Application deadline: April 20, 2022

Contact: Laura Tomaka ~ ltomaka@csg.org
630.925.1922 | csgmidwest.org



Great Lakes-St. Lawrence Legislative Caucus Annual Meeting

September 23-24, 2022 | Chicago

Contact: Mike McCabe ~ mmccabe@csg.org
630.925.1922 | greatlakeslegislators.org



CSG National Conference

December 7-10, 2022 | Honolulu, Hawaii

Contact: membership@csg.org
859.244.8000 | web.csg.org



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