



LONG A HALLMARK OF THE U.S.-CANADA  
RELATIONSHIP, BINATIONAL ENERGY  
TRADE HAS ROOM TO GROW FURTHER

In Midwest, much of this activity has centered on crude oil, but the building of new cross-border transmission lines shows how states and provinces also can share renewable power

by Mitch Arvidson (*marvidson@csg.org*)

Across many policy areas, during times of domestic and international instability, nations often turn to their closest allies for reliability and security.

Thankfully for the United States and Canada, they’ve never had to look far.

A case in point: energy policy, especially today amid considerable global uncertainty and changing demands closer to home.

“The U.S. and Canada are essential trade partners in energy,” says Ben Cahill, a senior fellow in the Energy Security and Climate Change Program at the Center for Strategic and International Studies.



“The U.S. is far and away the biggest export market for Canada, and Canada is one of the most critical suppliers to the U.S.”

‘HUGE VOLUME OF CRUDE’

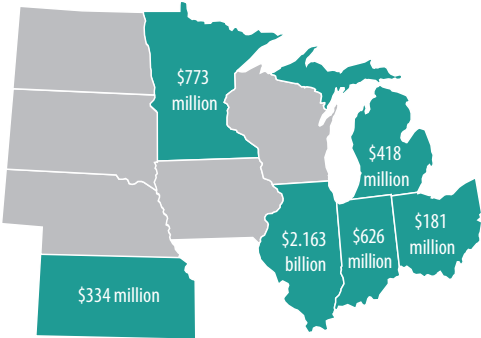
The nature of this energy trade can vary considerably across the two countries’ shared 5,525-mile border.

In the Pacific Northwest, natural gas from the Western Canadian Sedimentary Basin is moved to markets on the U.S. side of the border. Between New England and Canada, Cahill says, there is considerable trade in both electricity and fuel products.

In the Midwest, one type of energy trade has tended to dwarf others — the “huge volume of crude that is sent to the U.S. refining system,” Cahill says.

Among all 50 states, for example, Illinois has the largest energy trade relationship with Canada, driven largely by imports of crude oil.

ESTIMATED GROSS STATE PRODUCT FROM  
PROCESSING OF CANADIAN CRUDE OIL IN  
FIVE MIDWESTERN STATES (2019)



Source: American Petroleum Institute

The state, in fact, has the most economic activity in the nation from the processing of Canadian heavy crude oil, according to the American Petroleum Institute.

Alberta, Canada’s leading producer of oil and natural gas, had a \$69 billion energy trade market with the United States in 2020.

One benefit of all this cross-border activity has been a strengthening

CROSS-BORDER ENERGY TRADE FOR  
JURISDICTIONS IN CSG’S MIDWESTERN  
LEGISLATIVE CONFERENCE: \$ VALUE OF  
EACH STATE/PROVINCE’S TRADE WITH  
OTHER COUNTRY\*

State/province	Amount of trade in 2020
Alberta	\$69.2 billion
Illinois	\$21.7 billion
Indiana	\$292 million
Iowa	\$268 million
Kansas	\$94 million
Manitoba	\$1.1 billion
Michigan	\$3.4 billion
Minnesota	\$5.9 billion
Nebraska	\$228 million
North Dakota	\$3.7 billion
Ontario	\$8.8 billion
Ohio	\$1.1 billion
Saskatchewan	\$7.6 billion
South Dakota	\$62 million
Wisconsin	\$394 million

\* The Council of State Governments’ Midwestern Legislative Conference includes 11 Midwestern states and the province of Saskatchewan as members. The provinces of Alberta, Manitoba and Ontario are affiliate members. The figures listed in this table include trade of coal, crude oil, electricity, natural gas, refined petroleum products, uranium and fuel ethanol.

Source: Center for Strategic and International Studies (using data from Government of Canada)

► COVER STORY CONTINUED ON PAGE 2

INSIDE THIS ISSUE

CSG Midwest Issue Briefs

4-6

- **Agriculture & Natural Resources:** More help is coming to beginning and retiring farmers, along with agriculture producers recovering from natural disasters, as the result of actions taken over past year in Midwestern legislatures
- **Health & Human Services:** A look at trends in health coverage, and where states in the Midwest stand
- **Criminal Justice & Public Safety:** Compassionate-release policies provide path for terminally ill and medically incapacitated prisoners to be released; a recent national study highlights wide policy variations among states



Capital Clips

7

- A record number of women will be serving in U.S. state legislatures in 2023
- Two Midwestern governors introduced state budgets in December that include major changes in tax policy
- Facing workforce shortages, Saskatchewan streamlines licensing process for recent arrivals to province
- Illinois launches program providing \$50 in seed money for college savings accounts of every newborn

Capital Insights

8

- Newly elected Iowa Senate President Amy Sinclair shares her views on effective leadership, and looks ahead to a session in her home state expected to focus on property taxes and school choice



Capital Insights (Cont’d)

9

- North Dakota Treasurer Thomas Beadle explains how a 2021 law is helping address a perennial obstacle for new and growing businesses in his state — a lack of access to capital



CSG Midwest News

10-11

- Michigan Sen. Roger Victory set to lead CSG’s Midwestern Legislative Conference in 2023
- Illinois Sen. Elgie Sims joins CSG’s leadership team of legislators and governors

BILLD News & Alumni Notes

9

- A list of BILLD graduates leaving office, and reflections from three departing lawmakers on their time in the legislature

STATES, PROVINCES SHARE A BORDER, AND A DESIRE FOR CLEANER, MORE RELIABLE ELECTRICITY SUPPLY

» CONTINUED FROM PAGE 1

of energy security for both nations; for instance, an increase in Canadian imports is one reason why the United States has been able to decrease oil imports from OPEC countries by 70 percent since 2019.

This energy relationship entails much more than crude oil, though.

Canada and the United States help power each other’s homes and businesses, and at both the federal and state-provincial levels of government, leaders are looking at ways to deepen this part of the relationship.

“Since the U.S. and Canadian grids are integrated in pretty significant ways, I can envision a future where we’ll have much more cross-border electricity trade,” Cahill says.

“So bringing people together at the regional level and national level to talk about this stuff and plan it out will be quite important.”

**HOW MANITOBA, MINNESOTA CONNECTED ON CLEAN ENERGY**

U.S. Secretary of Energy Jennifer Granholm and Canadian Minister of Natural Resources Seamus O’Regan launched a memorandum of understanding in June 2021 that lists 15 cooperative activities to help secure the electric grid and progress toward a goal

of net-zero emissions by 2050.

This new cooperative agreement also came with a first-ever analysis of how building international transmission capacity and better integrating the two countries’ renewable energy resources can make North America’s electricity grid cleaner and more resilient.

The U.S. and Canada already share a decent amount of electricity, and of the 57 major transmission lines between the U.S. and Canada, 20 are located in the Midwest.

However, many of these are older transmission lines that connect grids based on fossil fuel sources.

New cross-border transmission lines with improved infrastructure, higher voltages and renewable sources will be necessary in the coming decades as more cars and homes run on electricity.

“We need to build redundancy into our energy systems,” Cahill says. “We need to plan for the worst-case scenarios rather than the best-case scenarios when planning for the energy transition. We can’t assume that the smoothest, most rapid transition away from fossil fuels will happen.

“That means that we need to build everything. It’s ‘both and,’ not ‘either or.’”

Building newer, clean-energy transmission lines is easier said than done, though. One example from

outside the Midwest shows the time that these projects can take and the obstacles they face.

The Champlain Hudson Power Express is a proposed high-voltage line that will connect hydropower and wind energy from Québec to the New York City area.

Beginning in 2010, the project has faced considerable public scrutiny, and having just secured financing and with government permitting still under way, the project seems unlikely to be completed as scheduled by 2025.

But there also are instances of successful, newly completed cross-border transmission line projects.

In the Midwest, Minnesota Power’s 224-mile Great Northern Transmission Line (GNTL) opened in 2020. It crosses northern Minnesota to a point near the town of Roseau. From there, it connects with Manitoba Hydro’s 132-mile Manitoba-Minnesota Transmission Project (MMTP), which begins in Winnipeg.

The GNTL delivers clean hydropower



from Manitoba to residential and industrial consumers in northern and central Minnesota.

The line was built as part of Minnesota Power’s larger Great Northern Renewable Energy Initiative, which set a goal of having 50 percent of its electric supply come from renewable sources by 2025.

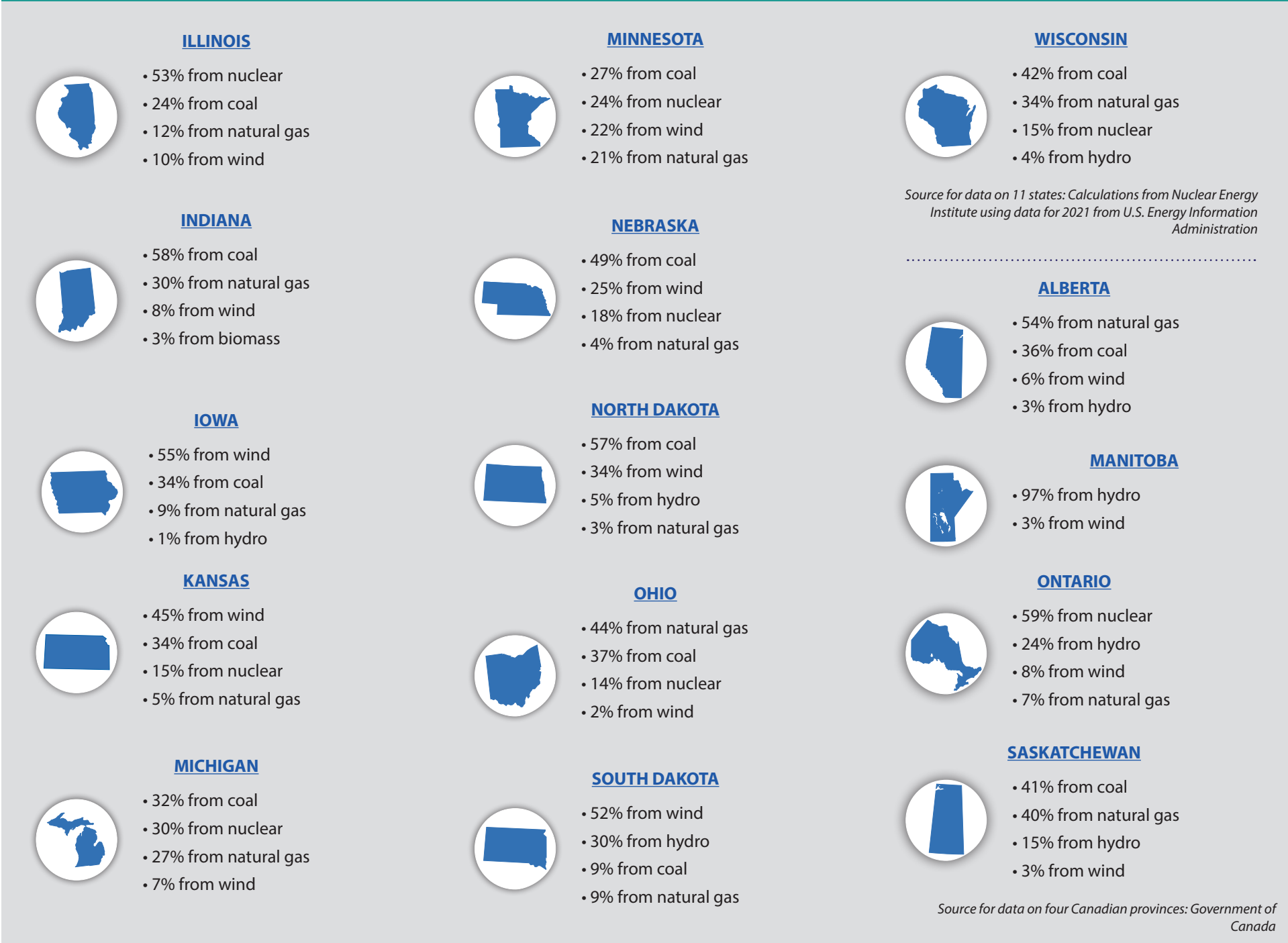
This initiative also involved the creation of the 500-megawatt Bison Wind Energy Center in North Dakota and the purchase of an existing 465-mile transmission line from North Dakota to Minnesota.

Minnesota Power reached its 50 percent renewable mark for the initiative five years early, in 2020.

The company now aims to deliver 100

► STORY CONTINUED ON NEXT PAGE

ELECTRICITY PROFILE FOR MIDWEST: SOURCES OF GENERATION FOR EACH STATE (2021) AND PROVINCE (2019)



CONTINUED FROM PREVIOUS PAGE

percent carbon-free electricity by 2050.

One might think that a northern Minnesota utility does not have the customer base to really contribute to the clean electrification of the economy, but more than half of Minnesota Power’s supply goes to massive industrial customers such as taconite mines and paper mills.

With the GNTL-MMTP connection, cleaner energy from Manitoba is being delivered to these customers.

WHY CROSS-BORDER LINES MAKE SENSE IN THE MIDWEST

More transmission increases grid reliability, says Daryl Maxwell, Manitoba Hydro’s transmission services and compliance department manager.

“By building more transmission, you provide multiple paths for the energy to travel from the generator to the customer. If one path is constrained, there is an alternative path to deliver the energy to the customer without interruption,” he says.

“So, when you expand your transmission system from a radial system (single path) to a network system (multiple paths) you increase transmission reliability.”

From a generation perspective, Manitoba on average produces more hydropower than it consumes. And when looking to offload this extra electricity, it makes sense for Manitoba Hydro to look to the United States because if there is a large supply of water to produce hydropower in Manitoba, there probably is a large supply in Saskatchewan and northwest Ontario as well.

Likewise, on the demand side, when Manitoba is using less electricity in the summer (there is more Manitoba demand in the winter due to space heating than summer air conditioning), there is often similarly reduced demand to the west and east.

However, electricity demand to the south, in the United States, has traditionally been highest in the summer. When air conditioners are kicking at full speed in Minneapolis in August, Manitoba Hydro can sell and

“If we want to meet the goals that we have between our two nations ... we’re going to need to get better at process and streamlining that ability to build infrastructure.”

Julie Pierce, vice president of strategy and planning, Minnesota Power

send its excess hydropower to keep things running.

And the trade doesn’t just go from north to south.

“It absolutely flows both ways, and that’s one of the cruxes of this resiliency, a reliability-based infrastructure that is the GNTL,” says Julie Pierce, vice president of strategy and planning for Minnesota Power.

“It allows us to optimize the systems and the renewable clean energy prevalent in the United States and Manitoba.”

By combining North Dakota wind power and Manitoba hydropower, the project has helped create a grid that can rely on one source of carbon-free energy when conditions do not allow for the other to operate efficiently.

“It was very important during the [2021 Manitoba] drought that the line could flow energy to the north,” Pierce says. “And during Winter Storm Uri, it was really important that the line was in service as that power flowed south and helped the upper Midwest.”

In this way, the GNTL-MMTP connection essentially acts as a battery. When wind power is abundant in the United States, Manitoba Hydro can pool its water (partly using wind energy to hold the water behind the turbines).

When wind power is lacking or when demand peaks, Manitoba Hydro can release more water and increase its hydropower output heading south.

While the Manitoba-Minnesota project is now operating efficiently and effectively, getting to this point was not easy. From the start of planning in 2012 to completion, the project took about eight years.

A certificate of need was required from the Minnesota Public Utilities

Commission; it was granted in 2015. The commission also had to approve a route permit. That occurred in 2016, the same year that the U.S. Department of Energy issued a presidential permit, which was required to connect to Manitoba Hydro’s system at the U.S.-Canadian border.

Finally, right-of-way permissions were needed from several local governments along the 224-mile transmission lines, including the sovereign Red Lake Band of Chippewa Indians.

Along the way, too, utilities had to secure what Maxwell calls the “social license” — acceptance of the transmission line from various stakeholders concerned about it. Without proper engagement, he says, projects can often fail on regulatory licensing because of opposition from stakeholders.

This is where legislators and other policymakers on both sides of the border can make a big difference.

“Bring the people together to create greater acceptance [of these cross-border energy projects],” Maxwell says “I think the role for government is to provide that leadership.”

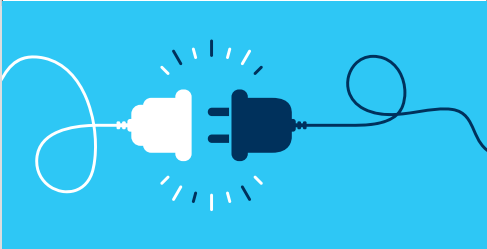
Additionally, as electricity demand and the need to integrate clean energy sources grows, completing new international and inter-regional transmission lines in a timely manner becomes essential.

“It took us over 10 years to bring this line to fruition,” Pierce says.

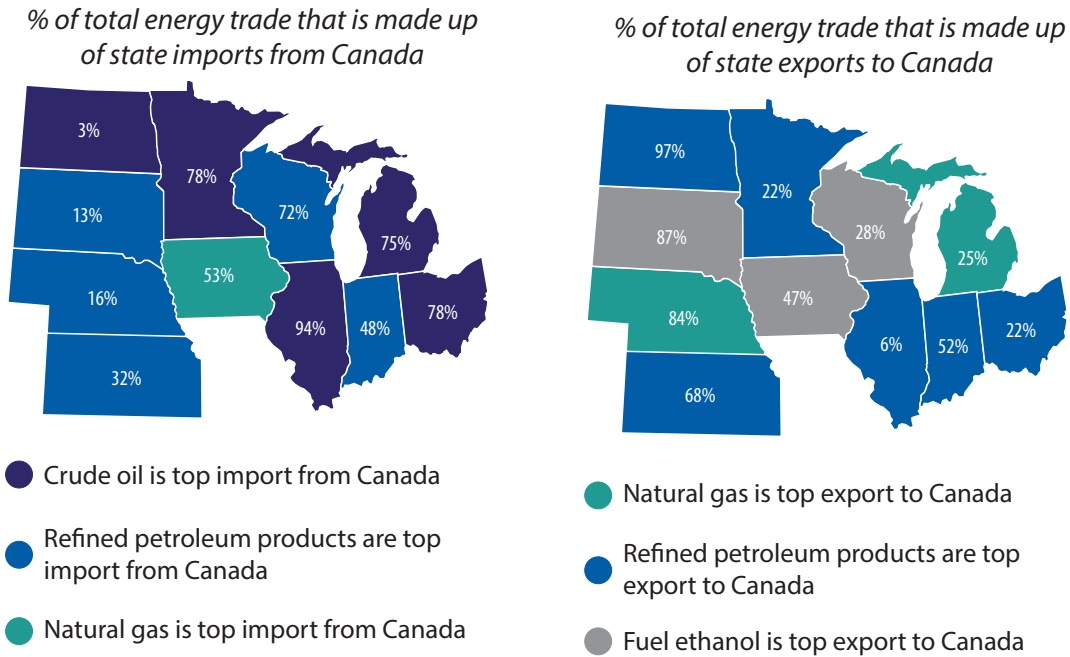
“If we want to meet the goals that we have between our two nations and for North America more broadly, and even the globe, we’re going to need to get better at process and streamlining that ability to build infrastructure through thoughtful coordination and reform.”

CROSS-BORDER CONNECTIONS: EXISTING TRANSMISSION LINES BETWEEN CANADA AND MIDWESTERN STATES

Lines from Canada to U.S.	
Manitoba to North Dakota	Two lines, combined line voltage of 460 kV
Manitoba to Minnesota	Two lines, combined line voltage of 730 kV
Ontario to Michigan	Four lines, combined line voltage of 1,040 kV
Ontario to Minnesota	Two lines, combined line voltage of 230 kV
Saskatchewan to North Dakota	One line, line voltage of 230 kV
Lines from United States to Canada	
Michigan to Ontario	Four lines, combined line voltage of 1,035 kV
North Dakota to Saskatchewan	One line, line voltage of 230 kV
North Dakota to Manitoba	Two lines, combined line voltage of 460 kV
Minnesota to Manitoba	Two lines, combined line voltage of 730 kV
Minnesota to Ontario	One line, line voltage of 115 kV
Source: Government of Canada	



MIDWESTERN STATES’ ENERGY TRADE WITH CANADA: EXPORTS AND IMPORTS (SEE PAGE 1 FOR TOTAL \$ VALUES)



Source: Center for Strategic & International Studies (using data from Government of Canada)

NUMBERS ON U.S.-CANADA ENERGY TRADE

\$102 BILLION	VALUE OF U.S. ENERGY IMPORTS FROM CANADA IN 2021
89%	% OF TOTAL VALUE OF U.S. ENERGY IMPORTS FROM CANADA THAT WERE EITHER CRUDE OIL OR PETROLEUM PRODUCTS
61%	% OF TOTAL U.S. IMPORTS OF CRUDE OIL THAT COME FROM CANADA
98%	% OF TOTAL U.S. IMPORTS OF NATURAL GAS THAT COME FROM CANADA
28%	% OF TOTAL U.S. IMPORTS OF URANIUM THAT COME FROM CANADA
\$22 BILLION	VALUE OF U.S. ENERGY EXPORTS TO CANADA IN 2021 (MOSTLY PETROLEUM PRODUCTS AND CRUDE OIL)

Sources: Governments of Canada and the United States

AGRICULTURE & NATURAL RESOURCES

Here is a look at how four Midwestern states changed tax policy or began grant programs in 2022 to help farmers start up, recover or retire

A NEW 5-YEAR TAX CREDIT PROGRAM IN OHIO

Ohio has joined the list of Midwestern states that use tax incentives to help beginning farmers. For these individuals, the state is offering a tax credit to offset the costs of participating in a financial management program.

But Ohio Rep. Susan Manchester notes the recently enacted HB 95 isn't just for individuals starting their agricultural careers; generations that came before them will benefit as well.

That's because a provision in the law offers an income tax credit to a business or individual who sells or rents farmland, livestock, buildings or equipment to them.

"The legislation was designed [in part] for those farmers who are ready for their retirement, facing a big capital gains tax if they sell the farm or equipment," says Manchester, a sponsor of the bipartisan legislation.

The program will run for five years, with the total amount of tax credits capped at \$10 million. Manchester says these limits will allow for an analysis of HB 95's effectiveness



Ohio Rep. Susan Manchester

before any extension of the program.

"There are so many barriers to beginning and successfully managing a farm today; this is just one step to helping preserve the legacy of Ohio's family farms," Manchester says.

The credit is equal to 3.99 percent of the sales price or gross rental income. (The credit is 3.99 percent because that is Ohio's highest tax rate.)

Here are other examples of state-level help for beginning farmers.

• Nebraska's Beginning Farmer Tax Credit program is the longest-standing program of its kind in the Midwest; it began in 1999 and provides a tax credit equal to 10 percent of the cash rent or 15 percent of the value of the crop-share rent for three years.

• In 2007 Iowa established a 5 percent tax credit for cash rent leases and a 15 percent credit for crop-share leases.

• Minnesota provides a tax credit of 5 percent of the sale price, 10 percent of the cash rent income or 15 percent of a cash-share agreement. The Minnesota program started in 2018.

DOWN PAYMENT ASSISTANCE IN MINNESOTA

With this year's passage of HF 3420, the Minnesota Legislature is appropriating a total of \$500,000 in FY 2023 in down-payment assistance — through a grant program (up to

\$15,000 per recipient) for first-time Minnesota farm owners earning less than \$250,000 per year in agricultural sales. Only individuals (not LLCs or partnerships) that provide the majority of labor and management on the farm are eligible.

"It's a capital-intensive business, and for people who don't come from



Minnesota Rep. Paul Anderson

a family farm in particular, it can be difficult to get started," notes Minnesota Rep. Paul Anderson, a longtime agriculture producer himself.

In exchange for the grant, an individual is expected to match it and to farm the purchased land for a minimum of five years.

Nearly all Minnesota farmers are White, with an average age of 56.

The down-payment program aims in part to bring more diversity to the farm sector and help younger people become farmers; that is why only smaller-scale farmers are eligible for the \$15,000 grant.

That amount will be significant for someone growing specialty crops such as vegetables or berries (as opposed to row-crop or livestock producers).

NEW SALES TAX EXEMPTION FOR KANSAS FARMERS

In December 2021, western Kansas experienced strong winds that toppled power lines, sparking wildfires that damaged more than 163,000 acres.

Under the state's law at the time, legislators would have to take proactive action to help farmers recover from natural disasters like this one by offering tax assistance related to the repair or replacement of fencing.

The initial idea of Kansas Sen. Elaine Bowers and others: Amend statutory language so that this sales tax exemption applied to all future natural disasters. (Future legislative action would not be needed.)

Bowers says the reach of the measure expanded during Senate deliberations.

Under the final agreed-upon version (signed into law as part of the broader HB 2239), all sales of tangible property and services used to build or repair any fence



Kansas Sen. Elaine Bowers

enclosing agricultural land is now exempt from the state sales tax.

RENT-INCOME EXCLUSION IN NEW IOWA TAX LAW

Iowa's HF 2317, signed into law in March 2022, made headlines for gradually moving the state to a flat income tax rate. The measure also exempted net capital gains on the sale of employee-awarded capital stock.

For farmers, too, the new law included targeted tax relief.

"[It's] part of efforts to make government more effective and efficient, while providing benefits to rural residents," Iowa Sen. Ken Rozenboom says.

"For the third time in recent years, we have lowered taxes, and this new legislation provides farmers with an opportunity for tax exemption in retirement."

With HF 2317 in place, retired farmers can exempt the income they receive from renting out or leasing farmland. A person must be 55 or older and no longer actively farming. He or she also must have owned the property and been active in the farming business for at least 10 years. (Farmers operating as a partnership, LLC or corporation may not claim the exemption.)

As state Rep. Lee Hein notes, the inclusion of this statutory language address the needs of "farmers whose land serves as their retirement." Separate provisions in HF 2317 help other Iowa retirees, through the elimination of taxes on income from pensions and retirement accounts, for example, and the capital gains exemption.

The new law also modified an existing capital gains income exemption that applies to farmers when they sell property or cattle, horses or breeding livestock. (Individuals may not claim both the capital gains exemption and the farm lease exemption.)



Iowa Sen. Ken Rozenboom



Iowa Rep. Lee Hein

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

HOW STATES HELP BEGINNING FARMERS: 5 APPROACHES USED IN THE MIDWEST

- ✓ Provide income tax credits to individuals/businesses that sell/lease land or equipment to beginning farmers
- ✓ Reduce the rates of interest loans via tax exemptions for lenders
- ✓ Run state-backed loan-guarantee programs to enhance credit availability and reduce interest rates
- ✓ Offer down-payment assistance related to the purchase of property or equipment
- ✓ Provide personal property tax exemptions

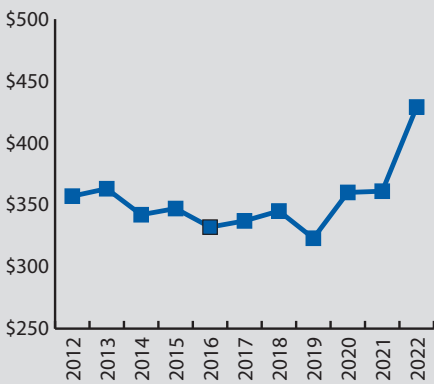


RISING COST OF BUYING FARMLAND: TRENDS IN VALUE OF LAND, PER ACRE

State	Average per acre value in 2022	Change from 2021	Change from 2018
Illinois	\$8,900	+12.7%	+22.3%
Indiana	\$8,000	+12.7%	+21.6%
Iowa	\$9,400	+21.4%	+29.3%
Kansas	\$2,630	+25.2%	+42.2%
Michigan	\$5,850	+10.4%	+17.9%
Minnesota	\$6,150	+17.4%	+26.8%
Nebraska	\$3,750	+21.0%	+36.4%
North Dakota	\$2,050	+12.6%	+19.9%
Ohio	\$7,200	+9.1%	+16.1%
South Dakota	\$2,600	+18.7%	+25.6%
Wisconsin	\$5,700	+9.8%	+16.3%

Source: U.S. Department of Agriculture

TRENDS IN AVERAGE OPERATING COSTS FOR U.S. CORN PRODUCTION, PER ACRE (2012-2022)



Source: U.S. Department of Agriculture

# HEALTH & HUMAN SERVICES

State of health coverage in the Midwest: Four takeaways from studies showing a drop in uninsured, but continued disparities and rising costs

## 1 COVERAGE HAS IMPROVED SINCE 2011, BUT UNEVENLY

The percentage of uninsured people fell in all Midwestern states in the 10 years since the Affordable Care Act became law in 2011, and fell further from 2019 to 2021, except in Kansas and North Dakota, according to the U.S. Census Bureau.

In North Dakota, the percentage actually rose from 6.9 percent in 2019 to 7.9 percent in 2021 while in Kansas, it stayed flat, at 9.2 percent.

The Census Bureau attributes variations in states' rates over the 10-year period to factors like differences in age of the population, economic conditions, and policy changes like the ACA's Medicaid expansion option for states.

All Midwestern states but Kansas, South Dakota and Wisconsin had adopted this expansion before 2022.

From 2011 to 2021, Kansas' uninsured rate fell from 12.6 percent to 9.2 percent, South Dakota's from 11.9 percent to 9.5 percent, and Wisconsin's from 9 percent to 5.4 percent.

But expansion states' rates dropped by more: Indiana's fell from 14.5 percent to 7.5 percent, Minnesota's from 8.8 percent to 4.5 percent, Michigan's from 11.8 percent to 5 percent, and Illinois's from 13.1 percent to 7 percent.

Additionally, the Rural Policy Research Institute at the University of Iowa says two federal policy decisions stabilized uninsured rates during the pandemic:

- The Families First Coronavirus Response Act prevents states that accepted enhanced Medicaid funding for the public health emergency from reviewing Medicaid recipients' status until after the emergency is officially rescinded.
- The U.S. Department of Health and Human Services opened health insurance marketplaces for most of 2021 instead of the usual annual Nov. 1 to Jan. 15 enrollment period.

## 2 PRIVATE, EMPLOYER-BASED INSURANCE COVERS MOST PEOPLE

Whether employer-provided or purchased from an insurance company or on a public exchange, private insurance covered the majority of Midwesterners in 2021. Employer-provided health insurance provides the bulk of this coverage, ranging from a low of 57.9 percent (Kansas) to a high

of 61.5 percent (Minnesota).

Among public programs, Medicaid covers more people than Medicare in Illinois, Indiana, Iowa, Michigan, Minnesota and Ohio — all states that adopted Medicaid expansion.

Medicaid covers between a fifth and a quarter of people in Michigan (23.5 percent), Ohio (21.5 percent), Iowa (20.4 percent) and Indiana (20.1 percent). Medicaid coverage rates for other Midwestern states range from 12 percent in North Dakota to 19.7 percent in Illinois.

In South Dakota, where Medicare covers 18.4 percent of residents compared to 13.7 percent under Medicaid, voters in November approved an initiated constitutional amendment adopting Medicaid expansion. The state's Department of Social Services estimates about 52,000 newly eligible residents will enroll once expansion has been implemented.

South Dakota is also one of the Midwestern states in which direct purchase of insurance from an insurance company or an exchange is most prevalent — that option covers 18.1 percent of residents, second only to North Dakota (18.5 percent).

Direct purchase rates in Nebraska (16.8 percent) and Minnesota (16.7 percent) are also higher than the other Midwestern states, where direct purchase ranges from 15.9 percent in Kansas to 12.1 percent in Ohio.

## 3 BUT OVERALL COVERAGE RATES VARY BY AGE, RACE

Nationwide, uninsured rates vary widely by age — partly as a function of Medicare and programs targeting younger children — and race, according to an American Community Survey brief released in November. Medicare covers those ages 65 and older, while children under age 19 may be included in their parents' insurance coverage, Medicaid and/or the Children's Health Insurance Program.

For example, no Midwestern state's uninsured rate for adults ages 65 and older is even 1 percent.

At the other end of the age spectrum, for those under 19 years of age, uninsured rates in the Midwest range from 3 percent in Michigan and 3.2 percent in Illinois to 7.3 percent in North Dakota.

While those ages 19 to 26 are eligible to be covered by their parents' policies, Midwestern states' uninsured rates among adults ages 19 to 64 range from 7.1 percent in Michigan to 13.3 percent in South Dakota and 13.5 percent in Kansas.

The ACS brief also found a wide coverage gulf persisting between Whites and Asians on one end of the range and Hispanics and Native Americans at the other. Nationally, just 5.7 percent of Whites and 5.8 percent of Asians were uninsured in 2021 compared to 9.6 percent of Blacks, 17.7 percent of Hispanics and 18.8 percent of Native Americans.

Within the Midwest, the percentages

for White uninsured range from 3.4 percent in Minnesota to 6.9 percent in Kansas; for Black uninsured, from 7.4 percent in Wisconsin to 20.3 percent in North Dakota; for Asian uninsured, from 4.2 percent in Michigan to 9.6 percent in Ohio.

The percentages for Hispanic uninsured range from 10.1 percent in Michigan to 20.1 percent in Nebraska and 20.3 percent in Kansas; and for Native Americans, from 12.5 percent in Michigan to 35 percent in South Dakota.

"Racial differences in health insurance coverage persisted across age and selected characteristics and reflect disparities in social determinants of health, such as income and poverty status as well as employment," the brief says.

## 4 RISING COSTS OF INSURANCE STILL A MAJOR OBSTACLE

Coverage alone doesn't help if the insured person can't afford treatment. Reports issued earlier this year by The Commonwealth Fund suggest health insurance costs are taking larger bites out of middle-income families' budgets and leaving them "underinsured."

A September study found more than two in five working adults ages 19 to 64 were underinsured, defined as someone to whom at least one situation applies:

- Out-of-pocket costs over the prior 12 months, excluding premiums, were equal to 10 percent or more of household income.
- Out-of-pocket costs over the prior 12 months, excluding premiums, were equal to 5 percent or more of household income for individuals living under 200 percent of the federal poverty level (\$27,180 for an individual or \$55,500 for a family of four in 2022).
- The deductible constituted 5 percent or more of household income.

A January study of state trends in employer premiums and deductibles from 2010 to 2020 found that in 2010, worker contributions to insurance premiums and deductibles made up 10 percent of median income in no Midwestern state. By 2020, they did in all but Michigan and Minnesota.

"The high cost-sharing people face in many employer, individual-market, and marketplace plans is primarily driven by the prices that providers, especially hospitals, charge to commercial insurers and employers," the latter report says. "These prices are the highest in the world. And consumers bear the burdens."

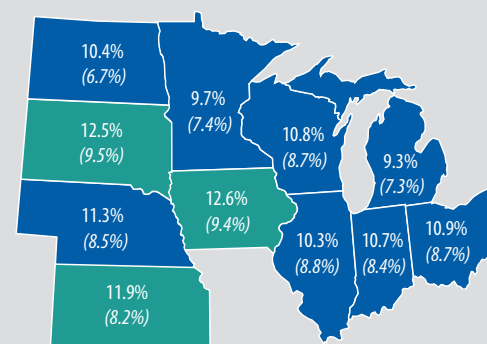
Article written by Jon Davis, CSG Midwest staff liaison to the Midwestern Legislative Conference Health & Human Services Committee. He can be reached at [jdavis@cs.org](mailto:jdavis@cs.org). Minnesota Rep. Jennifer Schultz and Michigan Rep. Bronna Kahle serve as committee co-chairs. Kansas Sen. Pat Pettey is the vice chair.

### TRENDS IN % OF PEOPLE WITHOUT HEALTH INSURANCE COVERAGE IN MIDWEST

State	2021	2019	2011
Illinois	7.0%	7.4%	13.1%
Indiana	7.5%	8.7%	14.5%
Iowa	4.8%	5.0%	8.9%
Kansas	9.2%	9.2%	12.6%
Michigan	5.0%	5.8%	11.8%
Minnesota	4.5%	4.9%	8.8%
Nebraska	7.1%	8.3%	11.4%
North Dakota	7.9%	6.9%	9.8%
Ohio	6.5%	6.6%	11.9%
South Dakota	9.5%	10.2%	11.9%
Wisconsin	5.4%	5.7%	9.0%
U.S. rate	8.6%	9.2%	15.1%

Source: American Community Survey

### AVERAGE COMBINED COST OF EMPLOYEE PREMIUM CONTRIBUTION AND DEDUCTIBLE IN EMPLOYER PLANS AS A % OF MEDIAN HOUSEHOLD INCOME IN 2020 (% FROM 2010 IN PARENTHESES)

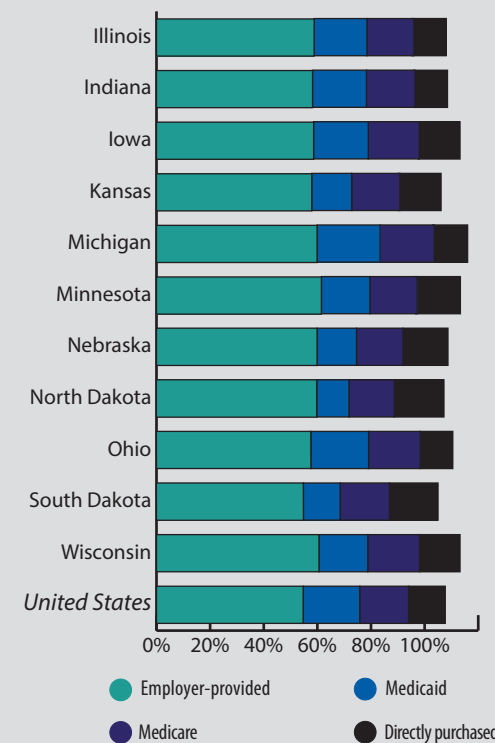


● State's percentage in 2020 was above 2020 U.S. rate of 11.6%

● State's percentage in 2020 was below 2020 U.S. rate of 11.6%

Source: The Commonwealth Fund

### BREAKDOWN, BY TYPE OF COVERAGE, OF HOW PEOPLE GOT THEIR HEALTH INSURANCE IN 2021\*



\* State totals are over 100 percent because insurance types are not mutually exclusive; people could have been covered by more than one type at the time of the survey.

Source: American Community Survey



CRIMINAL JUSTICE & PUBLIC SAFETY

Though nearly all Midwest states allow for compassionate release of elderly, terminally ill incarcerated residents, obstacles often stand in way

by Derek Cantù (dcantu@csg.org)

For people lucky enough to reach an advanced age, the ability to receive competent geriatric care and “die with dignity” is enviable.

For elderly individuals in incarceration, such end-of-life experiences are even rarer.

With the exception of Iowa, every state has processes in place allowing for the release of certain incarcerated offenders who are nearing the end of their lives — commonly referred to as “compassionate release.”

However, according to comparative state research conducted by FAMM (formerly Families Against Mandatory Minimums), such releases continue to be used infrequently due to numerous bureaucratic barriers.

Mary Price, general counsel for FAMM and author of the 2018 report “Everywhere and Nowhere: Compassionate Release in the States,” says the issue is not whether prison facilities are capable or equipped to care for elderly offenders, but whether such an environment is ever appropriate for terminal individuals.

“Prisons aren’t the place to host people who are so ill that they may not be able to comprehend the fact of their imprisonment or to benefit at all from it,” Price says. “Imprisonment has lost any meaning for them or for us as a society. We are no longer in danger of being harmed by that person, if we were, or concerned about whether they would re-offend.”

Between 1993 and 2013, the number of people age 55 years and older housed in state prisons increased by 400 percent, accounting for 10 percent of overall state prison populations in 2013, according to the U.S. Bureau of Justice Statistics.

Others have estimated this age group could represent close to one-third of all state and federal prison populations by 2030.

“It’s very costly if you don’t have a [compassionate release] program or you have a program that doesn’t get used — because those people are very expensive to imprison,” says Price. “They may have durable medical needs in terms of equipment. They have to be housed sometimes in special units. They may need ventilators or round-the-clock nursing care.”

In an effort to raise awareness amongst policymakers, FAMM in October released evaluations of all states’ compassionate release policies, based on elements ranging

from eligibility criteria and release procedures to data collection and right to counsel (see graphic for the organization’s full rubric).

NEED FOR GREATER CLARITY

Indiana, Iowa, Kansas, Michigan, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin received variations of an “F” grade, yet got high marks for certain aspects of their compassionate release policies.

The eligibility criteria used in Wisconsin’s “sentence modification due to extraordinary health condition or age” policy, for example, was credited as a “model of clarity and breadth” for providing “very clear descriptions of what constitutes extraordinary health conditions and includes easy-to-understand examples of qualifying conditions.”

FAMM also deemed Wisconsin’s release planning policies as the “crown jewel” of the program because, “it starts early, is comprehensive, and includes assistance with applying for benefits and finding housing and funding.”

In addition, Illinois, South Dakota, and Wisconsin were commended for not revoking an offender’s compassionate release if the person’s medical condition improves.

Nonetheless, most states in the region earned low grades for possessing policies that were deemed confusing or contradictory, place undue burden on impaired offenders to start the application process, use vague or restrictive definitions of what it means to be “near death,” and other reasons.

Iowa, which does not currently provide for compassionate release, was the only state to receive an automatic zero grade from FAMM.

Attempts to change the state’s policies have been made, however. In 2021, for example, HF 377 included a provision that would have allowed for people convicted of a Class A felony offense — which usually includes a life sentence — to be able to petition for a commutation if diagnosed with a terminal illness or they became medically incapacitated.

Although that bill never made it out of committee, a neighboring state did pass a similar proposal that same year.

THE ILLINOIS MODEL

Illinois was the only Midwestern state (and one of just five nationwide) to receive an “A.” However, this lauded status was not always the case.

“The process for applying for medical release was complicated, burdensome, took a very long time and required executive action by the governor,” says Illinois Rep. Will Guzzardi.

That led him in 2021 to introduce the Joe Coleman Medical Release Act, a bill (HB 3665) named after a Vietnam War veteran who had been in prison since

the early 1980s for multiple robberies and whose family had tried for years to secure his release due to failing health.

“When Joe Jr., Joe’s son, was in the car driving to Springfield to get the final paperwork, it had to be notarized and then hand-delivered to some bureaucrat in Springfield in order to secure his father’s release, and as he was in the car on the road to Springfield, his father passed away in prison,” Guzzardi recalls.

HB 3665 was signed into law that August. As a result, offenders and other parties (for example, family members, attorneys and doctors) now can petition the Prisoner Review Board for an incarcerated individual to transition to mandatory supervised release if he or she is suffering from a terminal illness or is deemed medically incapacitated.

“Terminal illness” is defined as an incurable condition that will most likely result in death within 18 months. “Medically incapacitated” is defined as a medical condition or cognitive disorder, developed after sentencing, that prevents an individual from completing more than one activity of daily living — for example, feeding, personal hygiene, dressing or toileting.

The new policy applies retroactively to all incarcerated individuals regardless of when they were sentenced. Applicants can file for compassionate release multiple times, and the Prisoner Review Board must consider victim reports when evaluating release claims.

Despite receiving an overall high score, Illinois’ release planning policy earned low marks from FAMM for placing too much of the onus on the petitioners to find housing and medical support upon release. In comparison, states such as Kansas, Minnesota and Wisconsin earned praise in the FAMM study for their release planning procedures.

Guzzardi agrees this is an area that needs to be addressed.

“The [Illinois Department of Corrections] has not yet created a strong enough system to connect these folks who are going home with the medical care they’re undeniably going to need,” he says.

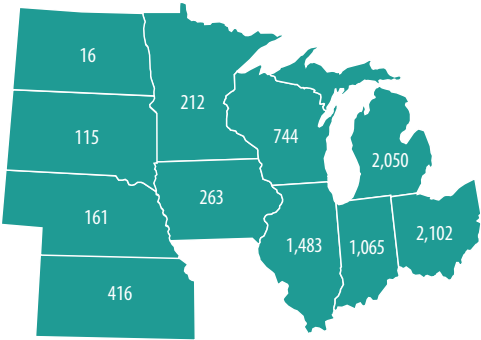
“So far, most of the successful petitions under the act have been with the help of nonprofit legal aid clinics — specifically the Illinois Prison Project ... But ultimately, this shouldn’t be an *ad hoc* thing that falls to the well-intentioned nonprofit sector. This should be the responsibility of the state.”

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.

CRITERIA USED BY GROUP FAMM IN NATIONAL STUDY EVALUATING STATES’ COMPASSIONATE RELEASE POLICIES

- CLEARLY STATED ELIGIBILITY CRITERIA ARE IN PLACE, AREN’T UNDULY RESTRICTED, AND APPLY TO ALL INCARCERATED PEOPLE
- ENGAGING THE PROCESS CAN BE DONE BY STAFF, INCARCERATED PEOPLE OR THEIR FAMILIES
- AGENCY POLICY DESIGN KEEPS RULES CONSISTENT AND UP TO DATE WITH STATUTES; RULES PROVIDE CLEAR GUIDANCE
- PROCEDURES INVOLVE THE MINIMUM NUMBER OF PEOPLE TO REVIEW APPLICATIONS AND MAINTAIN TIME FRAMES
- RELEASE PLANNING SUPPORT IS COMPREHENSIVE AND BEGINS AS SOON AS ELIGIBLE PEOPLE ARE IDENTIFIED
- RIGHT TO COUNSEL AND APPEALS ARE PROVIDED THROUGHOUT THE PROCESS, AND INDIVIDUALS HAVE A RIGHT TO RE-APPLY IF CIRCUMSTANCES CHANGE
- DATA COLLECTION AND REPORTING TO LEGISLATURES AND THE GENERAL PUBLIC SHOULD BE REQUIRED

# OF DEATHS FROM ILLNESSES IN MIDWESTERN STATE PRISON SYSTEMS, 2001-2019\*



\* Illnesses include heart disease, cancer, liver disease, AIDS-related, respiratory disease, influenza, cerebrovascular disease and other natural causes of death. Source: U.S. Bureau of Justice Statistics

% OF INCARCERATED PEOPLE BY AGE IN STATE AND FEDERAL CUSTODY (AS OF DEC. 31, 2020)\*

Age	Male	Female	Total
18-19	0.6%	0.4%	0.6%
20-24	7.6%	6.9%	7.5%
25-29	14.4%	15.8%	14.5%
30-34	16.0%	19.5%	16.3%
35-39	15.6%	18.5%	15.8%
40-44	13.0%	13.3%	13.0%
45-49	10.1%	9.7%	10.1%
50-54	8.2%	7.0%	8.1%
55-59	6.6%	4.8%	6.5%
60-64	4.1%	2.4%	4.0%
65 or older	3.7%	1.8%	3.5%

\* Total includes persons of all ages, even those age 17 or younger. Source: U.S. Bureau of Justice Statistics



NUMBER OF WOMEN IN U.S. STATE LEGISLATURES ON THE RISE, INCLUDING IN MOST MIDWESTERN STATES

A record number of women will be serving in U.S. state legislatures in 2023, holding close to one-third of the seats in capitals across the country, according to the Center for American Women and Politics at Rutgers University.

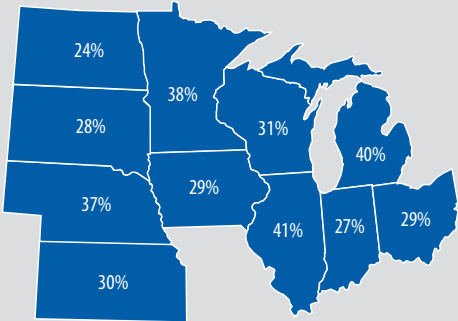
In the Midwest, **Illinois** will have the highest percentage of state legislative seats held by women: more than 40 percent. Three other states in the region eclipse the national rate of 32.2 percent: **Michigan**, **Minnesota** and **Nebraska** (see map).

In terms of representation in state legislatures, the greatest gains for women during the 2022 election cycle occurred in **Indiana**, Michigan, Minnesota, Nebraska and **North Dakota**. Between 2022 and 2023, the number of female legislators fell in two Midwestern states: **Ohio** (-2) and **South Dakota** (-1).

Across the country this year, a record number of women were major-party nominees for state legislature (3,615), the center notes. Two states, Colorado and Nevada, now have majority-women legislatures, and 12 of the nation’s 50 U.S. governors (24 percent) are women, including **Iowa** Gov. Kim Reynolds, **Kansas** Gov. Laura Kelly, Michigan Gov. Gretchen Whitmer and South Dakota Gov. Kristi Noem. (All four of them were re-elected to office in 2022.)

In the U.S. Congress, women now hold a record-high 27.9 percent of the seats.

% OF STATE LEGISLATIVE SEATS BEING HELD BY WOMEN IN 2023



Source: Center for American Women and Politics

TWO GOVERNORS KICK OFF LEGISLATIVE YEAR WITH ADDRESSES CALLING FOR BIG CHANGES IN TAX POLICY

Gov. Kristi Noem wants to eliminate sales tax on groceries

In 2022, legislatures in two of the three Midwestern states that levy a sales tax on groceries either suspended it for a year (**Illinois**) or gradually phased it out (**Kansas**). **South Dakota** is the region’s only other state with such a tax, and Gov. Kristi Noem is urging legislators to end it as part of any final state budget agreement.

“Unfortunately, food costs have risen by far too much,” Noem said in December as part of an address introducing her proposed budget, “and families are struggling to make ends meet as a result.” According to Noem, the state is in a strong fiscal position right now to absorb the loss in revenue — estimated to be about \$100 million a year.



Other parts of her proposed budget include having the state fully cover paid family leave for state employees and establishing a \$20 million program that incentivizes businesses to buy into a new paid family leave opportunity. Additionally, Noem highlighted the need to increase salaries for state workers (“We are having a very difficult time recruiting state employees,” she says) and to increase reimbursement rates for health and human services providers. (“Some [rates] have fallen too far behind.”)

Gov. Doug Burgum seeks end of graduated income tax

**North Dakota** Gov. Doug Burgum unveiled a budget proposal of his own in December, and like Noem’s, it includes plans for a big change in state tax policy — in his case, a call for the end of North Dakota’s five-tiered, graduated income-tax system.

In its place would be the lowest flat income tax in the nation (1.5 percent). Additionally, Burgum said during a joint legislative session, three out of five North Dakotans would pay no income tax at all. That’s because all income taxes for individuals with adjusted incomes of up to \$54,725 a year or joint filers with earnings of up to \$95,600 would be eliminated. As the result of legislation passed in 2022, **Iowa** is moving from a graduated system to a flat income tax. **Illinois**, **Indiana** and **Michigan** already have a flat tax. All other Midwestern states (except **South Dakota**, which has no income tax at all) levy a tiered, graduated income tax.



Other parts of Burgum’s budget seek to address what he says is “our No. 1 barrier to economic growth — our workforce challenge.” His biennial budget includes a \$167 million workforce plan; close to half of that amount would go to improving child care access and affordability for North Dakota workers. Other ideas include new grants for regional leaders to address their specific labor demands, \$25 million for a campaign to recruit out-of-state workers, a \$10 million program for postsecondary schools that create new programs or alter existing ones to address urgent workforce needs, and \$10 million for an Energy Scholarship Pilot Program.

OVERVIEW OF 2 TAX POLICIES IN MIDWEST		
State	Sales tax on groceries?	Flat or graduated income tax?
Illinois	Yes, 1% (temporarily suspended )	Flat
Indiana	No	Flat
Iowa	No	Phasing in flat tax
Kansas	Yes, 4% in 2023, but being phased out	Graduated
Michigan	No	Flat
Minnesota	No	Graduated
Nebraska	No	Graduated
North Dakota	No	Graduated
Ohio	No	Graduated
South Dakota	Yes, 4.5%	No income tax
Wisconsin	No	Graduated

SASKATCHEWAN AIMS TO CUT REVIEW TIME FOR NEW RESIDENTS WITH PROFESSIONAL LICENSES

A new professional licensing and credentialing regimen should reduce the time new **Saskatchewan** residents — whether from another province or another country — must wait for approval to work in the province.

Under the Labour Mobility and Fair Registration Regulations Act (Bill 81, which received royal assent in May and took effect in late 2022), provincial agencies must recognize the professional credentials of workers who have already been certified in other Canadian provinces within 20 days, as well as assess those of internationally trained applicants within 50 days to determine if they are qualified to work in Saskatchewan.

“I hear from employers every day that the biggest challenge they are facing is an acute labor market shortage,” Minister of Immigration and Career Training Jeremy Harrison says. “These changes will directly reduce the impact this has on Saskatchewan by expanding the talent pools.” Regulated occupations covered by the act include (but aren’t limited to) professional engineers, physicians and surgeons, registered nurses, teachers and lawyers.

A concurrent effort is also being made to help international newcomers with costs related to obtaining licensure (for example, paying for necessary assessments or training). The province’s International Credential Recognition Grant will provide up to \$6,000 per application for internationally trained health care workers who already reside in Saskatchewan but have been unable to obtain licensure.

JOBLESS RATE IN SELECT PROVINCES		
Province	September 2022	% point change from September 2021
Alberta	5.5%	-2.6
Manitoba	4.5%	-1.2
Ontario	5.8%	-1.7
Saskatchewan	4.1%	-2.3
Canada	5.2%	-2.0

Source: Statistics Canada

ILLINOIS OPENING COLLEGE SAVINGS ACCOUNT FOR EVERY NEWBORN — UP TO \$50 IN SEED MONEY PER CHILD

With the start of the new year, **Illinois** is launching its Children’s Savings Program, with each child born or adopted in the state eligible for up to a \$50 deposit in the college-savings fund administered by the Illinois treasurer. Legislators created the program in 2019 (HB 2237) and set aside funding for it (\$2.5 million) for the first time this year. Additionally, under a bill signed into law in 2022 (SB 3991), the treasurer’s office will collect racial, ethnic, geographic and socioeconomic information on program participants. The office then has the authority to “make supplementary deposits to children in financially insecure households if sufficient funds are available.”

**Nebraska** has its own version of a college savings program for newborns, the Meadowlark Program, which launched in 2020 after legislative passage of LB 610 in 2019. That law also included two other provisions to encourage contributions to young people’s college savings accounts: 1) incentive payments to employers who match their employees’ contribution into a child’s “NEST” account; and 2) a matching scholarship program for low-income families. The availability of funds relies on state appropriations and private contributions.

A handful of other U.S. states have these kinds of “seed deposit” programs for newborns and their families. California has perhaps the largest such program. It offers up to \$100 for every newborn, plus another \$500 for any first-grader from a low-income family.





# PROFILE: IOWA SENATE PRESIDENT AMY SINCLAIR

New presiding officer of the Senate reflects on attributes of effective leadership, and looks ahead to a year focused on school choice and property taxes

by Derek Cantù ([dcantu@csg.org](mailto:dcantu@csg.org))

When she moved several years ago from Missouri to Iowa, Amy Sinclair discovered right away something unique about her adopted home state.

“Politics is a very, very participatory sport in Iowa, if you will,” Sinclair says. “If you haven’t met a president or a presidential candidate, it’s because you’ve been actively avoiding them.”

The reason: As the longtime home of the country’s first-in-the-nation presidential primary caucuses, Iowa has been a place where presidential candidacies have been known to end or ascend.

Sinclair attended her first-ever caucus in 2004, and soon after, a long political career of her own began to take off.

A local Republican party leader approached her about running for office, though the prospects of beating a three-time incumbent on the county Board of Supervisors didn’t sound very promising.

“He said, ‘You know you’ll lose, but nobody should be on the ballot unopposed,’” she recalls.

But to most everyone’s surprise, including herself, Sinclair won the election. She has held public office of some kind ever since.

“I absolutely fell in love with the process of self-governance,” she says. “We get to come together through government to provide our roads, our hospitals, our fire departments, our police protection.

“All of those are things that we don’t pay for on our own, we pay for together.”

Sinclair served two terms as a county supervisor while also working as an educator in her home community, where she taught parenting courses and GED and adult basic education classes.

Ahead of the 2012 elections, Sinclair was again asked by the same local party leader to run for office, this time a seat in the state Senate.

Sinclair is now approaching her 10th anniversary in the Legislature, a tenure marked in part by leadership on education policy (as chair of the Senate Education Committee) and within the Republican Senate caucus.

Regionwide, too, Sinclair is co-chair of the steering committee of Midwestern legislators that oversees the Bowhay Institute for Legislative Leadership Development, a signature program of The Council of State Governments’ Midwestern Legislative Conference. (She is a 2016 BILLD graduate.)

And for the year ahead, Sinclair looks forward to taking on a new challenge — presiding officer of the state’s upper



## BIO-SKETCH: IOWA SEN. AMY SINCLAIR

- ✓ elected Senate president in November 2022; also has served as majority whip and Senate Education Committee chair
- ✓ first elected to the Legislature in 2012
- ✓ served two terms on Iowa’s Wayne County Board of Supervisors
- ✓ has worked as an adult education instructor through her local school district and community college
- ✓ is a 2016 graduate of CSG Midwest’s Bowhay Institute for Legislative Leadership Development (BILLD) and serves as co-chair of the Midwestern Legislative Conference BILLD Steering Committee

“Being willing to stand in that position that takes the heat, so that your team doesn’t have to, is the mark of a good leader.”

legislative chamber. She recently was elected Senate president by legislative colleagues in her caucus.

In an interview with CSG Midwest, Sinclair discussed this new role, her views on leadership, and her legislative priorities for 2023. Here are excerpts.

**Q How has your previous experience as majority whip prepared you for your new role as Senate president?**

**A** In my role as whip, I didn’t view that as browbeating my colleagues into doing what the leadership thought that they ought to do. I viewed that as a position where I needed to make sure that whatever we were doing, all of my colleagues could be on board. It was more consensus building than arm twisting. That consensus building, that approach that I took to being whip, is an approach that I can take into serving as president.

**Q What do you view as the essential elements of an effective leader?**

**A** Without question, listening, which goes back to that whole idea of consensus building — making sure the things that we’re doing make sense for everyone.

But, also, being able to make a tough decision when you can’t find a consensus. Somebody ultimately has to take the heat on whatever decisions are made. And I think being willing to stand in that position that takes the heat, so that your team doesn’t have to, is the mark of a good leader.

**Q What are your top policy priorities for the year ahead?**

**A** We’re going to work on property tax reform. When I leave my house and talk to my constituents, the first thing they bring up is property taxes. When you’re throwing increased property values — which cause increased taxes — in with out-of-control inflation, it’s suddenly really become a forefront issue for people to have some more transparency and predictability in their property tax bills.

Number two, from a policy standpoint, I will be focusing on an issue that shouldn’t surprise anybody because it’s something that I’ve worked on the entire time I’ve been in the Legislature. It’s the notion that parents should have a greater degree of control over where and how their kids are educated.

We want to strengthen our public school system, but also give parents a choice in educational alternatives.

**Q There was an unsuccessful effort this past year to pass a private-school scholarship bill (SF 2369), a major priority of Gov. Kim Reynolds. Will there be enough support this time around?**

**A** There are a lot of new House members, and the bulk of those new House members are all supportive of the governor’s proposal that parents be given the driver’s seat in their kids’ education — that scholarships for low- and moderate-income kids, or for kids with special needs, be made available to parents. I think there’s support for it.

**Q One goal for you and other education leaders in Iowa**

has been to have 70 percent of the state’s workforce possess either a college degree or professional license by the year 2025. How is the state progressing on that goal?

**A** One of the biggest steps we’ve taken is actually ramping up our apprenticeship programs, where people are earning while they’re learning. I would like to believe we now have one of the strongest apprenticeship programs in the nation.

At our high school level, we have a really strong Jobs for America’s Graduates. Our program has expanded leaps and bounds over the last several years because of the results. Some of our most at-risk kids not only graduate from high school, but also seek out those degrees and certificates at levels they would not have attained otherwise. ...

The third thing that we do really well is our dual enrollment programs, so that kids who are in high school can go ahead and start on a [postsecondary] degree while they’re still in high school. Just speaking from a personal level, two of my children were able to complete associate’s degrees while in high school and gain dual credit for that work. I have a third son in high school right now, and he’ll have 12 college credit hours by the end of his sophomore year.

Finally, we have last-dollar scholarships that allow people to achieve degrees or certificates in some very specific areas of study that are necessary for Iowa’s economy. We’ll come in through that last-dollar scholarship program and make sure folks leave a community college with zero debt and a certificate to walk into a high-demand job.

# FIRST PERSON: OUR STATE'S BUSINESSES NEED MORE ACCESS TO CAPITAL; WE HAVE A STRATEGY TO HELP

A 2021 law allows North Dakota to reimagine the use of its Legacy Fund and stimulate new — and lasting — investment and entrepreneurial activity



by North Dakota Treasurer Thomas Beadle  
(tbeadle@nd.gov)

Not long ago, we said goodbye to my grandfather Earl Strinden — former House majority leader in our state and head of the University of North Dakota Alumni Association.

Even though he had been out of elective office for more than 30 years, throughout my tenure in state government I would rarely go a week without someone asking me how Earl was doing.

He was remembered warmly by many, as were his many “Earlisms.”

“It never rains on the rifle range.” Or, “If you want to soar with the eagles, you can’t hoot with the owls.”

But my favorite Earlism is this one: “Always leave the woodpile higher.”

Building things up for the benefit of future generations was how he lived his life, and I wouldn’t be where I am today without his influence on mine.

In North Dakota, one of the ways that we as state elected officials and fiscal leaders are trying to continue the tradition of “leaving the woodpile higher” is through our Legacy Fund.

## LEAVING A LEGACY

For some background, in 2010, the same year I was first elected to the state House, voters passed a legislatively referred constitutional amendment to create a sovereign wealth fund. It called for 30 percent of the state’s share of oil taxes from our newly tapped Bakken Formation to be set aside for this Legacy Fund.

Our goal from the beginning has

been to use it to benefit the future of North Dakota.

To date, we have deposited more than \$7.26 billion into the Legacy Fund, and during this most recent biennium, we transferred \$871 million in earnings. — for investments in infrastructure, education and other vital services.

The Legacy Fund already is paying dividends, but we are always looking for ways we can do more.

## ‘ACCESS TO CAPITAL’ PROBLEM

As many folks in “flyover” country know, access to capital for businesses in our rural markets is a never-ending challenge.

In North Dakota, we have tried numerous investment tax credit initiatives, grant programs and revolving loan funds.

Some have been more successful than others.

Funding constraints and red tape often have limited the efficacy of these state-run programs, however — too small for larger projects to find them worthwhile, or too cumbersome for smaller companies to be able to track and monitor effectively.

In 2021, our state policymakers took a different approach.

Led by Rep. Mike Nathe, the North Dakota Legislative Assembly established a new in-state investment program (HB 1425). By leveraging the Legacy Fund’s principal, we could access significantly more capital for our local markets and develop an investment ecosystem in North Dakota.

This legislation (HB 1425) directed our state investment staff to use up to 20 percent of the principal of the Legacy Fund for in-state investments, with that amount split 50/50 between equity and fixed income.

A large portion of our fixed income is being used for revolving loan funds for political subdivisions, or through a CD Match loan program offered through our Bank of North Dakota that is available to credit-worthy businesses.

The equity side has been a tougher hill to climb.

## IN-STATE INVESTMENTS HELP OUR HOMEGROWN BUSINESSES

North Dakota is known for many things, but having a high number of large-scale venture capital firms or multitudes of publicly traded companies is not part of our reputation.

Growing that capacity is key.

For our first round of funding under the 2021 law, we hired a firm, 50 South Capital, to start the process and help us build the model.

To date, we have committed \$100 million in capital of the

## OVERVIEW OF THE NORTH DAKOTA LEGACY FUND

- ✓ Created in 2010 via a legislatively referred, voter-approved constitutional amendment with a goal of using revenue from finite resources (oil and gas) to benefit future generations of North Dakotans.
- ✓ Receives 30 percent of state revenue (production and extraction taxes) from oil and gas production after June 30, 2011; principal and earnings from the fund could not be spent until after June 30, 2017.
- ✓ No more than 15 percent of the fund’s principal can be spent in a single biennium; spending on the principal requires a two-thirds vote by the North Dakota House and Senate.
- ✓ More than \$7.2 billion has been deposited into the fund; distributions to the general fund total more than \$1.3 billion.
- ✓ Legislative changes from 2021 seek to improve how the fund is used to position the state for future prosperity. Among the goals: help local communities improve their infrastructure (via the use of revolving, low-interest loans) and target more in-state investments so that homegrown businesses and entrepreneurs have greater access to capital (see main article for details).

North Dakota is known for many things, but having a high number of large-scale venture capital firms or multitudes of publicly traded companies is not part of our reputation. Growing that capacity is key.

\$780 million in our equity-income mandate.

It is a “fund of funds” approach that aims to leverage private investment dollars to support our in-state businesses and entrepreneurs.

50 South Capital is a global firm, and it has now set up an office in Fargo and hired staff, found investment partners on the ground here, and deployed a majority of that \$100 million. The money is going to rapidly growing agriculture and technology firms in our state.

Through the program and fund run by 50 South Capital, we have seen venture capital companies such as gener8tor open an office in our area and start making investments here.

In the first year of this program, 50 South Capital has partnered with five different venture capital firms that previously weren’t operating with large-scale capacity here.

We are beginning to make strides in solving our state’s access-to-capital shortfall.

We have some kinks to work out to improve implementation, accelerate the rate of capital deployment, and meet our 20 percent target for in-state investments.

But we are off to a good start.

One tenet will remain a focus: we must be generating solid risk-adjusted returns to the fund so we can continue to grow and be able to make future investments.

Our goal is to grow the economic pie in North Dakota by helping entrepreneurs and assisting companies already operating here.

This will not only help our businesses in North Dakota, but also generate earnings for the Legacy Fund as a whole. We can then continue to use those earnings to meet the infrastructure and educational needs of communities across our state — helping us leave that woodpile higher for future generations.

Thomas Beadle was elected state treasurer in 2020. He previously served for 10 years in the North Dakota House. Beadle is a 2013 graduate of CSG Midwest’s Bowhay Institute for Legislative Leadership Development and a 2022 graduate of CSG’s national Henry Toll Leadership Program.

## SUBMISSIONS WELCOME

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



CROSS-BORDER LEGISLATIVE EXCHANGES FOSTER CLOSER RELATIONS AMONG MIDWEST’S STATES AND PROVINCES

One ongoing goal of CSG’s Midwestern Legislative Conference is to strengthen cross-border relations among leaders of this region’s states and provinces.

Legislative exchanges help fulfill this mission, and in November, a three-member delegation of Michigan lawmakers traveled to Ontario to meet with their legislative peers, discuss shared priorities and interests, and learn about Ontario’s legislative process and its parliamentary system.

Ontario is one of three affiliate members of the MLC, along with Alberta and Manitoba. Saskatchewan is a full member along with 11 Midwestern states.

The Midwestern Office of The Council of State Governments provides staff support to the binational, nonpartisan MLC. Both states and provinces host these ongoing, MLC-facilitated legislative exchanges.



Ontario Legislative Assembly Speaker Ted Arnott (second from right) helps host a three-member delegation of Michigan legislators in November: Rep. Amos O’Neal (far left), Sen. Roger Victory (second from left) and Sen. Jim Stamas (far right).

CSG MIDWEST PLANNING VISITS TO EVERY STATE CAPITOL IN EARLY 2021

How can we help you and enrich your time in the legislature?

Those are among the questions that CSG Midwest seeks to answer as part of its annual visits to state capitols to meet individually with legislators. These trips are particularly important in 2023 due to the many legislators taking office for the first time after the November elections.

Please reach out to CSG Midwest staff to schedule an appointment. We can assist with policy research and discuss ways for you to make the most of The Council of State Governments and your membership in regional groups such as the binational, nonpartisan Midwestern Legislative Conference and Great Lakes-St. Lawrence Legislative Caucus. Exact dates of the visits to each state are available at [csgmidwest.org](http://csgmidwest.org) or by contacting CSG Midwest’s liaisons for each state.

- **Illinois** and **Minnesota**: Mitch Arvidson, [marvidson@csg.org](mailto:marvidson@csg.org)
- **Indiana** and **Iowa**: Derek Cantù, [dcantu@csg.org](mailto:dcantu@csg.org)
- **Kansas** and **Michigan**: Laura Kliewer, [lkliwer@csg.org](mailto:lkliwer@csg.org)
- **Nebraska**: Tim Anderson, [tanderson@csg.org](mailto:tanderson@csg.org)
- **North Dakota** and **Ohio**: Laura Tomaka, [ltomaka@csg.org](mailto:ltomaka@csg.org)
- **South Dakota** and **Wisconsin**: Jon Davis, [jdavis@csg.org](mailto:jdavis@csg.org)

In advance of these state visits, CSG Midwest had the chance in late 2022 to participate in three new-member orientations for newly elected legislators in Indiana, North Dakota and Wisconsin. Every state legislator from this region is a member of CSG’s Midwestern Legislative Conference.



MIDWEST

NEW 4-MEMBER OFFICER TEAM LEADING CSG’S MIDWESTERN LEGISLATIVE CONFERENCE IN 2023

Michigan Sen. Roger Victory will serve as Midwestern Legislative Conference chair in the year ahead, joined by three other legislators on the MLC leadership team.

This team of state and provincial legislators formally took on their new leadership roles in December, at a meeting of the MLC Executive Committee. Ohio Sen. Bill Reineke is the new MLC first vice chair, Saskatchewan Legislative Assembly Speaker Randy Weekes the second vice chair, and Kansas Sen. Carolyn McGinn the immediate past chair.

They and the full MLC Executive Committee guide the work of the MLC — a nonpartisan association of all legislators in 11 Midwestern states as well as the Canadian province of Saskatchewan. (Alberta, Manitoba and Ontario are affiliate members.) CSG Midwest provides staff support to the MLC.

ABOUT THE FOUR MLC OFFICERS

- Roger Victory was first elected to the Michigan Senate in 2018 after serving six years in the House. In 2022, he was chair of the Senate Judiciary and Public Safety Committee and assistant majority whip. He owns Victory Farms LLC, a year-round specialty crop producer, as well as Victory Sales LLC, a national produce distributor.
- After serving three terms in the Ohio House, Bill Reineke won election to the state Senate in 2020. He served as vice chair of the Transportation Committee in 2022 and also is a leading legislative voice on education and workforce issues. Outside the legislature, Sen. Reineke is a business partner in Reineke Family Dealerships, a three-generation family business.
- Randy Weekes was first



Ohio Sen. Bill Reineke



In December, Kansas Sen. Carolyn McGinn was honored for her leadership and service over the past year as chair of the Midwestern Legislative Conference. She will remain a member of the MLC officer team. Michigan Sen. Roger Victory, pictured here with Sen. McGinn at the December meeting of the MLC Executive Committee, is the regional group’s new chair.

elected to the Saskatchewan Legislative Assembly in 1999. He became speaker in late 2020, when fellow MLAs chose him for the position. In this role, he serves as the Assembly’s chief presiding officer. Speaker Weekes has decades of experience as a farmer, rancher and feedlot operator.

• Carolyn McGinn just completed her successful year’s tenure as MLC chair. A member of the Kansas Legislature since 2005, she is a respected leader on policies ranging from transportation and water, to budgeting and local government. In 2022, McGinn served as chair of the Senate Committee on Local Government. She is an agriculture producer and lives on a family farm with her husband, Mark.



Saskatchewan Speaker Randy Weekes

ILLINOIS SEN. ELGIE SIMS CHOSEN NEW CSG VICE CHAIR

Illinois Sen. Elgie Sims has joined a select group of state legislators and governors leading The Council of State Governments. He will serve as vice chair in 2023, and is in line to be chair-elect in 2024 and CSG chair in 2025.

In July, Sims was nominated by his peers in CSG’s Midwestern Legislative Conference to join the national leadership team. That nomination was approved in December at the CSG National Conference by the nonpartisan group’s Executive Committee.

A member of the Illinois General Assembly since 2012, and current chair of the Senate Appropriations Committee, Sims served for four years as an MLC officer, including as chair in 2019. (CSG Midwest provides staff support to the MLC.) Sen. Sims continues to be an active member of the MLC Executive Committee, and also is a 2014 graduate of its Bowhay Institute for Legislative Leadership Development, or BILLD, and a 2015 graduate of CSG’s Toll Fellowship Program.

In 2022, Wisconsin Sen. Joan Ballweg served as CSG past national chair and Kansas Gov. Laura Kelly as CSG past president.



CSG Executive Director/CEO David Adkins and Illinois Sen. Elgie Sims meet at the CSG National Conference in Hawaii. At that December meeting, Sen. Sims was chosen the new national vice chair of The Council of State Governments.

The Council of State Governments was founded in 1933 as a national, nonpartisan organization to assist and advance state government. The headquarters office, in Lexington, Ky., is responsible for a variety of national programs and services, including research, reference publications, innovations transfer, suggested state legislation and interstate consulting services. The Midwestern Office supports several groups of state officials, including the Midwestern Legislative Conference, an association of all legislators representing 11 states (Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin) and the Canadian province of Saskatchewan. The provinces of Alberta, Manitoba and Ontario are MLC affiliate members.

BILLD ALUMNI NOTES: A FOND FAREWELL TO THOSE LEAVING THE LEGISLATURE

The end of the calendar year marked the end of legislative service for many graduates of the Bowhay Institute for Legislative Leadership Development. CSG Midwest extends its thanks to these departing alumni for their service and for being an active part of our organization. We wish you the best of luck in your future endeavors.

ILLINOIS

Rep. Tim Butler (class of 2016) • Sen. Jacqueline Collins (class of 2004) • Rep. Tom Morrison (class of 2011)

INDIANA

Sen. Phil Boots (class of 2007) • Rep. Doug Gutwein (class of 2009)

IOWA

Sen. Joe Bolkcom (class of 1999) • Rep. Timi Brown-Powers (class of 2015) • Sen. Kevin Kinney (class of 2015) • Rep. Jarad Klein (class of 2014) • Rep. Charlie McConkey (class of 2017) • Rep. Joe Mitchell (class of 2010) • Sen. Zach Nunn (class of 2015) • Sen. Ras Smith (class of 2018) • Rep. Cindy Winckler (class of 2004) • Rep. Mary Wolfe (class of 2011)

KANSAS

Rep. Blaine Finch (class of 2013) • Rep. Brad Ralph (class of 2019) • Rep. Kathy Wolfe Moore (class of 2013)

MICHIGAN

Sen. John Bizon (class of 2017) • Sen. Marshall Bullock (class of 2021) • Rep. Beth Griffin (class of 2017) • Sen. Ken Horn (class of 2007) • Rep. Padma Kuppa (class of 2019) • Sen. Wayne Schmidt (class of 2009) • Rep. Mary Whiteford (class of 2016) • Rep. Tenisha Yancey (class of 2018)

MINNESOTA

Rep. Greg Boe (class of 2022) • Rep. Jim Davnie (class of 2002) • Sen. Chris Eaton (class of 2013) • Rep. Sondra Erickson (class of 2000) • Rep. Barb Haley (class of 2017) • Sen. Bill Ingebrigtsen (class of 2010) • Rep. Rena Moran (class of 2011)

NEBRASKA

Sen. Mark Kolterman (class of 2015) • Sen. Brett Lindstrom (class of 2017) • Sen. John McCollister (class of 2016) • Sen. John Stinner (class of 2016) • Sen. Matt Williams (class of 2015)

NORTH DAKOTA

Sen. JoNelle Bakke (class of 2009) • Rep. Bill Devlin (class of 1998) • Rep. Ron Guggisberg (class of 2012) • Rep. Kim Koppelman (class of 1997) • Sen. Dave Oehlke (class of 2007) • Rep. Mark Owens (class of 2006) • Rep. Chet Pollert (class of 2001)

OHIO

Sen. Jay Hottinger (class of 1995) • Rep. Emilia Sykes (class of 2018)

SOUTH DAKOTA

Sen. Timothy Johns (class of 2014) • Rep. Jamie Smith (class of 2017) • Rep. Marli Wiese (class of 2019)

WISCONSIN

Rep. David Bowen (class of 2017) • Rep. Gary Hebl (class of 2008) • Rep. Mike Kuglitsch (class of 2012) • Rep. Amy Loudenbeck (class of 2014) • Rep. Sony Pope (class of 2003) • Sen. Janis Ringhand (class of 2013)

Please submit Alumni News to Laura Tomaka, CSG Midwest program manager for BILLD. She can be reached at [ltomaka@csq.org](mailto:ltomaka@csq.org).

Q & A WITH BILLD ALUMNI: THREE RETIRING BILLD GRADUATES REFLECT ON THEIR LEGISLATIVE SERVICE

ILLINOIS REP. TIM BUTLER | CLASS OF 2016 | SERVED 2012-2022

**I’m most proud of:** “Illinois had gone a decade without a capital construction program, but in 2019, with a newly elected governor, the General Assembly passed the historic Rebuild Illinois program in overwhelming bipartisan fashion. I was proud to be the top Republican on the Appropriations-Capital Committee and a part of the team that negotiated the program over several months. This was a forward-thinking capital program and has allowed us to leverage tremendous resources to shore up the infrastructure of Illinois.”

**I’d like to be remembered:** “I’m hopeful people will look back on my career as someone who defended and respected the institution at a time of tremendous conflict and, honestly, peril. I have tried to carry myself as a bipartisan collaborator who lives up to his word, respects fellow legislators, and puts my head down to do work.”

**Work I’m leaving undone:** “The top issue I wish we could address in Illinois is reversing the economic decline of our rural counties and mid-sized communities outside of the Chicago area. ... We have to make it a priority that those regions prosper as well.”



WISCONSIN SEN. JANIS RINGHAND | CLASS OF 2013 | SERVED 2011-2022

**I’m most proud of:** “I am very proud of the strides we have made in encouraging young people — mainly high school students and displaced workers — to enter into skilled trades programs offered at tech colleges. With the retirement of Baby Boomers, there are many openings for very skilled jobs that provide a career at a family-supporting wage.”

**I’d like to be remembered:** “As someone who took time to visit with my constituents and colleagues, whether it was a single issue or an ongoing discussion across the aisle. I believe I always respected others’ opinions.”



NORTH DAKOTA REP. KIM KOPPELMAN | CLASS OF 1997 | SERVED 1995-2022

**I’d like to be remembered:** “As a statesman — a good, honest legislator who got things done, but more importantly, as one who respected all those he worked with and so treated them with respect. I hope constituents will remember me as a responsive and effective legislator who was accessible, listened, got things done and represented them well.”

**Insights I have learned:** “In a citizen legislature, like we have in North Dakota, people come to it with an amazing blend of life experiences. Being willing to learn from one another, to learn the legislative process, and to learn how to shape good public policy. I leave the Legislature older, wiser and, I hope, better than when I came to it.”



APPLICATION SEASON BEGINS FOR 2023 BILLD PROGRAM

As legislative sessions begin across the region, CSG Midwest — with the help of BILLD alumni — is reaching out to newer lawmakers about the chance to apply for a BILLD fellowship. Here are details about the 2023 Bowhay Institute for Legislative Leadership Development Program.

- Designed for legislators in their first four years of service.
- Deadline to apply is April 17.
- Program will be held Aug. 18-22 in Madison, Wis.
- Learn more, and find the application, at [csqmidwest.org](http://csqmidwest.org).



*BILLD Steering Committee Officers | Co-Chairs: Illinois Rep. Anna Moeller and Iowa Sen. Amy Sinclair | Co-Vice Chairs: Michigan Rep. Ann Bollin and Kansas Rep. Jarrod Ousley*

Through the Bowhay Institute for Legislative Leadership Development, or BILLD, CSG Midwest provides annual training on leadership and professional development for newer state and provincial legislators from this region. This page provides information related to the BILLD program, leadership development and legislative leadership. CSG’s Midwestern Legislative Conference BILLD Steering Committee — a bipartisan group of state and provincial legislators from the Midwest — oversees the program, including the annual selection of BILLD Fellows.

# STATELINE MIDWEST

THE COUNCIL OF STATE GOVERNMENTS | MIDWESTERN OFFICE

## CSG EVENTS

### CSG Midwestern Legislative Conference Virtual Events for Legislators

Visit [csgmidwest.org](http://csgmidwest.org) and [csg.org](http://csg.org) to find dates of upcoming webinars and view recordings of past webinars on public policy, professional development and leadership training.



MLC

### Midwestern Legislative Conference Annual Meeting

July 9-12, 2023 | Detroit, Michigan

Contact: Jenny Chidlow ~ [jchidlow@csg.org](mailto:jchidlow@csg.org)  
630.925.1922 | [csgmidwest.org](http://csgmidwest.org)



### Bowhay Institute for Legislative Leadership Development

August 18-22, 2023 | Madison, Wisconsin  
Application Deadline: April 17

Contact: Laura Tomaka ~ [ltomaka@csg.org](mailto:ltomaka@csg.org)  
630.925.1922 | [csgmidwest.org](http://csgmidwest.org)



BILLD

### Great Lakes-St. Lawrence Legislative Caucus Annual Meeting

September 8-9, 2023 | Québec City, Québec

Contact: Jessica Lienhardt ~ [jlienhardt@csg.org](mailto:jlienhardt@csg.org)  
630.925.1922 | [greatlakeslegislators.org](http://greatlakeslegislators.org)



GREAT LAKES  
**GLLC**  
ST. LAWRENCE  
LEGISLATIVE CAUCUS

### Midwest Interstate Passenger Rail Commission Annual Meeting

September 18-20, 2023 | Normal, Illinois

Contact: Laura Kliewer ~ [lkliewer@csg.org](mailto:lkliewer@csg.org)  
630.925.1922 | [miprc.org](http://miprc.org)



# STATELINE MIDWEST

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