EVER-READY ENERGY for
When the Lights Go Out
I'm developing innovative technology that recycles nuclear fuel to generate electricity. With nuclear energy, we can have both reliable electricity and clean air.

Leslie Dewan,
Technology Innovator, Forbes 30 Under 30

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Ever-Ready Energy Page 9
BY DAN SHEA
New technologies are keeping the lights on when disasters strike the electrical grid.

Taking the Bite out of Zika Page 22
BY TAHRA JOHNSON
State public health agencies face yet another threat with the Zika virus.

Shifting Gears Page 26
BY KEVIN PULA
The federal FAST Act might help states find more sustainable transportation revenue.

NEW! Dive deep into the world of transportation funding, with everything you need to know all in one place. One dive, lots to catch in SL Online’s new Deep Dive section.

SL ONLINE
You can find more information and links to resources on most of the topics covered in these pages at SL Online—from the latest on air bags and microgrids to the stats on firearms and the Zika virus.

Correction: The On Record interview with Jon Meacham in the April issue misidentified the date of the first contested U.S. presidential election. It was 1796, not 1776.
Yes, No, Maybe So

Ethics can be discussed in the framework of “little e” and “Big E.” “Little e,” or “little ethics,” refers to the guidelines expressed in written laws, policies, rules or regulations that help us when we face the dilemmas and decisions of daily life. From travel reimbursement to ex parte communication, every state has provisions governing conduct, though some codes, like California’s and Illinois’, are more comprehensive than others.

But no code can cover every ethical dilemma a legislator might face. Rules and regulations rarely address, for example, what may be considered proper—or improper—behavior toward a staffer, or where a legislator should draw the line with a lobbyist.

In these situations, legislators must be guided by their personal values and principles—the “Big E,” or “Big Ethics.” These values—many know them as a moral compass—guide our behavior when we face the ethical quandaries not covered by the little e. The Big E pilots us throughout life, in and out of politics.

Once you decide on the morals and values that will guide you—your Big E—it will be easier to navigate the gray areas of decision-making in today’s complex world. Bad decisions can lead to severe personal consequences—from well-known resignations, like Nixon’s after Watergate, to the less-publicized departures of several legislators following sex-related scandals last summer. And in all cases, public trust suffers.

Conversely, good decisions—those consistent with your values—will elicit trust and admiration from others and, perhaps, bolster the public’s faith in their government along the way.

—Mark Quiner

Mark Quiner is director of the Center for Ethics in Government at NCSL.

Have you dealt with a Big E dilemma recently? We’d love to hear about that or other questions or comments on ethics. Email Ethan Wilson at ethan.wilson@ncsl.org.

Comments from Constituents

Re: “A Degree of Savings”
By Jessica Hathaway, March 2016

Special thanks to Jessica Hathaway and the editorial staff for the excellent article on children’s savings accounts (CSAs), “A Degree of Savings,” in the March issue. The article is historically correct, comprehensive and informative. The concept of CSAs started with the Asset Development and Education movement, as noted by the author, who also described the public-private partnerships involved in the variety of approaches states, counties and municipalities have adopted. The promise of CSAs combined with financial literacy education is creating more opportunities for students to be successful. The economic benefits might also lead to a reduction in the nation’s escalating child-poverty rate. “A Degree of Savings,” as written, captures it all.

—New Hampshire Representative Mary Stuart Gile

Re: “Tackling Tuition”
By Roger Fillion, March 2016

Very thorough. Well done! Thanks for shining light on this issue.

—Oregon Senator Mark Hass

Got Comments? Send them to magazine@ncsl.org
“It says a lot that these four groups came together on this issue of state pre-emption.”
Melanie Condon on how the National Governors Association, Environmental Council of the States and Association of State and Territorial Health Officials joined NCSL to push Congress to preserve state authority to regulate chemicals in the Toxic Substances Control Act, in Bloomberg BNA.

“They’re either going to ask the state for more money or increase property taxes.”
Max Behlke on the limited choices localities have to make up revenue losses if Internet access taxes are banned, in fedscoop.com.

“They’re weighing the core values of a state against each other.”
Brenda Erickson on the challenge legislators face preparing budgets that provide government services yet minimize taxation, in crosscut.com.

“After legislative sessions conclude, we might be able to determine if any trends actually exist.”
Jake Lestock about new state regulations on fantasy sports, in The Macon Telegraph.

“It’s going to be a long-term effort to slowly get lead out of our system.”
Doug Farquhar on efforts to eliminate exposure to lead, in The Trentonian.

**Training**
Arkansas Representative David Hillman, left, chats with Mark Quiner, director of NCSL’s ethics center. Quiner conducted a training session for Arkansas House members on using their personal values to guide them through decision making in ethically gray areas. You can find Quiner conducting ethics trainings around the country all year long.

**State Visit**
Kansas House Speaker Ray Merrick welcomes NCSL’s Anne Teigen, who was an intern for the Kansas Legislature in 2005, just before joining NCSL. As the Sunflower State’s personal NCSL liaison, Teigen has been back to visit every year since.

**Webinars**
Webinars on the hottest issues in agriculture, energy, environment and transportation policy are offered every other Thursday at 2 p.m. Eastern Daylight Time.
Go to www.ncsl.org/magazine to register or to watch archived webinars. Upcoming topics include:
- Is That Safe to Drink? An Examination of State Water Infrastructure, May 12
- Navigating the FAST Act: Exploring State Highway Safety Incentive Grants, May 26
- GMOs: A Recipe for a New Label? June 9
- The Future of Distributed Solar Energy, June 23

**Grant News**
The Bill & Melinda Gates Foundation awarded NCSL’s Education Program a three-year grant to work with legislators and legislative staff on improving the way we prepare young people for college or careers and implementing the Every Student Succeeds Act. The funding will help NCSL staff provide deep-dive sessions at the Legislative Summit, educational seminars during the year, articles in State Legislatures magazine, policy reports and a comprehensive legislative tracking website. NCSL staff will also continue to provide intensive technical assistance and testimony on these and other education topics. For more information on this and other NCSL grant programs, visit ncsl.org/magazine.
With cheaper gas prices persisting, drivers are on the road again like never before. It’s prompting renewed legislative debate over speed limits and how to balance Americans’ desire for time savings with safety considerations.

“I think the highways were built for a higher speed. ... I think we can safely drive 5 miles an hour faster more effectively and save some people time, if they choose,” says Montana Senator Scott Sales (R). The Legislature agreed with him and last year voted to increase the maximum speed to 80 mph for cars and 65 mph for trucks. Nevada, South Dakota and Wyoming set their maximum speeds at 80 mph as well in 2015; Idaho and Utah did so in 2014.

Since Congress repealed the 65 mph national speed limit in 1995, 38 legislatures have increased their limits to 70 mph or higher on some portion of their roadway systems.

Wisconsin Representative Paul Tittl (R), noting that his was “the only state in the Midwest with a 65-mile-per-hour maximum speed limit for all roadways,” was pleased when a bill increasing the limit on certain stretches of highway to 70 mph was passed in 2015. “This bill will align the state’s speed limit with that of neighboring states and most of the country,” he said at the time. Maryland and Oregon also recently joined the 70-mph group, as did Illinois (for toll roads only) after overriding the governor’s veto. New Hampshire and Ohio raised their limits to 70 on some freeway sections. Maine’s limit went to 75 mph on certain highways three years ago; Washington’s did so last year.

But not all efforts to raise limits have met with success. A Florida bill to increase the 75 mph limit to 80 was vetoed by Governor Rick Scott (R), because faster speeds “could ultimately and unacceptably increase the risk of serious accidents for Florida citizens and visitors,” he said.

Indeed, some states are recognizing that a small reduction in speed can mean the difference between life and death. One AAA study found the average risk of pedestrians dying after being hit by a vehicle traveling 23 mph was about 10 percent. If the driver was going 32 mph, the risk went up to 25 percent, and at 42 mph a pedestrian had only a 50-50 chance of survival. Recent estimates show a 10 percent increase in the number of pedestrians killed in 2015 compared with 2014. Lawmakers in New York, Oregon and Washington have made it easier for local governments to reduce limits in some areas to improve safety for pedestrians, bicyclists, school children, people with disabilities and others.

In the last five years, the Oregon and Washington legislatures enacted laws allowing speed limits to be lowered to 20 mph in certain cases. Portland, for example, created a 70-mile network of neighborhood greenways—residential streets where travel by bike and foot is encouraged and speeds are limited to 20 mph. Oregon Senate Majority Leader Ginny Burdick (D) says the lower limits will motivate Oregonians to ride their bikes on residential streets and will reduce bike traffic on arterial streets.

Speeding was a factor in more than a quarter of all roadway deaths in 2014, with males 15 to 24 years old and motorcyclists the most likely to be involved in speeding fatalities. Complicating matters, alcohol plays a huge role in speeding deaths; 42 percent of speeding drivers in fatal crashes had blood alcohol concentrations over the legal limit, compared with 16 percent of non-speeding drivers, according to 2013 data. And speeding varies widely by region. Speeding drivers were more prevalent in the West and Deep South, and less common in the Pacific Northwest and Central Midwest, according to a 2011 study by the National Highway Traffic Safety Administration. Fewer deaths occurred in dense, urbanized states, where people tend to drive less frequently and at slower speeds, than in less populous, rural states, where top speed limits are often set at 70 or 80 mph, a 2015 University of Michigan study determined.

Because speed limits so directly affect constituents’ everyday lives, it’s likely the legislative debate over speeding up or slowing down will continue.

—Douglas Shinkle and Amanda Essex
How Green Is Green?

When considering whether to legalize and regulate marijuana, rarely does the topic of electricity use come up. Yet the plants often are grown indoors to ensure the best productivity and control, and that requires a lot of electricity. Power-hungry grow lights, air conditioners, fans and dehumidifiers sometimes operate 24 hours a day.

In Colorado, where recreational and medical marijuana are legal, indoor facilities consumed as much electricity as 35,000 homes in 2014, Bloomberg News reports. In California, where medical marijuana is legal, indoor facilities used as much electricity as 1 million homes.

This growing demand for electricity has forced some states and localities to begin planning for how future growth may affect strained electric grids, energy efficiency efforts and greenhouse gas emissions. For example, Boulder County, Colo., now requires commercial pot facilities to offset their high electricity consumption by using renewable energy or by paying a 2 cent per kilowatt-hour charge. The money will fund the development of energy-efficient marijuana cultivation practices and other carbon offset projects. Growers receive an energy-monitoring device to track their real-time use of electricity.

Cities also have levied taxes on heavy energy consumers. In Arcata, Calif., for example, an “excessive energy use tax” applies to residential customers who use 600 percent more than a set baseline or more than an average of three residential households.

The expanding legalization of marijuana may increase the demand for electricity, but it also may provide this sector with access to more energy-efficient technology, as well as to state and local efficiency rebates and incentives not available to the industry before it was legal and regulated.

Lawmakers have many issues to weigh when considering marijuana policies. Electricity use is one that merits attention.

—Jocelyn Durkay

More Than Just Hot Air

Concern over fake air bags continues as counterfeiters improve their ability to replicate the look of certified, original parts—right down to the logos and branding of the major automakers. Of the 18 states yet to jump into the fray against the fakes, California, North Carolina, Pennsylvania and South Carolina debated, but have not yet passed, legislation this year. Maryland enacted legislation this year prohibiting the importation, manufacture or offer for sale of dangerous counterfeit, nonfunctional air bags which are currently flooding the market.

Counterfeit air bags might look like the real deal, but they perform much differently. The pretenders consistently malfunctioned—from not deploying at all to spewing metal pieces when deployed—during tests by the National Highway Traffic Safety Administration.

Drivers who have bought air bags online, or had their air bags replaced by an independent repair shop in the last three years, or who purchased a used car that has been rebuilt or has had its air bags replaced, are at risk.

Legislators in 32 states have responded in the last five years with legislation that prohibits airbag fraud. Twelve states have enacted tougher laws that prohibit the importation, manufacture, sale, installation or re-installation of counterfeit and nonfunctional air bags.

—Erica Vincent

TRENDS

A World of Comparison

To put the “ridiculously large $18 trillion U.S. economy into perspective,” Mark Perry, a professor of economics and finance at the University of Michigan and the editor of Carpe Diem, the American Enterprise Institute’s blog, matched each state with the country that had the most similar nominal gross domestic product. His point? To remind us of the economic powerhouse we live in, where “wealth and prosperity are being created all the time,” he says.

If California, Texas and New York were separate countries, they would rank in the world’s top 14 largest economies, he points out. And, although the U.S. portion of the world’s GDP has been declining, the U.S. still produced 22.5 percent of the global gross domestic product in 2014, with less than 5 percent of the world’s population.

Economic power can be measured in many ways, however. For example, when looking at productivity, measured by comparing number of hours worked with GDP, the U.S. ranks third, behind Germany and France, with Russia in fourth place, according to an analysis by PGI, a business software provider, using data from the Organization for Economic Co-operation and Development and The Economist.

A Leak in Tax Shelters?

The corporate income tax has long been a relatively small, though important, portion of state tax revenue. It accounted for 5.4 percent of total tax collections in 2014, down from 7.4 percent in 2007. Revenues are down for several reasons, but the most common revenue drain comes from corporations sheltering profits (done easily these days electronically) in places with favorable taxes—aka tax havens. Along with low, or no, taxes, havens offer privacy, with laws that prevent sharing information about taxpayers. They also usually allow foreign-owned entities to “establish” themselves there without doing much business locally. Havens also often limit local residents from taking advantage of the benefits they offer foreign-owned enterprises.

Because defining a tax haven is subjective—and no one embraces that label—lawmakers are moving cautiously. To recoup some of the revenue they are losing, several states now require corporations to include in their bottom line not only income from domestic enterprises but also from affiliates incorporated or engaged in foreign tax havens. And, in the last several years, legislators in six states and the District of Columbia have passed additional tax haven laws.

Legislators in Montana and Oregon took the straightforward “blacklist” approach, which identifies and names specific tax havens and penalizes businesses that incorporate in them. Opponents argue this strategy hurts businesses with legitimate activity in these haven-labeled locations. Montana collected an additional $7.2 million after its law passed in 2010, and Oregon is anticipating $18 million more this year.

Lawmakers in Alaska, Connecticut, Rhode Island, West Virginia and the District of Columbia have taken a little different approach. They do not name havens but consider several criteria when determining a corporation’s tax liability. They also allow the businesses to demonstrate they have legitimate reasons to be incorporated in a place considered a tax haven. Critics say this approach is too vague to be effective. Another 11 states considered, but did not pass, tax haven legislation in 2015, and at least 10 have done so this year.

States also have an eye on Congress. The Foreign Account Tax Compliance Act, which took effect in July 2014, improved access to information on U.S. taxpayers abroad and has led to pacts with more than 100 countries. It’s expected to add $8.7 billion to federal coffers over the next 10 years.

—Jackson Brainerd
New technologies are keeping the lights on when disasters strike the electrical grid.

BY DAN SHEA

When Superstorm Sandy knocked out power to nearly 8 million people across 15 Eastern states, many expected it would be out for quite a while. It took two full days to light up Manhattan’s skyscrapers and reopen the New York Stock Exchange. For many others, it took nearly two weeks.

Princeton University, however, was able to restore power in just 20 minutes because of its microgrid, which generates its own electricity and can run independently of the grid.

“The grid will fail. It’s just the nature of things,” says Ted Borer, Princeton’s energy plant manager. “It’s more a question of when is it going to break, and how well are we going to be prepared for that.”

Microgrids are just one example of how state legislators are seeking to make the electrical grid more reliable and resilient through strategies that strengthen infrastructure and shorten the time it takes to restore power.

The whole idea is to minimize the damage and disruption of a disaster. To make a superstorm feel more like a thunderstorm.

**Economies of Hail**

Superstorm Sandy was only a Category 1 hurricane when it made landfall in 2012. But, because of its sheer size, it caused $70 billion in damages. Only Hurricane Katrina has been costlier, at $108 billion. The economic toll from disasters is so heavy in part because power outages disrupt commerce and are expensive to restore.

Data from the U.S. Department of Energy show that weather-related blackouts in the U.S. doubled between 2003 and 2012, at an average annual cost of $18 billion to $33 billion. The National Hurricane Center reveals that, after adjusting for inflation, 12 of the 30 most damaging hurricanes since 1900 have hit in the last 15 years.

“We had Irene. We had Sandy. We had a snowstorm that went on forever. We had people in the dark, substations threatened by flooding and power out for eight, 10, 12 days,” says Connecticut Representative Lonnie Reed (D). “We
began to see just how vulnerable the whole interconnected system is.”

It may be impossible to completely neutralize the damage wrought by nature, but lawmakers in several states are trying to soften the impact. States along the Atlantic seaboard, hit hard by a series of destructive storms in recent years, are working to reinforce and protect their critical infrastructure. New Jersey legislators have introduced more than two dozen bills in 2016 to address disaster preparedness. Many are carryovers from the previous session, in which only three became law and two others were vetoed. The various bills include proposals to move electric distribution lines underground, require utilities to file emergency response and flood mitigation plans, and facilitate municipal investments in flood and hurricane resistance projects.

Similar efforts are underway across the country. A newly enacted law in New York requires residential health care facilities to undergo energy and disaster preparedness reviews. A bill pending in Oregon would require local governments to plan for tsunami resilience. Other state legislators have proposed bills to direct state agencies to assess the grid’s vulnerabilities and create comprehensive plans to strengthen electric systems. But it can be hard to put a price on damage that is prevented, making plans with high up-front costs like infrastructure upgrades and onsite power generation, hard to justify. Legislation requiring comprehensive planning was introduced in six states last year but passed in only New York and Puerto Rico.

A growing number of businesses and organizations, however, are investing in resilient systems that allow them to operate independently whether the grid is up or down.

“You’re really talking about having an economic leg up if you have the capacity to stay open and operational when others aren’t,” says Reed.

**Energizing People**

While a case for building resilience can be made with dollars and cents, this is still a very human issue. People live these events. Families must stay warm, deal with thawing food, function without flushing toilets and make do as the availability of motor fuel dwindles. They also may lose their homes, businesses and sense of security. And the threat is growing. A flurry of recent studies predicts an increasing number of even more severe storms with worsening floods in the coming decades.

The issue is particularly acute along the Atlantic seaboard, where the U.S. Geological Survey has found sea levels rising at rates three times the global average. Nearly
40 percent of the U.S. population—more than 123 million people—live in coastal shoreline counties, with power plants, substations and other energy infrastructure nearby. Several notable reports have revealed considerable flood risk to energy infrastructure from Norfolk, Virginia, to Mobile, Alabama.

Storms like Sandy have highlighted the potential benefits of microgrids—specifically, highly efficient energy plants powered by natural gas that produce electricity and thermal energy simultaneously, a technology known as cogeneration. During Sandy, in sharp contrast to some of the surrounding neighborhoods, New York University’s cogeneration plant maintained power to key parts of its campus, while a cogeneration microgrid at a Bronx housing community known as “Co-op City” provided heat, electricity and hot water for 60,000 residents.

Laws of Empowerment

The utility of microgrids has not been lost on state legislators. In 2015, lawmakers in 17 states introduced more than two dozen bills on microgrids, six of which have been enacted. Several pending bills direct state agencies to study microgrids, while at least six states are considering legislation that would offer grants, loans or other incentives to develop them.

While coastal states have been most active on these issues, lawmakers from Illinois and Minnesota, states that often deal with severe winter storms, have introduced legislation that includes some aspect of microgrids. Minnesota enacted legislation calling for substantial investments to modernize the grid, including microgrids.

New York has funded microgrid feasibility studies for more than 80 communities. Connecticut, Massachusetts and New Jersey have instituted microgrids for municipalities, critical infrastructure, public shelters and water treatment facilities.

“We see microgrids as a critical component of making the grid more resilient,”CONNECTICUT REPRESENTATIVE LONNIE REED

“We see microgrids as a critical component of making the grid more resilient, but also more operational with these very interconnected systems,” says Reed. “We’re now seeing a need to help fund generation. We see not only an appetite for it, but a need for it.” She says the ability to segregate key segments or areas “benefits the whole system.”

A Holistic Approach

These conversations aren’t limited to statehouses. The military and businesses are making significant investments in distributed generation, which includes cogeneration, and behind-the-meter resources in order to reduce their dependence on the grid. Kansas Representative Tom Sloan (R) has helped facilitate discussions among the National Guard, local businesses and utilities to figure out how everyone can benefit from these technologies.

Distributed generators—particularly larger generators—should be able to benefit from the advantages these technologies offer the grid, says Sloan. “Using diesel generators to anchor microgrids during storm outages should be a value to the utility and reflected in rates or cash payments” to generators. Utilities also need to be valued for the benefits they bring to the table, he says.

The Northeast is home to most of the nation’s microgrids, though there are a growing number of systems throughout the West. They use a variety of resources and vary drastically in scope and scale.

For instance, a rural California microgrid in Borrego Springs, a community of fewer than 4,000 people, relies on two small diesel generators, a number of energy storage units and rooftop solar. Meanwhile, the University of California at San Diego microgrid incorporates a sizable cogeneration system along with solar, fuel-cell and energy storage technologies to serve a campus with a daily population of about 45,000. Understandably, the cost of the systems can vary drastically.

In recent years, there has been a trend toward developing microgrids that contribute not only during emergencies, but also

High-Dollar Disasters

These 10 weather and climate disasters each caused more than $1 billion worth of damage in 2015.

- Western and Alaskan wildfires summer-fall 2015
- Western drought entire year
- Texas and Oklahoma flooding and severe weather May 23–26
- Texas tornadoes and Midwest flooding Dec. 26–29
- South/Southwest severe weather April 18–20
- South Carolina and East Coast flooding Oct. 1–5
- Central/Eastern winter storm, cold wave Feb. 14–20
- Central/Northeast severe weather June 21–25
- Midwest/Ohio Valley severe weather April 7–9
- Central/Northeast severe weather June 21–25
- Southern plains tornadoes May 6–10

Source: National Oceanic and Atmospheric Administration.
A downed utility pole or a flooded substation may halt the flow of electricity to certain areas, but neither would stop the delivery of natural gas. That’s because natural gas infrastructure is built in a way that is inherently resilient—underground in durable pipelines—while electric infrastructure is often exposed.

Organizations and policymakers can capitalize on this, experts say.

Following Superstorm Sandy, three microgrids received significant attention. All were powered by natural gas-fired cogeneration plants that continued to generate electricity because of the reliability of natural gas infrastructure. One of those was at Princeton University.

“This is not a new concept,” says Ted Borer, Princeton University’s energy plant manager. In fact, cogeneration microgrids were the original building blocks of electricity production and distribution, dating to Thomas Edison’s Pearl Street Station in Manhattan in 1882. By the 1890s, Princeton was operating its own cogeneration microgrid. Because they generate electricity onsite, these systems can capitalize on the thermal energy produced from burning fossil fuels for heating and cooling in nearby buildings.

Princeton returned to cogeneration in 1996. “We put it in to save money,” Borer says. “The project was not justified as emergency backup to the campus, but that was a bonus.”

These systems—also referred to as combined heat and power, or CHP—can reach efficiencies of up to 80 percent, offering the potential to burn less fuel and save money. There are currently 83 gigawatts of cogeneration deployed at more than 4,300 sites in the U.S., according to the U.S. Department of Energy. Natural gas is used to fuel about 70 percent of them.

To be clear, not all microgrids can be justified on a balance sheet. In some cases, the resiliency benefits of a microgrid may come with an added financial burden. Similarly, pipelines are more susceptible to damage from earthquakes and may not offer the same resiliency benefits in areas with high seismic activity.

“There’s always the question of how to determine the value streams,” says Julieta Giraldez, a microgrid engineer with the National Renewable Energy Laboratory. “I think that’s a key driver in a lot of projects that we’ve seen and one of the reasons microgrids haven’t been deployed at the rate that was expected.”

Despite large upfront costs, cogeneration can be cost effective, especially if there is a high population density or a steady need for heating and cooling. Good candidates include military bases, universities, hospitals, airports, data centers and large residential communities.

Washington Representative Jeff Morris (D) sponsored a cogeneration bill enacted in 2015 that requires a lifecycle cost analysis of critical government facilities before construction or renovation in order to determine the potential for cogeneration systems.

“Our impetus was twofold, and one was resiliency,” Morris says, adding that the other was to reduce carbon emissions.

When the grid is online, says Julieta Giraldez, a microgrid engineer with the National Renewable Energy Laboratory.

A Miwuk Indian-owned microgrid in California, for example, provides backup and supplemental power to the Jackson Rancheria Casino Resort. During the Butte wildfire in 2015, the microgrid provided electricity for 10 days, and the resort was a refuge for hundreds of evacuees. But the microgrid also allows the casino to operate offline or reduce its load during periods of peak use, which helps the local utility when it is overstressed.

“How can we change the energy resiliency plan to a more holistic approach?” Giraldez asks. “Instead of planning just for an emergency, can we also provide resources that are going to contribute year-round?”

**Take a Load Off**

Daily electricity demand moves in peaks and valleys, much like road traffic. Demand response—which rewards customers who reduce their use when the grid is burdened—is another tool for increasing electric reliability. In essence, it rewards the people who stay off the road during rush hour.

Lawmakers in six states introduced at least 19 bills in 2015 on demand response—noting its ability to increase system efficiency and reliability—as well as more than two dozen bills on distributed generation, smart-grid technologies and energy storage. Of these, eight bills passed.

The idea is that these technologies allow the grid to be more responsive and reliable, while also providing support in the event the grid is overburdened.

“All these resiliency tools smooth out those humps and make the electric system more efficient,” says Washington Representative Jeff Morris (D), noting that energy storage, cogeneration and renewables can often complement one another and the grid. “We can capture those symbiotic relationships better and stop building for rush hour.”

Several major blackouts have resulted from overburdened power plants that shut down one after another, like
falling dominoes. The Northeast blackout of 2003, for example, affected more than 50 million people in eight states and Ontario—some of whom were without power for nearly two days. According to some reports, the blackout contributed to at least 11 deaths and cost some $6 billion.

Energy storage technologies, which essentially act like batteries, have drawn a great deal of attention for their potential to take weight off a utility’s shoulders. In Oregon, a new law directs electric companies to procure energy storage systems, while Connecticut has passed a law requiring the state to look at “passive demand response options,” which include energy storage. At the moment, these systems are still in their infancy and are fairly expensive, though the costs are expected to fall in the coming years.

Another unique angle being explored in California, Massachusetts and Minnesota is the role electric vehicles could play as backup and supplementary power sources. Vehicle-to-grid technologies allow plug-in electric and hybrid vehicles to draw electricity from the grid during times of low demand, and supply electricity back to the grid when required.

A Unifying Power

The electric grid is truly evolving as changing technologies present unique solutions along with new dilemmas. The security and reliability of electricity is on the minds of policymakers from both sides of the aisle, as demonstrated by a bipartisan group of governors from 17 states who signed a pledge to tackle many of these pressing energy issues.

Legislators from both parties are working toward that same goal, seeking innovative solutions to ensure a secure energy future. They understand that because all systems are imperfect, there should be a plan to deal with potential failures.

“If the more connected you are, the more efficient the grid will be. But it will also be more susceptible to larger cascading failures,” says Morris. “It’s important to be able to prop up your sector of the grid if and when that happens.”
Ted Koppel  REPORTER, EDITOR, NEWS ANCHOR

“Expecting states to take in hundreds of thousands or millions of refugees isn’t feasible.”

Ted Koppel, a journalist with ABC for 42 years, 25 as host of “Nightline,” has won 42 Emmys, 12 duPont-Columbia Awards and every other major television journalism prize. Koppel is currently a news analyst for NPR, BBC World News, ABC and NBC. In his latest book, “Lights Out: A Cyberattack, a Nation Unprepared, Surviving the Aftermath,” he warns that America’s power grid is vulnerable to malicious hacking and that an attack is likely.

Why this book now?
Because everyone from the president on down has been talking about it without getting much reaction. The president has twice warned about it. Leon Panetta, when he was secretary of defense, warned about a cyber Pearl Harbor. Janet Napolitano, when she gave her farewell address as secretary of Homeland Security, warned about the danger of a cyberattack on the power grid. But it barely got much coverage and it’s gotten no reaction from the political class. I decided to look into it and see if the warnings were hyped or exaggerated. An awful lot of people in the intelligence branches of government and the military believe it is inevitable that it will happen. What has been done to prepare the civilian population for the aftermath? I suspected not much, and “not much” seems to be an exaggeration.

Is there a plan to deal with an attack on the nation’s power grid?
There is none. It did not surprise me. The best assessment came from Tom Ridge [former director of Homeland Security], who said we tend to be a reactive society. We’re very good at reacting but very bad about pre-empting or preparing.

How much preparation is necessary?
The bare outlines of a plan could be pulled together very reasonably, but it’s going to cost a lot of money and it’s going to take a lot of time. There is a great deal of competition for the money in Washington and not a great deal of respect paid to

Mark Wolf, an NCSL publications editor, conducted this interview.
people who are planning ahead as much as three or five years. This is going to be a big task but it’s one that’s going to have to be taken on after the fact, when it’s going to be infinitely more difficult. Cmdr. Gen. Lloyd Austin, of the U.S. Central Command, told me it’s not a question of “if,” it’s a question of “when.” If you take that at face value, then we’re going to have to deal with it at some point. It would be infinitely more useful to deal with it before it happens.

**Why do you believe the grid is so vulnerable to an attack?**

With the deregulation of the power industry, we now have more electric power companies than ever before. Very few of them take care of the entire process: generating, transmitting and delivering electricity. Many companies simply deliver electricity. But they are tied into the grid, and the only thing capable of controlling that much interaction on an hourly and daily basis is the Internet. I’m not suggesting that anyone with a laptop can get into it and take it down, but I’ve been told by the top people at the National Security Agency that the Chinese and the Russians are already inside the grid, some people believe that Iran is in it and the North Koreans aren’t that far behind. People believe that the Islamic State group, or one like that, will be able to acquire, given the enormous amounts of money they have, the expertise that will let them take down all or part of the grid. We only have three grids in the U.S. You’re talking about potentially tens of millions of people without power for a period of months.

**The power industry insists the grid is secure.**

I disagree. Although some, like the folks from Edison Electric Institute [which represents all U.S. investor-owned electric companies], are moving in the right direction. Their notion is to have a system in place that, if you have people trying to intrude into your system, the National Security Agency can give you a heads-up that someone is coming in. If it’s “white-boarded,” that means it’s OK, a friendly coming in. If it’s “black-boarded,” then you can take measures to prevent that particular attack. When I asked the guy from Edison, “What percentage of your 3,200 companies have that capacity?” he said it was fewer than 1 percent. I asked how long it was going to take to expand the system, and he said they hoped to double it this year.

**What role do states have if urban evacuations are necessary?**

We should have an adequate supply of food so the country can support people who are in extreme dire straits. Right now, expecting states to take in hundreds of thousands or millions of refugees isn’t feasible. Assuming that people flooding in would be welcomed by the local population is just not realistic. One state government, not too far from D.C., has a plan—it’s, “Here’s a bottle of water, a sandwich and a map to the nearest gas station.” Were state legislatures to make a plan, over a period of five years, they could arrange to disperse people who can’t afford to live on their own.

**Will some parts of the country deal with an outage better than others?**

People in rural areas are more self-sufficient, more able to survive, in terms of generating power with generators, and in terms of being able to grow their own food, kill their own food, fish for their own food. Just having ordinary canned food will be a problem because it has an expiration date, but an adequate supply of freeze-dried food could help.

**How do you respond to people who say you’re an alarmist?**

I’m asking people to consider the evidence. If you think I’m a lousy reporter and I got everything wrong, then don’t worry about it. But if you think I have some vestige of my old reporting skills and the people I talk to were for the most part reasonable people, then do worry about the problem.

**What preparations have you made for your family?**

I’ve bought freeze-dried food for all my children, grandchildren and my wife and me. We have water, a couple of generators. We live in an area where the power tends to go out.

**Editor’s note:** This interview is part of a series of conversations with national leaders. It has been edited for length and clarity. The opinions are the interviewee’s and not necessarily NCSL’s.
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1 **Into the Light**

On standard time, New Englanders spend a lot of time in the dark. Moving to the Atlantic Time Zone and making daylight saving hours permanent would add evening sunlight, which would improve commutes, mental health and quality of wintertime lifestyles, advocates say. Skeptics warn the costs of redoing Amtrak and airline schedules and of being out of sync with New York banks could hurt business. A pending Massachusetts bill would form a commission to study the idea. Rhode Islanders would jump to Atlantic Time “if and when Massachusetts does so,” according to pending legislation. Meanwhile, lawmakers in 16 states are considering measures related to daylight savings.

2 **Sting Operation**

Call it a honey of a deal. Two Minnesota beekeepers whose hives were damaged by pesticides from a nearby farm received compensation from the state under a system created by the Legislature two years ago. Representative Rick Hansen (D), who sponsored the bill that created the system, says the result for the beekeepers was a national first and could serve as a precedent in a larger battle against neonicotinoids, a controversial group of insecticides thought to be connected to the decline of bees and other pollinating insects. “This is the first action of any state, a finding of fact, that neonicotinoids are harmful to bees,” he said.

3 **Taxing Women’s ‘Luxuries’**

A bill in Connecticut would end the so-called “tampon tax” by expanding the state sales tax exemption on “necessities of life” to include feminine hygiene products and disposable or reusable diapers. “Getting one’s period is a biological function, not a choice,” says Representative Carolyn Treiss (D) of Connecticut. Only a handful of states—Maryland, Massachusetts, Minnesota, New Jersey and Pennsylvania—currently exempt feminine hygiene products.

4 **Death Penalty Overhaul**

Virginia may soon become the third state to designate electrocution as an alternative method of execution to be used when lethal injection is not available. Lethal injection is the primary execution method in the 31 states with capital punishment, but opposition to the death penalty in the pharmaceutical industry has made obtaining lethal drugs increasingly difficult. Fifteen states have designated electrocution, hanging, firing squad or lethal gas as backup methods of execution.

5 **Word Watchers**

When Indiana’s state auditor, Suzanne Crouch, took office in 2013, she was surprised to see her job described in male terms—“he shall” and “his duties” were everywhere. Although legislation since 1999 has been gender-neutral in the state, Crouch suggested the wording of laws referring to statewide officeholders be updated as well. Representative Sharon Negele (R) agreed and wrote a bill to make 40 pages of older code gender-neutral. The bill passed with every female member of the House and Senate on board and is now awaiting the governor’s signature. At least 20 states have similar requirements.
**Pink Is the New (Blaze) Orange**

Keep an eye out for a new fall color in Colorado. A bill to allow hunters to wear fluorescent pink, and not just blaze orange, was on its way to Governor John Hickenlooper, who was expected to sign it. “I want to send the message that women belong in hunting,” said Senator Kerry Donovan (D), the bill’s sponsor. For safety reasons, hunters are required to wear blaze orange when they hunt elk, deer, pronghorn, moose or black bear. The animals can’t see the bright color—but humans with guns can. Washington also allows hunters to pick pink.

**Place Your Fantasy Bets**

Fantasy sports regulation is a reality in Virginia, the first state to enact a law to monitor the multibillion-dollar industry. Signed into law in March, the Fantasy Contests Act establishes basic consumer protections but exempts the games from current gambling regulations. It requires companies to ensure players are at least 18 years old, offer limits on the amount players may bet, undergo annual audits and bar employees from competing in company contests. It also defines fantasy contests as “any fantasy or simulated game or contest” to cover competitions involving awards shows, political debates and spelling bees. Stay tuned. Similar legislation, with some variations, is pending in nearly 30 states.

**Seeing is Believing**

Despite progress in captioning technology, only about 1 percent of movies in the U.S. are shown with captions, according to the National Association for the Deaf. Hawaii wants to change that. Lawmakers passed a first-in-the-nation law last year that requires companies with more than two theaters to show open captioned films at least twice a week, when available. Open captioning means the text of the captions is visible to everyone watching the movie. The law was written to sunset in 2018, however, so its author, Representative James Tokioka (D), whose son is deaf, has reintroduced it with the sunset removed.

**Phone Lines Open**

In an emergency, people can’t always make a call. That’s why at least three states—Illinois, North Carolina and Pennsylvania—have passed bills related to next-generation 911, known as NG911, allowing users to send text, video and picture messages instead of calling. Illinois’ law, for example, requires NG911 to be available statewide by July 1, 2020. For more details, search NCSL’s 911 legislation database at ncsl.org/magazine.

**Oh, Dairy!**

It might have just been the stomach flu. But the paradox wasn’t lost on several West Virginia lawmakers who fell ill after lifting glasses of raw milk in celebration of a new law allowing dairy farmers to sell the unpasteurized milk. Representative Pat McGeehan (R) said the tummy trouble was a coincidence, because a stomach virus was going around. Perhaps he was just feeling sour. “There definitely shouldn’t be a law against allowing people to do what they want within the framework of the rule of law. Just be careful,” he said. No doubt, the U.S. Food and Drug Administration would agree.
If you sat through those hearings and listened to the teachers, students, the parents, I don’t know how you could find it in your heart to vote against it.”

Washington Senate Majority Leader Mark Schoesler (R) on lawmakers voting to resurrect voter-approved charter schools after the Supreme Court ruled them unconstitutional, on OPB radio.

“We need to stay out of people’s bedrooms. That’s not our job.”

Oklahoma Representative Leslie Osborn (R) on “morality legislation” such as bills that would allow discriminating against gays and lesbians, in Free Speech Radio News.

“For me it’s an issue of what is right and moral, and reinstating confidence in the political process.”

Mississippi Representative Hank Zuber III (R) on his support for banning elected officials and candidates from spending campaign money on themselves, in The Associate Press.
**MINNESOTA SAID GOODBYE TO “A CONSUMMATE LEGISLATOR” WHEN MARTIN OLAV SABO (D) DIED**

March, said William T. Pound, NCSL’s executive director. Sabo, a 14-term congressman and a ground-breaking legislative leader before that, was 78. He was a founder of NCSL and its third president. “He was one of the small group of state legislators and staff who came together to create the National Conference of State Legislatures in 1974 and set the direction of NCSL to strengthen and improve state legislatures,” Pound said. “Sabo might be called the father the modern Minnesota Legislature,” as the Minneapolis Star-Tribune put it. First elected in 1960 when he was 22, Sabo became minority leader, then speaker at age 35. “He helped enact school and local government funding formulas that together are known as the Minnesota Miracle and endure to this day,” the newspaper said. Widely admired for his civility and bipartisanship, he served in elective office for 46 consecutive years, longer than any other Minnesotan.

**MARYLAND READING CLERK LYNNE B. PORTER IS RETIRING AFTER NEARLY THREE DECADES ANNOUNCING BILLS**

as they reached the floor of the Maryland Senate. The 2016 session will be her last. The Senate unanimously adopted a resolution honoring her service. She told the Baltimore Sun she wants to spend more time with her new grandchild.

**“Virgin Islands victims and their families deserve access to resources that can bring them closure and peace.”**

Virgin Islands Senator Novelle Francis (D) on a bill requiring DNA tests on people charged with sexual assault and violent crimes, in The Virgin Islands Consortium.

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as they reached the floor of the Maryland Senate. The 2016 session will be her last. The Senate unanimously adopted a resolution honoring her service. She told the Baltimore Sun she wants to spend more time with her new grandchild.

**“I thought if we’re going to insert ourselves into women’s most private health care decisions, then we should insert ourselves into men’s most private health care decisions as well.”**

Kentucky Representative Mary Lou Marzian (D) on her (tongue-in-cheek) bill requiring men to obtain their wives’ consent before purchasing Viagra, in The New York Times.

**TENNESSEE LIEUTENANT GOVERNOR RON RAMSEY (R) WON’T RUN FOR RE-ELECTION**

this year after serving in that position since 2007. “After a lot of prayer and many sleepless nights, I have determined that I simply cannot commit to another four years in office,” he said in a speech on the Senate floor. A real estate auctioneer with a well-known fondness for country music and “The Andy Griffith Show,” Ramsey became the first Republican to hold that leadership position in 140 years and was instrumental in bringing all three branches of state government under Republican control. “He leaves an incredible legacy of reform that will be hard for anyone to match,” state Republican Party Chairman Ryan Haynes said. Possible successors, the Tennessean reports, include Majority Leader Mark Norris, Speaker Pro Tem Bo Watson and Senators Jack Johnson, Randy McNally and Bill Ketron. At press time, McNally was leading in the effort to line up supporters.

**“Virgin Islands victims and their families deserve access to resources that can bring them closure and peace.”**

Virgin Islands Senator Novelle Francis (D) on a bill requiring DNA tests on people charged with sexual assault and violent crimes, in The Virgin Islands Consortium.
Tahra Johnson is a policy specialist in NCSL's Health Program.

State public health agencies face yet another threat with the Zika virus.

BY TAHRA JOHNSON

Aly Beckman, a social worker from Springfield, Penn., knows all about the Zika virus. She cancelled her 30th birthday celebration in Mexico at the last minute because of it. Her doctor advised against going because he knew she and her husband were trying to start a family, and the risks of contracting the disease and its effects on developing babies were unknown. Although its symptoms are often mild, its consequences can be devastating. Staying home was a small price to pay, Beckman says, to avoid the possible birth defects the virus might have caused.

“There is much we do not yet know about the Zika virus and its effects during pregnancy. For example, whether pregnant women are at greater risk of infection than other women,” says Mark S. DeFrancesco, president of the American College of Obstetricians and Gynecologists. “However, because of the associated risk of microcephaly, avoiding exposure to the virus is best. That’s why pregnant women and women who are considering pregnancy should delay planned travel to areas where Zika virus outbreaks are ongoing.”

Thirty-seven countries in Latin America, Africa, and some Caribbean and Pacific islands had reported locally acquired cases of Zika, as of the end of March. The World Health Organization in February declared the rapid spread of the virus a global emergency and has convened its emergency committee twice to investigate the correlation between the virus and Guillain-Barre syndrome, a neurological disorder that causes temporary paralysis, and microcephaly, a birth defect. In severe cases of micro-

cephaly babies’ brains don’t develop properly or are damaged during pregnancy. The babies have small heads and may suffer from seizures, developmental delays, intellectual disabilities, hearing and vision problems and more.

A Proactive Approach

“Virtually every state has ramped up” efforts to fight the disease, says Jeff Engel from the Council of State and Territorial Epidemiologists. Every state has set up a surveillance system, and all are “now a part of the national response.”

Florida had the most Zika-infected resi-
Students in the continental U.S. in February, which impelled lawmakers there to take “a very proactive approach to addressing the concerns surrounding the Zika virus,” says Speaker Pro Tem Matt Hudson (R). “We now have a citizen hotline for information, daily updates from our surgeon general, a significant number of new test kits and many other activities.”

Governor Rick Scott declared public health emergencies in the counties where infected people live, stating in a press release, “We have to ensure Florida is prepared and stays ahead of the spread of the Zika virus. … We must be prepared for the worst even as we hope for the best.”

“Funding has been reduced for public health activities at the same time that public health threats are coming more often and more vigorously and with more intensity.”

JAMES BLUMENSTOCK, ASSOCIATION OF STATE AND TERRITORIAL HEALTH OFFICIALS

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**Zika Virus**

**By the Numbers**

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1947</td>
<td>Zika was discovered and named for the Ugandan forest where it was first isolated</td>
</tr>
<tr>
<td>1952</td>
<td>First human case detected</td>
</tr>
<tr>
<td>3 to 7</td>
<td>Days it takes before symptoms appear</td>
</tr>
<tr>
<td>4 out of 5</td>
<td>The number of infected people who show no symptoms</td>
</tr>
<tr>
<td>315</td>
<td>Travel-related Zika cases reported in states and territories, as of March 30, 2016</td>
</tr>
<tr>
<td>0</td>
<td>Locally acquired cases reported in the states</td>
</tr>
<tr>
<td>352</td>
<td>Locally acquired cases reported in the territories</td>
</tr>
<tr>
<td>0</td>
<td>Vaccines and medicine to treat it</td>
</tr>
</tbody>
</table>

*Source: Center for Disease Control and Prevention, March 30, 2016*
The Vector Effect

Many experts advise ramping up local vector control and mosquito abatement programs. Vector control involves limiting or eradicating disease-carrying insects, birds and other animals. To control adult mosquito populations, workers drive “fogging trucks” through residential neighborhoods, releasing a spray that quickly kills the insects in masses. To attack the larvae in wetlands, ponds or neglected pools, workers use airplanes, ATVs or hand sprayers, depending on the size of the body of water.

The programs vary drastically in size, according to the American Mosquito Control Association—from one or two people in a district working part-time on a budget of about $5,000 to Lee County, Fla., which has 15 aircraft, a sizeable staff and resources of close to $24 million.

All this may be a challenge for local communities, especially those that rely on local taxes to pay for these programs. Some regions, especially those dependent on the tourism industry, have strong programs already, but others, especially poverty-stricken communities, likely do not.

“I have heard many officials say that vector control and mosquito abatement programs could be our weakest link, nationally, in responding to Zika,” Blumenstock says.

Eradicating pests is “often a local responsibility,” he says. “But these programs have been the casualty of budget cuts at the local level. The question is, do they have the resources to ramp up now?”

State budgets have cut health agencies’ base funding for emergency preparedness and infectious disease control over the last 10 years. Median per capita funding for
emergency preparedness for local health agencies was $1.15 in 2013, down from $2.07 in 2010, according to the National Association of County and City Health Officials. Even though state and federal funding is available to help fight crises like Ebola and West Nile, the approval process often takes time, delaying the response to such outbreaks.

“Whether it is microcephaly or something else, we need to recognize the capacity of the state public health agencies. There will be a tipping point—someday there will be threats that exceed our capacity or multiple threats at the same time that crash the system,” says Blumenstock. “Looking at what we experienced in the last 10 years, we need to see the best way to resource the state health agencies … for preparedness, planning and response.”

Recently, the CDC approved the use of leftover funding from the public health and preparedness emergency fund—originally allocated to fight Ebola—for Zika-related activities. “States were disproportionally effected by Ebola, so it is unclear which states have funding left to reallocate,” says Engel, from the Council of State and Territorial Epidemiologists.

If they haven’t already, Engel says, “State legislators, especially in the states most likely to be affected by Zika, should be meeting with their leaders in the executive branch and public health directors and environmental health administrators, to discuss the ability of the state to respond to the threat.”

The Education Piece

Besides supporting a more robust vector control program, lawmakers have also focused on educating their constituents. To raise awareness about the disease, Pennsylvania Representative Florindo Fabrizio (D) proposed a resolution, enacted in March, to create a Zika awareness month. “We live in a global society, and people from the Commonwealth [Pennsylvania] are mobile. The most important thing is to educate the people traveling to areas with the virus. We need to make sure we give them all the information we can so they can take the proper precautions.

“There is a lot of misinformation out there on Zika,” he says. “People are confused about what would happen if they got it. We need to alleviate concerns and correct any misinformation.” It’s people in Aly Beckman’s situation who provide the compelling reason to educate people, he says, “because good decisions always come from good information.”
Kevin Pula is a policy associate in NCSL’s Environment, Energy and Transportation Program; Ben Husch is a committee director in NCSL’s State-Federal Relations Division.

The federal FAST Act might help states find more sustainable transportation revenue.

BY KEVIN PULA and BEN HUSCH

Congress surpassed the expectations of many state lawmakers and transportation officials last year by passing a five-year comprehensive transportation bill. The Fixing America’s Surface Transportation Act ensures states a few years of federal financial support for transportation projects. More promising, a provision in the FAST Act, as it’s known, might be the catalyst for states to move past traditional transportation revenue streams, such as the gas tax, and find new, innovative and more sustainable funding sources.

Although all 50 states and the federal government impose gas taxes—typically levied on a cents-per-gallon basis—they are not the reliable source of income they once were. Rising road and highway construction and maintenance costs, political reluctance to raise taxes and the improving fuel economy of America’s vehicles are some of the reasons gas taxes can’t keep up with the growing need for road and highway improvements.

Over the next five years, Section 6020 of the FAST Act will provide $95 million in competitive grants to support state efforts to develop alternative transportation funding options. Although the law does not specify a certain type of revenue mechanism, it is widely believed that states pursuing road-use charges will be the primary beneficiaries of the funds. It’s an “opportunity to further explore long-term user-fee solutions to keep the highway trust fund solvent,” says Jim Tymon, chief operating officer of the American Association of State Highway and Transportation Officials.

With road-use charges, or mileage-based user fees, motorists pay for every mile they drive rather than every gallon of gas they buy. Odometer readers and global positioning systems track the miles driven.

In March, officials at the Federal Highway Administration formally announced the new funding opportunity and invited states to apply for the grants individually or in groups. Three types of applications will be accepted through May 20:

• A new demonstration project,
• An extension or enhancement of an existing...
demonstration project, or
• An activity that is a prerequisite to a
planned demonstration project that begins
within 18 months of the award.

Time to Test
NCSL worked closely with transporta-
tion officials and other national organiza-
tions to encourage Congress to include the
grant funding in the final version of the
federal law. The Mileage-Based User Fee
Alliance, a nonprofit organization that pro-
motes user fees, was a leader in ensuring the
landmark grant program came to fruition.

Barbara Rohde, the alliance’s executive
director, says the program gives states a
chance to test-drive user fees. She believes
the information gleaned from pilot pro-
grams funded by the grants will help gov-
ernment officials and other decision-makers
shape “the future of transportation finance
worldwide.”

Paying for What You Use
At least 10 states have passed legislation
since 2013 to study alternative transportation
funding and the feasibility of road-use fees.
Several more legislatures have commis-
sioned studies, and a handful have created
pilot programs to test the concept of road
fees. Conversations in statehouses, along
with FAST Act grants, likely will lead to
further state activity this year and beyond.

Oregon launched the largest user-fee
pilot program to date in July 2015.
The OreGo program is building a
cadre of volunteers who agree to receive a
monthly rebate for the gas taxes they pay at
the pumps in exchange for a bill based on
the miles they drive. At a rate of 1.5 cents
per mile, a vehicle with a fuel efficiency of
20 mpg would break even under the new
program by not having to pay the state’s
30-cent-per-gallon fuel tax.

Officials tried to anticipate public con-
cerns by letting volunteers choose from a
couple of mileage-tracking options: an
in-car GPS unit, self-reporting based on
odometer readings or a monthly set mile-
age fee. Private, third-party companies are
administering the program to alleviate pri-
vacy and data-collection worries.

“Ultimately, the goal of this public-pri-
ivate partnership is to pave the way for
reform by removing the uncertainty sur-
rounding a workable road-user charge,” says
Bruce Starr, a former Oregon senator and
past NCSL president. “Our program is vol-
untary, users have choices, it’s
transparent and the private
sector is collecting the fee—
all necessary for a successful
pilot.”

OreGo has been lauded
by transportation experts
around the country. Other
states are watching closely
while developing programs
of their own.

California is rolling out the Road Charge
Pilot Program, a voluntary effort that relies
heavily on Oregon’s experience. The
program was created by the Road Charge Tech-
nical Advisory Committee established by

### ROAD FEES

**By the Numbers**

- **15**
  States that haven’t increased gas taxes in more than 20 years.

- **21 cents**
  Average state tax on a gallon of gas.

- **19**
  States with a variable, rather than a fixed, gas tax rate.

- **5,000**
  Number of volunteers wanted by OreGo program to test road user fees.

- **1 in 5**
  Number of states that impose an additional registration fee for hybrid or electric vehicles.

- **$200**
  Georgia’s electric vehicle fee, the largest in the nation.

- **–9% vs. +44%**
  Decrease in real spending on US infrastructure vs. Increase in nominal spending, since 2003.

- **31%**
  Portion of state transportation funding provided by gas taxes.

- **45+**
  Number of funding sources states have for transportation, in 2011.

- **40%**
  State share of the total investments in Highways and Transit.

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TRANSPORTATION FUNDING

Electric Vehicle Fees

Road-use charges are not the only emerging transportation funding mechanism being considered in statehouses. Fees on electric and certain plug-in hybrid vehicles have become a hot topic as well.

Although electric vehicle sales remain low—they make up less than 1 percent of total vehicle sales—falling vehicle costs and state incentive programs may continue to drive consumers to these technologies, resulting in potentially even lower gas-tax revenues.

Last year, Georgia, Idaho, Michigan and Wyoming enacted fees on certain hybrid and electric vehicles—the most in one year to date. In total, 10 states currently impose fees as a way to recapture lost gas-tax revenue.

So far this year, lawmakers in at least 11 states—Alabama, California, Hawaii, Illinois, Indiana, Kansas, Kentucky, Louisiana, New Hampshire, Tennessee and West Virginia—have introduced legislation to establish special registration fees on hybrid or electric vehicles. If passed as introduced, Illinois, Kansas and West Virginia would adopt fees greater than or equal to Georgia’s $200 annual fee—currently the country’s highest.

In addition, Idaho and Missouri have introduced measures that would remove or decrease their existing fees on hybrid vehicles, and legislation passed in Wyoming changes the one-time decal fee for electric vehicles, established last year, into an annual charge.

“It is a bill about fairness. It is a bill that is about being proactive,” says Kentucky’s bill sponsor, Senator Joe Bowen (R). “It is a bill that in time will help our challenged road fund.”

Replacing the gas tax with a system based on paying for what you use would bring some “self-sustainability and fairness to our road-building program,” he says. “I’m encouraged by the pilot programs we’ve seen around the country and hope to make Illinois the first to implement such a system statewide.” Cullerton introduced a bill to do just that—fully implement a road-use fee for all vehicles in the state, going a step beyond the California and Oregon programs.

Illinois is a step ahead already with several years of experience administering a mileage-tax registration program that bases vehicle fees on their weight and adds charges for excessive mileage.

Driven by Disparity

Establishing a new revenue source presents several challenges, though in this case technology isn’t one of them. Recording drivers’ mileage and road use is actually relatively easy. The biggest hurdle with road fees might be convincing American drivers to pay an amount that is much more visible than the relatively hidden tax included in the price of gas.

Proponents of road-use charges point out that people think they pay more in gas taxes for transportation infrastructure than what they actually do.

Compared with other monthly consumer costs, the average amount paid in gas taxes is small. A recent analysis from California found that, annually, the average Golden State driver pays about $1,500 for cable TV, $1,200 for cell phone service, $1,100 for Internet access, but only $310 in gas taxes.

There are other concerns, namely privacy and fairness. The new technology being used to record the miles drivers’ travel may be able to track where they go and when as well. And rural residents and truckers question whether user fees are fair to those who have no choice but to travel long distances.

Despite these issues, the potential benefits of this new revenue source are acknowledged by many. And most agree that America’s infrastructure crisis is intensifying. As it does, transportation stakeholders—from lawmakers to truckers, and chambers of commerce to state departments of transportation—are watching closely to see how these pioneering states fare with their experiments.

If history is any indication, Oregon may again blaze the trail. It was there, in 1919, that the nation’s first gas tax was imposed.

Want to dive deep into the details of transportation funding? Go to SL Online and click on the Transportation Deep Dive banner on the right.
Gun Sales Gain Momentum

Increasing gun sales are keeping gun manufacturers in the black and background checkers busy. In 2015, the number of federal background checks of all kinds hit a record 23 million, according to the National Instant Criminal Background Check System. And the number of guns made in the U.S. reached more than 10.8 million in 2013, according to the Bureau of Alcohol, Tobacco, Firearms and Explosives.

State lawmakers are busy, too, debating and passing a variety of gun laws. Concealed carry laws have seen a lot of action. Nine states have “permitless” carry laws that eliminate the requirement for a concealed-carry permit or license, which usually involves passing a background test and completing a gun-safety course. Another eight states allow concealed firearms to be carried on public college campuses, while around 20 states ban weapons on campus and a few more than that allow individual colleges to make that decision themselves.

What’s in the future for gun legislation? At press time, South Carolina lawmakers were debating a measure to protect citizens who declare bankruptcy from having to sell all their firearms to pay off their debts. In New Hampshire, legislators were considering a bill to prohibit the government from confiscating firearms, ammunition and accessories during a state of emergency. Many other state legislatures discussed various gun measures this year, and a few are still on the table around the country.

State Legislation

Lawmakers have been active in the area of concealed weapons, whether owners should be required to get a permit and if they should be allowed on public university campuses.

Up and Up

Source: NCSL, Everytown for Gun Safety, National Rifle Association, as of March 31, 2016

Dissatisfied but Divided

Of the 62 percent of Americans dissatisfied with the nation’s current gun laws, 38 percent of them want to tighten laws, 15 percent want to loosen laws and 9 percent are dissatisfied but want the laws to remain as they are.

Source: Gallup, January 6–10, 2016
Proposed Settlements have been reached in a class action lawsuit that alleges price-fixing in the sale of municipal derivatives transactions by UBS AG, Société Générale S.A., Natixis Funding Corp., Piper Jaffray & Co., National Westminster Bank Plc, George K. Baum & Co. (the “Settling Defendants”) and other companies. The case, In re Municipal Derivatives Antitrust Litigation, MDL No. 1950, No. 08-02516, is pending in the United States District Court for the Southern District of New York. Defendants deny all allegations of wrongdoing and liability.

Who Is Included in the Settlements?
These Settlements include all state, local and municipal government entities, independent government agencies, quasi-government, and private entities that purchased municipal derivative transactions through negotiation, competitive bidding or auction:

(1) From any Alleged Provider Defendant or Alleged Co-Conspirator or brokered by any Alleged Broker Defendant or Alleged Co-Conspirator,
(2) Any time from January 1, 1992, through August 18, 2011, in the United States and its territories or for delivery in the United States and its territories.

These Alleged Provider and Broker Defendants and Alleged Co-Conspirators are listed in full on the Settlement website (at www.MunicipalDerivativesSettlement.com).

What Do the Settlements Provide?
The Defendants agreed to settlement amounts totaling over $100 million. Certain Defendants will also provide reasonable cooperation, including discovery cooperation, to Class Plaintiffs’ Counsel to the extent necessary if any of the Settlements are not finally approved.

What Do I Do Now?
• **Remain in the Settlements.** To remain in the Settlement Class, you do not have to do anything now. To be considered for payment, your Claim must be submitted online (at www.MunicipalDerivativesSettlement.com), OR mail it by July 28, 2016. If you previously submitted a Claim Form, and you do not have any changes to make to it, you do not need to do anything – your previous Claim Form will be used for these Settlements. If the Court approves the Settlements, you give up the right to sue the Settling Defendants for the claims and issues in this case. The Settlement Agreements, which are available at www.MunicipalDerivativesSettlement.com, describe in more detail the legal claims that you give up if you stay in the Class.

• **Exclude yourself from the Settlements.** If you do not want to remain in any of the Settlement Classes, you must exclude yourself. You must send a written request for exclusion by first-class mail, postmarked no later than May 17, 2016, to the Settlement Administrator. The detailed notice available on the Settlement website describes the information you are required to include in your request for exclusion. You can exclude yourself from some but not all Settlements. If you exclude yourself, you cannot participate in the Settlements from which you exclude yourself, but you retain your right to sue the Settling Defendants involved in the Settlements from which you exclude yourself on your own for the claims in this lawsuit.

• **Object or Comment on the Settlements.** If you remain in the Settlement Class and want to object to or comment on the Settlements or any part of them, you must file an objection with the Court and deliver a copy to the Settlement Administrator no later than June 20, 2016.

When Will the Court Decide Whether to Approve the Settlements?
The Court has scheduled a hearing on July 8, 2016, at 2:00 p.m. at the United States District Court for the Southern District of New York, United States Courthouse, 500 Pearl Street, New York, NY 10007, to consider whether to finally approve the Settlements as fair, reasonable and adequate, whether to approve the plan of allocation and Class Counsel’s request for fees and reimbursement of litigation expenses, and to consider any objections.

The Court has appointed the law firms of Hausfeld LLP; Boies, Schiller & Flexner LLP; and Susman Godfrey L.L.P. to serve as Class Counsel and represent all Class Members. If you want to be represented by your own lawyer, you may hire one at your own expense. You or your lawyer may ask to appear and speak at the hearing but are not required to. If you want to be heard by the Court, you must file a written notice of your intention to appear with the Court and deliver a copy to the Settlement Administrator and Defendants’ Counsel no later than June 20, 2016. The Court may change the time and date of the hearing. Any change will be posted on the Settlement website.

Get More Information
For more information on this lawsuit, your rights, or to obtain a list of Defendants, call or visit the Settlement website listed below or write to Municipal Derivatives Settlement, c/o Rust Consulting, Inc., P.O. Box 2500, Faribault, MN 55021-9500.

For more information: 1-877-310-0512 www.MunicipalDerivativesSettlement.com
When he speaks, it is clear that Louisiana Senator Jonathan “J.P.” Perry is from the heart of “Cajun Country.” His warm, easy drawl is integral to his “other” career as a comedian known as “the Cajun Ambassador.” Before being elected to the state House in 2007 and winning a special election to the Senate in 2011, he was a police sergeant, city councilman and assistant district attorney. He currently owns his own law firm. Perry is a born-again Christian, and attributes his rich culture, strong morals, modest lifestyle—and humor—to where he grew up.

**Have you always been funny?** I think so. My wife does not.

**How did you get into comedy?** I remember it like yesterday. After an event called Cajun Comic Relief in 2003, I entered a contest and I won! I became the 16th International Cajun Joke Telling Contest King. I mean it was really cool. I got my trophy and that was it. Two weeks later I get a call from a contractors association asking how much I would charge to do 20 minutes of comedy at their annual banquet. I literally said, ‘I don’t understand. What do you mean charge?’ I was so naïve. I could not believe somebody would pay me to do Cajun comedy. That is how I got started, and I’ve been doing it ever since. I’ve done Disneyworld and everywhere from Florida to D.C. to Minnesota to West Texas and Tennessee. I love it. It’s actually a stress reliever for me.

**How has being a comedian affected your legislative career?** When I decided to run for the state Legislature, consultants told me, ‘Don’t do any more comedy—people will use it against you.’ Actually, the opposite has happened. It’s really been beneficial, from a political standpoint, in that people tend to relate to me more. They realize, ‘Look, he’s just one of us.’ And in comedy, you’ve got to think quick on your feet. It’s very similar in the Legislature. When you’re presenting a bill, you need to read your crowd and, if you’re losing them, you’ve got to pull them back. Sometimes humor is the best way to do that.

**What drew you to public service?** When I was 27 my wife and I had just gotten married and I had 6-month-old twin daughters. Everywhere I looked, there was nobody young running for office and not many decisions being made with young couples or young business owners in mind. That was the main reason I ran for the Kaplan City Council. My daughters will be 15 in June, which I’m not doing well with at all. I don’t know if they realize it, but they’re both going to be nuns.

**Tell us about your “rolling” office and the challenges of being a citizen legislator.** The Legislature takes a lot of time and dedication. I drive an hour and a half to session and an hour and a half back home to be with the kids at night. So, I have a rolling suitcase filled with my files, and in between committee hearings and floor debates, I go over legal files and try to do some work so I can continue to put food on the table for my family.

**How do you fit it all in: family man, lawyer, legislator, and comedian?** I don’t sleep a lot, honestly. I’m known for it. Ask any of my family or friends: I just don’t stop. I think I’m just wired that way. A lot of people say my attention span jumps from one thing to another in 30 seconds, and they think that’s a bad thing. But I call that multitasking.

**What is your proudest accomplishment?** I really, honestly have not forgotten where I came from. I was born and raised here by a single mom. Now I have four children. That’s why I do everything I can to come home every night from the Legislature. I think it’s just staying grounded, providing for my kids and my wife, and not getting absorbed in the political arena.

**What would surprise people most to learn about you?** That I have three tattoos. I got a scales of justice after law school, a 13.1 after I finished my first half marathon, and when I finished my first marathon, I got the 26.2.

**What final words would you like to share?** I tell everybody that there’s going to be a Sunday morning—because elections in Louisiana are on Saturdays—when I wake up and I’m not an elected official. And when that day comes, I’ll be forgotten about pretty quick. But for those who remember me, I hope they remember somebody who was a gentleman, who treated people fairly, and who liked to make them laugh.

Jane Carroll Andrade, a program director in NCSL’s Communications Division, conducted this interview, which has been edited for length.