How to create jobs and support workers continues to cut along party lines.
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

We Can’t Reduce CO₂ Enough Without

NUCLEAR ENERGY

The world has set ambitious clean air goals and American innovators, like Bill Gates, Leslie Dewan at Transatomic Power and Jose Reyes at NuScale Power, are developing advanced nuclear energy technologies to reduce carbon emissions. Nuclear energy produces 63% of America’s carbon-free electricity and they know it has a distinct role to play to meet future energy and clean air goals.

LEARN MORE

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#whynuclear
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“When you give young people a shot, particularly in communities of color, they just make you so proud.”

Correction: The key accompanying the map in the April Statestats column, “Avoiding a Retirement Bust,” was incorrectly reversed. The corrected map is online at ncsl.org/magazine.
Creating and maintaining relationships and working well with others are as important in a legislature as they are in any workplace. Personal performance can suffer if we are not getting along with those around us. A lack of communication, consideration and respect for others brings down everyone’s effectiveness. Create a more productive and ethical work environment by practicing these basic, yet essential, principles.

Lend a hand.
Not everyone has the same skills as you, so offer your expertise to your coworkers and let them know you are there to help—and not just when asked. Likewise, drawing on your coworkers’ bank of expertise will help you gain new skills and improve your overall performance. Resources are used most efficiently when colleagues communicate and collaborate.

Learn from mistakes.
This is critical to improving your performance and developing a work environment in which people can truly evolve and grow. Too often, the same mistakes are made again and again. Break that cycle by figuring out what went wrong and why it happened, developing possible solutions and making appropriate changes.

Practice healthy habits.
This might be the toughest suggestion to carry out, but if you talk about improving the ethical culture in your workplace, you’d better start with yourself. Practice what you preach. Ask for help when you need it. The old adage “lead by example” has never been more fitting.

Be gracious and show respect.
Seriously, don’t be mean. It gets you nowhere. You can actually improve your performance at work by being nice. By being courteous and genuinely agreeable to those around you, it will be much easier to find help when you need it someday—and that day will come. Respect—give some, get some.

These goals are simple, but not achieved easily or quickly. Most of us must practice and practice, aiming for perfection but rarely reaching it. By creating strong relationships with those around us, offering our help, communicating clearly and showing respect, we will improve our own effectiveness and that of others. The success of a group, including a legislature, rarely relies on the behavior and ability of one person. Nonetheless, one person can affect group performance, for better or worse. So, what are you waiting for?

—Ethan Wilson

Ethan Wilson is a policy associate in the Center for Ethics in Government at NCSL.
The percentage of women being elected to legislatures nationwide has “flattened” at about 24 percent over the last decade.

Katie Ziegler, explaining that the lack of female candidates—not biased voting patterns—is the root of the problem, in the Los Angeles Times.

“Thus far, no state has enacted a law specifically targeting distracted bicyclists or pedestrians.”

Douglas Shinkle on how a few states continue to introduce, but not pass, legislation each year on this emerging issue, on thedenverchannel.com.

“This is new territory for states.”

Rochelle Finzel on state efforts to balance legalized same-sex marriage with religious protections and family law, in The Washington Post.

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Dustin Weeden on why states are introducing legislation to address higher college costs and student debt, in The Detroit News.

“In the last year, we’ve seen more legislation that tries to link the two together.”

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Staff Selfie

NCSL liaison to Massachusetts Angela Andrews (center) met with staffers Kristyn Taylor, front, and (from left) Ted Philips, Erin O’Connor, Anne Ziaja and Rita Noonan during her state visit in April.

Lunch Break

Taking a break from busy policy discussions to network with NCSL liaison to Rhode Island Sarah Brown (second from right) were (from left) House Policy Director Lynne Urbani, Speaker Nicholas Mattiello and House Majority Leader John DeSimone.

Peruvian Politics

South Dakota Senator Deb Peters, NCSL vice president, traveled to Lima, Peru with Utah Senator Curt Bramble, NCSL president, in April. They observed the general election, visiting nine different polling places. NCSL participated on behalf of the Parliamentary Confederation of the Americas.

Reports

NCSL publishes more than 50 reports a year on the most pressing issues facing states. Below are some of our most recent titles. Find these and other reports by clicking on the Research tab at ncsl.org.

- Disability 101: Employment Policies and Etiquette
- Dual Language Learners: State Options Under the Every Student Succeeds Act
- Improving Lifetime Oral Health: Policy Options and Innovations
- Improving Rural Health: State Policy Options
- Incorporating Community Health Workers into State Health Care Systems: Options for Policymakers
- Prescription for Pain Management: 10 State Strategies
- Seven State Strategies to Improve Health System Performance
- State Efforts to Protect the Electric Grid
- State Tax Actions: 2015
- Telehealth: Policy Trends and Considerations
- Traffic Safety Trends
- Transportation Review: Speed Limits
The Consumer Technology Association (CTA)™ Innovation Scorecard ranks each state by its willingness to welcome innovation—such as aerial drones and the sharing economy—through smart policy that supports our nation’s entrepreneurs, whether a small startup or global tech leader.

Does your state welcome innovation?
Legislators Have a Say in ESSA

Legislators won a seat at the table in the recently reauthorized federal K-12 education law. The Every Student Succeeds Act requires that, before submitting their Title I plans to the U.S. Department of Education, state departments of education consult with a variety of stakeholders, including legislators.

Ensuring that state lawmakers, with their statutory and constitutional responsibility for education and their budget-writing authority, take part in crafting plans for federal education programs may not seem like a stretch. In some states, they already are involved. This new provision, however, ensures that such consultation occurs in every state. It does not define what legislators’ involvement should look like; rather, it simply states that it must be “timely” and “meaningful.”

The complex law allows states to choose their own educational accountability system, to determine how to assess schools and students, and to decide how to intervene when schools aren’t measuring up. Legislators’ input will be particularly important when deciding on changes to these policies. Discussions about this process and how to get the most out of the opportunity are taking place in several states.

In Washington, for example, the superintendent of public instruction convened an ESSA Consolidated Plan Team that includes three legislators, educators, staff from the office of the governor and representatives of disadvantaged students, minorities and students with disabilities. The group split into four working groups to tackle assessments, English learners, instruction and early childhood needs.

At each step, decisions will be made by consensus. The role of the teams’ legislators, says Representative Sharon Tomiko Santos (D), chair of the Washington House Education Committee and a team member, is “to discuss and make decisions affecting state policy that require legislative change,” while ensuring accountability in education and the wise use of resources. She believes legislators’ involvement in the discussion already has created an environment in which the superintendent of public instruction has agreed to allow the Legislature to review the state’s final plan at the same time the governor does. Washington Representative Chad Magendanz (R) and Senator John McCoy (D) also are involved in the working groups.

Montana has two large ESSA working groups—one on the accountability plan, the other on grant management. Representative Debra Lamm (R), vice chair of the House Education Committee, and Senator Eric Moore (R), a Senate Education Committee member, were appointed to the project. “Because the Legislature is responsible for reviewing programs and funding a budget,” Lamm says, it is vital that lawmakers are involved “sooner rather than later.” They will need to review the working groups’ plans before finding the funds needed to change the state’s education programs.

Indiana, Maine and North Carolina and others also have started some aspect of the process, from revitalizing established mechanisms used for gathering public opinions on education issues to seeking input from citizens at public hearings.

Education has changed since 1965, when the Elementary and Secondary Education Act was signed into law by President Lyndon Johnson. The focus then was on administering K-12 education through a single department in each state. Today, early childhood, career and technical education, as well as post-secondary programs, also need to be considered. The consultation process—which also includes governors, state boards of education, local education agencies, Indian tribes, teachers, principals and parents—ensures that all state policy-makers ensure the various parts of the system work together to better serve students.

—Lee Posey
Saying “I Don’t” to “I Do”

Six states have passed laws that exempt religious officials from having to perform marriage duties that go against their beliefs, following the U.S. Supreme Court’s ruling legalizing same-sex marriage in 2015. Twelve other states and the District of Columbia had passed similar protections in conjunction with same-sex legalization laws in their states before the high court’s decision in *Obergefell v. Hodges*.

The laws in Mississippi, North Carolina and Utah not only exempt religious officials but also allow public officials to recuse themselves from performing their marriage responsibilities because of their religious beliefs. North Carolina’s law is being challenged in court. Lawmakers in Georgia and Virginia also passed bills this year, but they were vetoed. As of April, bills addressing marriage solemnization and religious exemptions had been introduced in at least 10 states.

—Rochelle Finzel

The Meaning of Moderation

Drinking in moderation may provide some health benefits. According to the Mayo Clinic, it may reduce your risk of developing and dying from heart disease, having certain kinds of strokes and getting diabetes.

Anyone seeking these health benefits, however, needs to know what is meant by “moderation” since there are plenty of risks to drinking too heavily.

It all depends on where you live. According to a new study by Stanford’s School of Medicine, the amount of alcohol considered safe varies greatly around the world. Researchers looked at 37 countries and found that government guidelines differ on what constitutes a “standard drink” and what is considered to be a “safe” or even beneficial amount of drinking.

The World Health Organization defines a standard drink as one containing 10 grams of alcohol, but many countries vary from that amount. In Iceland, a standard drink contains 8 grams of alcohol; in Austria it’s 20 grams. And in the United States, a standard drink contains 14 grams of alcohol, which is about the amount of alcohol in a 12-ounce beer or a 5-ounce glass of wine.

Recommendations for safe levels of drinking varied as well. In Croatia, India, Singapore and Sweden, the recommended weekly alcohol limit is 70 grams (less than one drink a day) for women and 140 grams (about a drink and a half a day) for men.

In the United States, the maximum considered safe in a week is 98 grams (seven standard drinks) for women and 196 grams (14 drinks) for men. Many other countries have higher weekly limits. For a single occasion, the U.S. government recommends women limit themselves to three standard drinks and men to four. In Australia, Portugal and South Africa, the recommendations for safe drinking are the same for men and women.

It can be confusing for people trying to drink responsibly, but most Americans appear to find these limits reasonable. In fact, 30 percent of Americans don’t drink at all, and another 30 percent drink about one beer or one glass of wine a week. But, according to the National Institute of Alcohol Abuse and Alcoholism, a whopping 10 percent of Americans consume an average of more than 10 drinks a day. And, no matter what country you’re from, there’s nothing moderate about that.
Consumers’ Right to Yelp

Who hasn’t bought something online without first reading some of the reviews, or clicked on “next” when something pops up with only a one-star rating? Reviews and review sites, like Yelp, are hugely popular. One consumer survey found that 92 percent of people read online reviews and 87 percent would never consider using a business that has a rating of only one or two stars.

Given the potential impact of negative reviews, some businesses have tried to thwart them. A few have written and posted fake positive reviews, resulting in crackdowns by the Federal Communications Commission or state attorneys general for false advertising.

Other businesses have taken an approach that has prompted legislation. They have inserted non-disparagement clauses into the fine print of service agreements that customers unknowingly agree to that limits their rights to complain about the business online. Too often, consumers hit the “accept” button in online contracts without fully understanding or even reading them.

A case that made headlines involved a couple who posted a negative online review in February about a Dallas pet-sitting service they had used. When they refused to remove the review, the company hit them with a lawsuit asking for $6,700 in damages. Unbeknownst to them, the couple’s signed agreement with the company prohibited them from making statements or taking actions that would harm the business.

Earlier incidents prompted lawmakers in California to pass the nation’s first ban on this practice in 2014. Known as the “Right to Yelp” law, it prohibits companies from using non-disparagement clauses unless the consumer knowingly, voluntarily and intelligently waives his or her right to complain.

As the use of non-disparagement clauses increases, so does the number of bills introduced to address the issue. Five states—Maryland, Massachusetts, New Jersey, Oklahoma and South Carolina—considered legislation this year to protect consumers who post negative reviews.

Maryland Delegate Jeff Waldstreicher (D) sponsored legislation this year to protect a consumer’s right to post an honest, negative critique but allow a company to sue for defamation if the consumer is untruthful. “This is an important bill to protect consumers and the right to free speech,” Waldstreicher says. The bill was signed by the governor in April. The other four states’ bills are pending.

A federal bill called the Consumer Review Freedom Act, introduced in Congress last year, addresses the same issue. It passed the Senate in December and is pending in the House Subcommittee on Commerce, Manufacturing and Trade. The bill allows attorneys general or other consumer protection officials to bring civil actions on behalf of state residents, unless the Federal Trade Commission has already initiated a civil or administrative action.

With the number of online transactions growing monthly, state lawmakers are likely to introduce more of these bills. Until the practice is banned, you might want to read the fine print very carefully before you hit “accept.”

—Pam Greenberg
The debate over how to create jobs and support workers continues to split along party lines.

BY ROGER FILLION

The U.S. economy’s less-than-robust recovery from the Great Recession has ignited a scramble among states over how best to create jobs and boost workers’ sagging wages. The competition among states has played out in legislatures across the nation. Politics have amplified the situation.

Republicans control both houses of the legislature and the governor’s mansion in 22 states. Democrats control them in seven. That split is reflected in debates over right-to-work laws and the minimum wage. Most experts say it’s too soon to know how the changes will affect average incomes, productivity, working conditions, state budgets and state economies.

But the politics are clear.

“What we’re seeing is a distinction at the state level in state policies,” says Steven Malanga, a senior fellow at the Manhattan Institute and senior editor at the think tank’s City Journal, with the Republican and Democratic approaches to labor issues “heading in different directions.”

“We’re in a period of intense competition for jobs among states because there hasn’t been the kind of recovery that provides effusive jobs and tax revenues for everybody,” says Malanga. “The Republican states have responded by passing right-to-work laws and the Democratic states have responded by raising the minimum wage.”

Recovery from the recession has been slow for the states. “None of the recessions in the past half-century have shown such a slow recovery in overall state tax revenues,” a report last June from the Nelson A. Rockefeller Institute of Government stated.

“At this point in four previous recoveries, state taxes, adjusted for inflation, were at least 10 percentage points higher relative to the prior peak than they are in this recov-

Right-to-Work Origins

The phrase “right to work” originated in the 1889 U.S. Supreme Court ruling Dent v. West Virginia, which stated that Americans had a fundamental right to pursue an occupation of their choice. The court forbade state legislatures from depriving or regulating people’s particular occupations. Later, an anti-union Texas newspaper editor, William B. Ruggles, reinterpreted the term to mean the right to work in a unionized business without paying dues.
ery,” it said, adding that corporate income taxes remain stuck at 15 percent below the levels before the recession.

The average American’s median income has struggled to recapture the ground it lost since the start of the recession as well. According to Sentier Research, an Annapolis, Md., firm, the median annual household income didn’t reach pre-recession levels until November 2015, when it was calculated at $56,746, just $32 over the December 2007 figure.

“The states are really pinched at this point,” says Malanga. “There’s a very competitive environment for jobs. The Republican states see these labor issues as one way to differentiate themselves from the rest of the country and to lure jobs.”

Competing for Jobs

At the center of much of the debate is the role unions play in the job marketplace. Twenty-six states and Guam have passed right-to-work laws that give workers a choice when it comes to union membership—a move that labor leaders charge has zapped the power out of organized labor. Unions can still operate in states with these laws, but workers can no longer be compelled to join as a requirement of their job.

West Virginia became the latest right-to-work state in February, after the Republican-controlled Legislature overrode a veto by Democratic Governor Earl Ray Tomblin. Most of the recent action on right-to-work legislation, however, has focused on the Midwest. Indiana, Michigan and Wisconsin have approved right-to-work laws in recent years, even though all three had resisted similar bills in the past. GOP election victories in 2010 made the difference.

In Wisconsin, in 2011, newly elected Governor Scott Walker (R), with Republicans in the majority of both chambers, set the stage for labor law changes by signing a bill that dramatically curtailed collective bargaining for public-sector workers. In 2015, the Legislature passed the nation’s 25th state right-to-work law.

“We have been the epicenter for changes related to unions,” Wisconsin Senator Scott Fitzgerald (R) says. The Republican

majority leader spearheaded passage of the right-to-work law, arguing it would help the state’s struggling economy by creating jobs, boosting manufacturing and improving the state’s business climate.

“It puts us in a good place,” he says. “We’re going to have a different profile as far as the state and as far as labor go. We had a heavily unionized state for so many years. We just became less and less competitive. And that’s what the Legislature has been focused on.”

Job Growth or Wage Growth

Gary Chaison, professor of industrial relations at Clark University’s Graduate

Right-to-Work Laws

Pros vs. Cons

Supporters say right-to-work laws:
• Protect workers’ rights to freely associate or not associate with a union.
• Hold unions accountable, because they really are businesses offering a service in exchange for a fee.
• Lead to more competitive bidding and wages.
• Allow states to employ a greater number of workers.

Opponents say right-to-work laws:
• Result in lower wages.
• Produce higher rates of workplace injury and death.
• Result in less money spent on education and training for workers.
• Lead to higher poverty rates and a smaller share of residents with health insurance.
School of Management, calls right-to-work laws “a barometer of union influence.” States that pass them believe they can attract more new businesses if the state isn’t “considered a union-friendly state,” he says.

And that may be true.

Although it is difficult to measure the effects one specific policy has on a state economy, plenty of studies have tried. A 2015 study by the West Virginia University College of Business and Economics noted that job growth in right-to-work states between 1950 and 2014 was nearly double the rate in other states, while gross domestic product grew by a factor of 7.8 in right-to-work states compared with 5.3 in the other states.

Employment growth in the manufacturing, construction and mining sectors especially has been stronger in right-to-work states over the last five decades.

The study, however, also found that annual wage and salary rates “were significantly lower in right-to-work states compared to non-right-to-work states between 1969 and 2013.” Other studies corroborate these findings.

Wages in right-to-work states are 3.1 percent lower than in states without the law, according to a 2015 report by the labor-friendly Economic Policy Institute. That averages out to be about $1,558 less each year for a typical full-time worker.

“Although there has been an extensive amount of research on the effect of [right-to-work] laws on union density, organizing efforts, and industrial development,” write the authors of the Economic Policy Institute report, “there has been surprisingly little examination of the perhaps more important issue of right-to-work laws’ effect on wages and even less on employer-sponsored benefits.”

West Virginia Senator Jeff Kessler (D) says he’s “not convinced the newly enacted right-to-work law will do anything to improve West Virginia’s economy. It’s a freeloader bill. It permits people to get the benefits of union representation without paying for the representation.”

“It’s a freeloader bill. It permits people to get the benefits of union representation without paying for the representation.”

—WEST VIRGINIA SENATOR JEFF KESSLER

The Correlations

It is hard to separate the effects of right-to-work laws from other legislative, economic, social and technological factors that influence state labor market conditions; these are only comparisons.

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Non-Right-to-Work</th>
<th>Right-to-Work</th>
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</thead>
<tbody>
<tr>
<td>Median hourly wage</td>
<td>$18.40</td>
<td>$15.79</td>
</tr>
<tr>
<td>Portion of hourly workers</td>
<td>57.7%</td>
<td>55.9%</td>
</tr>
<tr>
<td>Portion who are union members</td>
<td>17.5%</td>
<td>7.3%</td>
</tr>
</tbody>
</table>

Note: Figured in 2014 dollars

RIGHT-TO-WORK STATES

Although recent action has focused on the Midwest, a majority of right-to-work states passed bans on requiring employees to pay union dues back in the 1940s and ’50s.

When states passed right-to-work laws
- Before 2010
- Since 2010

Note: Guam also has passed a right-to-work law.
Source: U.S. Department of Labor
Minimum Wage, Maximum Response

As the number of right-to-work states grows, so does the number of states debating the minimum wage—the political flip side of right-to-work laws.

Democrats see increasing wages as a way to put more money into workers’ pockets; Republicans tend to say increases only harm businesses, forcing them to lay off workers.

At the start of 2016, 14 states raised their minimum wages, 12 of them through legislation passed in the 2014 or '15 sessions. Two of the 14—Colorado and South Dakota—tie rate increases to the cost of living. Coloradans received an 8 cent raise, South Dakotans a nickel. Nine other states that tie increases to the cost of living did not raise wages.

Maryland, Minnesota and the District of Columbia have minimum wage increases scheduled for later this year. And Nevada will announce in July whether or not there will be a cost of living increase. Other states have enacted increases since the start of the year, and five or six states will have proposals on the ballot in November.

Oregon lawmakers passed a tiered minimum wage law that requires different hourly rates in different parts of the state. The rate increases to $14.75 in Portland, $13.50 in mid-sized counties and $12.50 in rural areas by 2022.

Oregon Governor Kate Brown (D) called the bill a well-crafted compromise between labor groups and businesses.

California lawmakers approved a plan in early April to increase the state minimum wage to $10.50 on Jan. 1. It applies to businesses with 26 or more employees and requires annual hikes until the rate reaches $15 per hour in January 2022. Smaller businesses will have until the end of 2022 to comply.

The New York Legislature followed shortly after with legislation that will increase the minimum wage for New York City workers in businesses with at least 11 employees to $11 at the end of 2016, then by another $2 in each of the next two years. For employees of the city’s smaller companies, the hourly minimum will rise to $10.50 by the end of the year, then by another $1.50 annually for three years. The increases are slower for those living in other parts of the state.

Currently, 29 states have hourly minimum wages above the federal rate of $7.25, which hasn’t changed since July 24, 2009. Alabama, Louisiana, Mississippi, South Carolina and Tennessee have never adopted a state minimum wage.

Delaware Senator Karen Peterson (D) co-sponsored a bill this year to raise her state’s hourly minimum wage by 50 cents over four years, bringing the current $8.25 an hour to $10.50 in 2020. It passed the Senate in January but was held up in the House.

Raising Minimum Wages

Pros vs. Cons

Supporters say that increasing the minimum wage will:
- Put more money into the pockets of low-income workers.
- Help shrink the gap between low- and high-wage workers.
- Reduce turnover among low-wage workers.
- Put more money into the economy, because low-wage workers tend to spend their higher wages while higher paid workers tend to save them.

Opponents say an increase will:
- Force businesses to cut jobs to reduce higher labor costs.
- Not address poverty as effectively as offering income tax credits or encouraging savings.
- Force businesses to raise prices on goods and services.
- Lower business profits, decreasing the amount of money available to put back into hiring and operations.

3 MILLION AT MINIMUM

Around 3 million people—or 3.9 percent of all hourly workers—earned wages that were at or below the federal minimum of $7.25 an hour. The percentages ranged from 6.8 percent in Tennessee to 1 percent in both Oregon and Washington in 2014. Minimum wage workers often are fast-food cooks, dishwashers, manicurists, cashiers and, in some locations, preschool teachers, nursing assistants and bank tellers.

Note: The numbers indicate the percentage of hourly workers in the state who receive the minimum wage or less.

Source: Department of Labor, May 1, 2016
“In Delaware, one in five kids goes to bed hungry every night. These are the kids of the minimum wage earners.”

—DELAWARE SENATOR KAREN PETERSON

“In Delaware, one in five kids goes to bed hungry every night. These are the kids of the minimum wage earners,” says Peterson, a former state Department of Labor official. She disputes arguments suggesting a hike in the minimum wage kills jobs.

She looked at the impact of nine minimum wage hikes since 1990 and found that restaurant employment increased by an average of 1,725 workers after each hike.

“The people at the bottom keep falling farther and farther behind,” she says. “At least minimum wage increases lift a lot of people out of poverty.”

Nonsense, opponents say. The increases are not enough to pull anyone out of poverty and will only end up hurting the very people they are supposed to help.

“We have a lot of people taking votes and making votes who have never had to look at a payroll,” says Delaware Senator Dave Lawson (R). “We should not continue to set upon the entrepreneur and the businesses that provide jobs in this state. You’re running them out of the state.”

A State-Local Concern

In fact, several states are so sure raising the minimum wage will do more harm than good—especially inconsistently across the state—they have blocked local efforts to pass wage increases.

“We have a lot of people taking votes and making votes who have never had to look at a payroll.”

—DELAWARE SENATOR DAVE LAWSON

The Alabama Legislature, for example, approved a bill in February preempting cities and local governments from approving their own minimum wage hikes, scuttling Birmingham’s move to raise its minimum wage to $10.10 an hour.

“We want businesses to expand and create more jobs—not cut entry-level jobs because a patchwork of local minimum wages causes operating costs to rise,” says Alabama Senator Jabo Waggoner (R). “Our actions today will
create predictability and consistency for Alabama’s economy, which benefits everyone.”

Alabama Senator Linda Coleman-Madison (D) supports increasing the state’s minimum wage since the move to increase Birmingham’s was blocked. “Somebody has to recognize that we have a working-poor class of people who are not just in Birmingham,” she said.

“For once, I’d like for this legislative body to be the leader.”

Oklahoma passed a similar ban in 2014, and Michigan did so last year. They join at least 14 other states, according to the Pew Charitable Trusts, that bar municipalities from upping their minimum wages.

**Inconclusive Evidence**

Lawmakers are divided on what the best solution is to lackluster wages and slow job growth, but so are academics and economists. Depending on what you want to hear, there’s probably a study to support your viewpoint.

It’s complicated, with too many variables involved to know definitively how right-to-work and minimum wages affect local small businesses and workers’ quality of life.

So the debates will continue.

“There has been a continuing trickle of studies claiming that a higher minimum wage may not cause job loss, which has provided fodder to policymakers and others seeking increases,” says David Neumark of the University of California, Irvine, who co-authored a study in 2014. “But our new evidence directly addresses this claim and shows that it is simply not true. Higher minimum wages do destroy jobs.”

That’s just not so, say Dale Belman of Michigan State University and Paul Wolfson of Dartmouth College’s Tuck School of Business. Increases in the minimum wage raise the earnings of the lowest paid workers with “very modest or no effects on employment, hours and other labor market outcomes,” they wrote in their 2014 book, “What Does the Minimum Wage Do?”

And back and forth it goes.

**Union Membership Rates 2014 and ’15**

Nationally, the percentage of wage and salary workers who were union members was 11.1 percent in 2015, the same as in 2014. Across the country, however, membership rates increased in 24 states and the District of Columbia, declined in 23 states and were unchanged in three.

<table>
<thead>
<tr>
<th>State</th>
<th>2014</th>
<th>2015</th>
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<tbody>
<tr>
<td>Alabama</td>
<td>10.8</td>
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Better Call IT
How can states lower the cost of providing public services while making them easier for constituents and businesses to use? Magic won’t help, but technology might. In a new report, the Information Technology and Innovation Foundation highlights the cost savings and efficiency gains some states already have achieved by, for example, replacing routine government employee tasks with self-service tools on the internet, mobile devices and kiosks. All told, states could save up to $11 billion combined over the next five years, the foundation says. The potential savings range from $1.3 billion at the high end in California to $38 million in South Dakota.

Disability Gap
America has more gaps than just the one between the 1 percent and everyone else. Another is the disparity in the employment rates between people with disabilities and those without. Nationally, 34.4 percent of people with disabilities ages 18 to 64 were employed in 2014, compared with 75.4 percent of people in that age group without disabilities, according to the 2015 Disability Statistics Annual Report published by the University of New Hampshire. Employment rates vary widely by state, with South Dakota in the top spot: 50.1 percent of its working-age residents with disabilities have jobs. Rounding out the top five are North Dakota, Iowa, Nebraska and Wyoming.

Split Decision
In presidential contests, two of Nebraska’s five electoral votes go to the top overall vote-getter; the remaining three are awarded based on who wins in each of the state’s three congressional districts. The state votes overwhelmingly Republican, but there’s always a chance the electoral votes will be split, with one vote going to a Democrat, as happened in 2008 after Barack Obama won in the more urban district that includes Omaha. In April, Republicans were one vote short of advancing their plan to adopt a winner-take-all system. The Cornhusker State and Maine are the only split-vote holdouts.

Funds for Farmers
Like people starting careers everywhere, many young farmers are saddled with tens of thousands of dollars in student loan debt (the average was $28,950 per borrower in 2014), making it difficult to get financing to begin their own operations. Last year, a new program in New York let farmers who have graduated in the last two years apply for loan-forgiveness payouts. Total spending for the program is capped at $150,000 this year. Wisconsin lawmakers are considering a program that would forgive up to $30,000 for every participant who agrees to farm for five years.

Future Broadway Stars?
Senator Jim Dabakis (D) and Representative Ken Ivory (R) are about as opposed as two people can be when it comes to the federal lands transfer movement—but they’re in harmony on “Hamilton,” the wildly popular hip-hop musical about the life of Founding Father Alexander Hamilton. Dressed in costume—Dabakis as England’s King George III, Ivory as Hamilton—the two hit the Senate floor with their best rhymes to urge colleagues to pass a resolution honoring the show’s composer, Lin-Manuel Miranda. Their showstopping style hit the mark: The resolution, which states that “Hamilton” has “revolutionized” Broadway and inspired students to learn their history, was passed in March. The show also received the Pulitzer Prize for drama.
6 House Poor

The nation’s residential hot spots—San Diego, Silicon Valley and some District of Columbia suburbs—appear to be cooling, while locations with a lower cost of living—Las Vegas, Phoenix and parts of Florida—are attracting new residents. The biggest factor behind the moves, for millennials and retirees alike, is the cost of housing, which can swallow 30 to 50 percent of household income, according to The Pew Charitable Trusts. Consider: The median home price in Santa Clara County, in Silicon Valley, is $950,000; in Las Vegas, it’s $216,800. Santa Clara’s 2014 median household income was $93,500, the highest in the nation; Las Vegas’ was $51,214.

7 Sharing Is Good

A new Florida law repeals the state’s 148-year-old ban on unmarried couples living together. Although the old ban was rarely enforced, a conviction was hardly pain-free: Cohabitation was a second-degree misdemeanor punishable by up to 60 days in jail or a $500 fine. Because of its wording, the old law did not apply to same-sex couples. Supporters of the repeal argued that the ban posed a threat not only to marriage-averse young singles but also to penny-pinching unwed seniors. Michigan and Mississippi are now the only states with cohabitation bans still on the books.

8 Stormy Weather

The North Atlantic hurricane season begins this month and runs through Nov. 30. Some atmospheric facts on the coastal states from Maine to Texas, the areas most threatened by Atlantic hurricanes:

- 143.6 million: Population of those states.
- 60.1 million: Number of housing units, 2014.
- 3.3 million: Number of businesses, 2013.
- Wilma: Last major hurricane to strike the U.S., in 2005, three months after Katrina.
- Alex: First Atlantic storm of 2016.

Source: U.S. Census Bureau

9 Common Ground

Under a new law in Washington, lottery sales, rather than the state’s general fund, will be used to pay for charter schools. The state Supreme Court found a law adopted by voters in 2012 to be unconstitutional because the schools’ unelected boards were making decisions about how to spend public money. In the new law, the Legislature redefined charter schools—they are no longer “common schools” like the state’s traditional public schools—and changed the funding source. Governor Jay Inslee (D), who said in a statement he still has reservations about charter schools’ management, let the bill become law without his signature. Another lawsuit is expected.

10 Tipple Tax

Those concerned by the social costs of excessive drinking—88,000 deaths a year being one of them—will find Maryland’s recent experience encouraging. In the 18 months after the state’s sales tax on alcohol went from 6 to 9 percent in 2011, alcohol sales fell by 4 percent, according to a recent report from the Johns Hopkins Bloomberg School of Public Health. Liquor sales were down by 5.1 percent, beer sales by 3.2 percent and wine sales by 2.5 percent. Because sales reflect consumption, the findings suggest, though they don’t prove, that higher alcohol sales taxes reduce drinking, the university said.
“I had people asking me, ‘Is this a Scarlett Letter?’ Maybe it is.”
Utah Representative Mike McKell (R) on a new statewide white-collar criminal database—the country’s first—listing photos and other information of offenders convicted of various second-degree felonies, on foxnews.com.

“A lot of the ideas don’t occur in a vacuum, they occur because something happened to somebody real.”
Hawaii Senator Gilbert Keith-Agaran (D) on a bill clarifying the public’s right to photograph police, introduced after a Maui newspaper publisher was arrested for allegedly filming a traffic stop, in The Associated Press.

“Clearly, the regular political system is not working for us.”
Assemblywomen Cristina Garcia (D), vice chair of the California Legislative Women’s Caucus, on the high number of women leaving office after only a year when just over a quarter of California’s legislators are women, in The Los Angeles Times.

THE OHIO GOP CAUCUS SELECTED SENATOR MIKE SCHULZ (R) TO BE THE CHAMBER’S NEXT PRESIDENT PRO TEM. He succeeds Senator Brian Bingman (R), who is term-limited. Schulz, currently the majority floor leader, bested two other candidates, Senators Ralph Shortey (R) and Marty Quinn (R), for the top job. Elected in 2006, Schulz will reach his 12-year term limit in 2018. “It’s an honor to be selected by my colleagues to lead the Republican caucus,” he said.

THE OKLAHOMA GOP CAUCUS CHOSE PRESIDENT PRO TEM JONATHAN DISMANG (R) AS ITS LEADER FOR ANOTHER TWO YEARS. Elected to the Senate in 2013, Dismang served as whip until 2014. The full Senate votes for leader at the end of its fiscal session and will confirm its choice after the November election. Dismang is the first Arkansas senator to serve two terms as president pro tem since Democrat William F. Norrell did so from 1933 to 1937. Republicans control the chamber 24-11.
“Stay true to your values. Don’t forget where you came from. Don’t get sucked into the gold dome.”

Advice to millennials running for office from Connecticut Representative Aundré Bumgardner (R), who, at age 20, was the youngest lawmaker ever elected to the General Assembly, in The Hartford Courant.

“One by one, the senator from Lebanon County changed hearts and minds.”

Pennsylvania Senate Majority Leader Jake Corman (R) on how cancer survivor and Senator Mike Folmer (R) convinced his colleagues to legalize medical marijuana, on PennLive.com

“Hopefully no one will ever have to go through this again.”

Rhode Island Representative David Coughlin (D) on a bill—inspired by a resident who lost a leg in the Boston Marathon bombing—that allows victims of terrorist attacks to be eligible for compensation even if the attack happened outside the state, in The Associated Press.

“New Hampshire House Minority Leader Steve Shurtleff (D) is throwing his hat in the ring for the speaker’s post.”

Serving his sixth term in the House, Shurtleff says “it looks good for the Democrats to take back the majority this November, so I am looking forward to making a run.” Republicans control the 400-member chamber, the nation’s largest, 238-160-2. Democrats need to pick up 41 seats for a majority. Representative Shawn Jasper (R) was elected speaker in 2014 with the support of Democrats and enough Republicans to upset Speaker Bill O’Brien (R), who had been nominated by his fellow caucus members. Jasper has served 32 years and says he intends to run for speaker again.

“South Carolina Senator Shane Massey (R), one of the chamber’s youngest members, was elected majority leader.”

Serving his sixth term in the Senate, Massey says “I think it’s time for a new generation to step up.” Massey, 40, said after his election. “I think it’s important that the face of this caucus is someone who is younger and energetic and really excited to lead on conservative issues.” Massey was elected to the Senate in 2006 and remained the youngest member of his caucus for five years. In 2014, he was one of two Republicans who voted against Senator Hugh Leatherman (R) to become president pro tem. Massey said his disagreement with Leatherman, who chairs the Senate Finance Committee, “doesn’t mean we can’t work together on different things.”

“Baltimore’s new mayor apparent is Maryland Senator Catherine Pugh (D).”

Pugh narrowly won a crowded Democratic primary that included former Mayor Sheila Dixon. Democrats outnumber Republicans 10-1 in Baltimore, so winning the primary is tantamount to winning the election, to be held in November. Pugh comes to the job with extensive experience: banker, journalist, business college dean, city council member, House delegate, senator since 2007 and current majority leader.
Jackson Brainerd is a research analyst in NCSL’s fiscal affairs department.

Does the sales tax have a future?

The sales tax has fallen on hard times. Designed to capture payment on every purchase meant for general use, state sales taxes often miss transactions that should be taxed and apply to ones that shouldn’t, experts tell us.

For years, consumers’ spending preferences have shifted to shopping online rather than in stores and to buying more services than tangible goods. Since many states don’t tax such purchases, these changes have undoubtedly contributed to the currently anemic state of sales tax revenues.

In NCSL’s “Fall 2015 State Budget Update,” 22 states reported that general sales tax revenues fell below estimates or that revenue targets had been lowered. In Wyoming, for example, total taxable sales in the third quarter of 2015 were 18.2 percent lower than a year earlier.

And it’s not looking much brighter this year. In Kansas, retail sales tax revenues were $12.2 million below estimates in February 2016, contributing to an overall $53 million shortfall that prompted cuts to higher education. In March, Maryland lowered estimates for sales tax collections by a total of $127 million for fiscal years 2016 and ’17.

Past Its Peak?

Nationally, the tax is growing slightly slower than other forms of revenue. U.S. Census Bureau data show that, from 2008 to 2015, state and local income tax revenues grew by 26 percent in nominal terms, property tax revenues grew by 23 percent and sales tax revenues grew by 19 percent.

Economist John Mikesell, professor of public finance at Indiana University, points out that sales tax difficulties have been a long time coming. He has found that consumption growth has been consistently outpacing growth in the sales tax base for decades. In other words, consumers are buying more and more things that are not taxed.

In the report “Georgia’s Incredible Shrinking Sales Tax Base,” Robert Buschman of Georgia State University noted that the state’s sales and use tax revenues peaked in FY 2001 on an inflation-adjusted basis. Although the state’s economy was much larger in 2014 than in 2001, sales tax revenues fell by 31 percent in real terms. Although some of the drop can be explained by legislated tax exemptions, the report cited changes in consumption as a major factor. Had the sales tax kept pace with growth in state gross domestic product growth, it would have generated an extra $2.2 billion in FY 2014.

A Big Chunk of the Revenue Pie

In many states, the sales tax makes up a significant chunk of total tax revenue. On average, it accounted for 31.2 percent of state tax collections in 2014, and more than 50 percent in a few states. It is commonly criticized for its regressivity—low-income people lose a greater percentage of their income to the tax than the wealthy do—but its historical stability relative to the income tax makes it an appealing revenue-raiser.

In fact, the struggles of the sales tax are occurring as a number of states attempt to place more responsibility for funding government on

TAXATION

Learn more at the Summit in Chicago this August. Go to ncsl.org/summit
its back, often by reducing income or business taxes. From 2008 to 2015, seven states combined income tax cuts with higher sales tax rates, and 10 raised sales tax rates only. The trend has continued in 2016, with Louisiana and South Dakota lawmakers approving sales tax increases.

As the challenges of the 21st century marketplace mount, many states are looking for ways to ensure the sales tax remains a strong component of state revenues.

Case for E-Fairness

The sales tax has not kept pace with the rise of electronic commerce. In 1992, the U.S. Supreme Court reaffirmed in Quill v. North Dakota that, in order for a state to have the authority to require a business to collect and remit sales taxes, the business must have a sufficient physical presence—or “nexus”—in the state.

The ruling did not prevent states from collecting taxes on online purchases, just those made from out-of-state retailers. It also left room for Congress to address through legislation the issue of what constitutes a physical presence in the digital age—something it has declined to do. In the meantime, there has been a dramatic shift toward electronic commerce.

States lost an estimated $23.3 billion in 2012 in uncollected taxes to online and catalog purchases, according to University of Tennessee economist William F. Fox. The losses are becoming more pronounced as a greater number of consumers opt to shop online.

“Why is the same exact product, being sold at the same exact price, to the same individual, who will consume or use it in the same place, being taxed differently depending on how or where it was bought,” Utah Senator Curt Bramble (R) asked during a congressional hearing on the nexus issue.

“Every business should be afforded the right to compete but should do so by playing by the same rules. Nothing more, nothing less,” he said.

The retail analysis company ShopperTrak notes that brick-and-mortar sales on Black Friday dropped from $11.6 billion to $10.4 billion from 2014 to 2015. Online sales increased 14 percent during that period, bringing in a total of $2.7 billion. It would be inaccurate, however, to call these purchases “tax free,” because they’re not.

What’s the Use?

Every state that levies a sales tax also has an accompanying use tax. A use tax typically applies to goods that an individual buys out of state (online or in person), but brings back or uses at home.

The use tax, however, is notoriously difficult to administer and is almost never collected. In addition, auditing individuals is costly and time consuming, and many people don’t even know they’re obliged to pay the tax. In a survey of states, a Minnesota House report found that only 1.6 percent of taxpayers paid use taxes on their 2009 income tax returns.

Stuck between not being able to effectively collect sales and use taxes and inaction in Congress, states have attempted to address the issue themselves. Since 2008, 20 states have enacted affiliate nexus laws, known as “Amazon laws” for the online retail giant.

They require out-of-state retailers to collect and remit sales taxes if they have in-state, independent partners who post links to the out-of-state retailer’s website. These measures target only a piece of the e-commerce pie, however, and many online retailers simply terminate their agreements with affiliates in such states to avoid liability, diminishing potential revenue gains.

This year, 16 states have considered legislation that allows them to be more aggressive in their attempts to require out-of-state companies to collect taxes on online sales, regardless of whether they have in-state affiliates. So far, bills have passed in Louisiana and South Dakota.

South Dakota Senator Deb Peters (R) hopes these laws motivate Congress to act.

“We have spent years working to convince Congress to restore our sovereign
Holiday Jubilee

In addition to exemptions, many states also carve out periods of time (typically two to seven days) in which the sales tax is temporarily suspended, either for a few select items or all taxable goods. Seventeen states had a sales tax holiday in 2014, and 18 had at least one in 2015. The goal of these holidays is to stimulate economic activity while reducing the regressive impact of the tax, but think tanks from both sides of the political spectrum agree they do neither.

The evidence suggests that these measures simply encourage consumers to shift the timing of their purchases and retailers to raise prices in anticipation of bargain-hunting shoppers. One obvious effect these measures produce is less sales tax revenue. According to Georgia State University’s Tax Expenditure Report, the state lost about $41 million in revenue from its back-to-school sales tax holiday in 2013.

lower tax rates overall because of the revenue increase.

Critics argue that such requirements will place an undue collection burden on small businesses and lead to job losses. The parity act seeks to mitigate opponents’ concerns by phasing in smaller sellers, by ensuring those sellers aren’t subject to out-of-state audits and by making states responsible for the costs of installing and using software to determine the tax rates in customers’ jurisdictions.

Some Services Required

Remote transactions are not the only threat to the sales tax base. Consumers have shifted a lot of their spending away from tangible goods to services, which many states don’t tax.

The California Legislative Analyst’s Office found that consumer spending on taxable goods peaked in 1979, when Californians spent 53 cents of every dollar on taxable items. Since then, growth of the state’s sales tax base has lagged behind that of the overall state economy by 1.4 percent annually. By 2013, consumers were spending only 33 cents of each dollar on taxable items.

Most states tax at least a few services, but only five tax them broadly. Often, the services that would bring in the most revenue—legal, health care and construction services, for example—are not included in the tax base.

Adding a range of taxable services could bring in billions to state coffers. The California Board of Equalization estimated, for example, that the state could have generated $122.6 billion in FY 2016 by taxing all currently nontaxable services. The state’s general fund would have captured about $57.6 billion, with the remainder accruing to local governments and special districts.

The case for taxing services is strengthened when some untaxed services bear an uncanny resemblance to taxed goods. Non-taxable digital goods, in particular, are increasingly contributing to base erosion.

For example, a movie purchased as a DVD or through a cable provider like Comcast is taxable, but a movie streamed online from a company like Netflix is not. Netflix generated more than $2.7 billion in revenue from its domestic streaming segment in 2013, a 26 percent increase over 2012.

The tax base shrinks when such service providers gain a greater share of the market.

At least six states expanded their sales taxes to include more services in the last three years and at least four have so far this year.

There are, of course, reasons why states have been slow to tax services, just as they have with taxing out-of-state remote transactions. Many Americans aren’t enthusiastic about the idea of expanding taxes, and well-organized, vocal groups oppose any legislative action to accomplish that. They are not prone to welcome any effort that will inflate the cost of popular digital goods, entertainment, and other consumer services. Furthermore, businesses account for a large share of service purchases, taxing their services would exacerbate the existing problems associated with taxation of business inputs.

According to a special report by the Council on State Taxation, “the sales tax on professional services should be considered principally a state business tax.”

Florida began applying the sales tax to services in 1987, only to abandon the effort after six months in the face of fierce oppo-
sition. In 2007, Michigan similarly repealed a measure to tax services after just two months following a substantial public outcry that included recall threats.

The fervent opposition to service taxation suggests that progress in this realm will be difficult. Even if more states choose to expand taxes to services, the growing market for digital goods could present additional revenue concerns—digital goods may be cheaper than similar tangible goods, which would still mean lower sales tax collections.

**Other Exemptions**

In addition to online and service purchases, states also exclude a number of goods from taxation. Such exemptions usually exist for reasons related to fairness, collection troubles and tax competitiveness. It is common for states to exempt food, utilities, medicine and clothes, for example.

Of the 45 states that have a sales tax, 39 exempt food for eating at home entirely or tax it at a reduced rate. This can be costly; groceries account for about 20 percent of sales tax revenues in the states that tax them at the full rate. The food-at-home exemption is meant to reduce the unequal impact of the tax, but whether it accomplishes this is still being debated.

Exemptions also can lead to a surprising amount of complexity. If you exempt food but tax candy, for example, decisions must be made about what does and does not qualify as “food,” and vendors need to be able to keep up with how the two are distinguished, lest they be subject to state audits or penalties.

The debate around deciding which products receive exemptions recently received a lot of attention after Ohio Representative Greta Johnson (D) questioned why feminine hygiene products were categorized as taxable luxuries.

“Essential feminine hygiene products are a necessity, not a luxury,” she says, claiming the sales tax on them represents “yet another unfair economic barrier to full equality” for women.

Whatever the reason for exempting a product, as tax policy expert David Brunori has pointed out, “excessive exemptions force a state either to raise the sales tax rates or forgo revenue.”

**What’s Old Is New Again**

Concerns about the sales tax are not new. In 1998, NCSL released a publication with the National Governors Association and the National League of Cities on the hurdles state and local tax structures would face in the 21st century. They correctly predicted “an economy…dominated by personal services”...using “electronic media for purchasing goods and services.”

Debate over what will provide the better boost in revenues—taxing remote transactions and services or eliminating exemptions—continues in statehouse around the country.

Although the proactive approach states have taken recently regarding sales tax nexus may finally allow them to tax online purchases, after decades of trying, nothing is certain. As tax expert Billy Hamilton, a former Texas deputy comptroller remarked recently, “I’m beginning to think maybe a 10,000-year wait isn’t impossible.”

State sales tax bases continue to shrink while revenues under-perform. With little or no progress in strengthening the sales tax, it remains in a weakened position. Unless states dare to experiment with a new type of consumption tax, the future of the tax is uncertain.

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**The Hidden Tax**

In tax policy circles, it is widely acknowledged that one of the main problems with the sales tax is that it applies to many business inputs, which are used for production, not consumption. Business inputs range from materials used in the manufacturing process, to items conveyed to consumers free-of-charge (like restaurant napkins or utensils), to office computers. These taxes can be built into a good’s final selling price without consumers’ knowledge, making the effective tax rate higher than the advertised statutory retail tax rate. These business purchases account for about 40 percent of total state sales tax revenues; collections are about three times higher than state corporate income taxes.

A study by the Council on State Taxation concluded that “The current [sales tax] system is a clear impediment to state economic development efforts and a drag on companies subject to the complex system of state taxation.”

States are attempting to address this issue, but it is costly. A 2015 proposed regulation by the Iowa Department of Revenue would exempt a number of business purchases from the sales tax, but it comes with a $40 million price tag.

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**Pizza, Pain Meds and Pear Trees**

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<td>Apples</td>
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<th><strong>Taxable Items</strong></th>
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<td>Paper Books</td>
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<tr>
<td>Frozen Pizzas</td>
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<tr>
<td>Newspaper Subscriptions</td>
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<tr>
<td>Over-the-Counter Pain Meds</td>
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<td>Pine Trees</td>
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<td><strong>Taxable Food and Drink</strong></td>
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<td>Yoo Hoo</td>
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<td>Lemonade</td>
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<tr>
<td>Honey-Roasted Nuts</td>
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<td>Licorice</td>
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<td>Caramel Apples</td>
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New York has drawn the line between food and candy this way:

- **Exempt Food and Drink**
  - Nesquik
  - Iced Tea
  - Nuts
  - Fruit Rollups
  - Apples

- **Taxable Food and Drink**
  - Yoo Hoo
  - Lemonade
  - Honey-Roasted Nuts
  - Licorice
  - Caramel Apples
HEALTH CARE

Dollars From Data

Using information technology to identify the health system’s most frequent users can lower states’ costs.

BY LISA WAUGH

F lor Rosario was in and out of Allentown, Penn., hospitals almost weekly for several years because of a recurring cycle of anxiety and asthma that left her unable to breathe easily.

Ten miles away in Bethlehem, Jenny Hassan would end up in the hospital emergency room once or twice a week, often arriving by ambulance. Her bipolar disorder prevented her from properly managing her diabetes and keeping a job. According to the local newspaper, The Morning Call, both these women’s lives were spiraling out of control until a health care coordination program helped address the complex underlying issues that were preventing them from stabilizing their lives and their health.

Rosario and Hassan were what are called “super-utilizers”—the 5 percent of patients who account for 55 percent of overall health care costs, according to the Kaiser Commission on Medicaid and the Uninsured.

The Top 5%

Because of their many, often mismanaged, health conditions, people like Rosario and Hassan too frequently end up in costly ambulances and hospital emergency rooms, as well as county jails and social safety net programs, such as homeless shelters. Their health care bills account for a disproportionate share of health spending and drive up Medicaid costs.

Along with several chronic medical conditions—diabetes, asthma, kidney disease, congestive heart failure—around 30 percent of super-utilizers also have behavioral health issues, such as substance abuse, anxiety or depression, that complicate their medical care. Added to that is the fact that various mental health issues tend to be exacerbated in patients as their medical problems worsen and their independence decreases.

With the rising costs of Medicaid and other state-funded health services, identifying super-utilizers and helping them manage their care has emerged as a promising strategy to control costs.

“Patients with multiple chronic illnesses tend to have extremely high and unpredictable health care expenses,” says Colorado Senator Irene Aguilar (D).

“As a physician, I have seen the benefits of improved care coordination for people with multiple chronic illnesses,” she says. “As a legislator I am convinced of the cost savings associated with programs for super-utilizers.”

The Data Piece

The challenge is finding the super-utilizers, and that’s where information technology helps.

Some states are tracking down super-utilizers thanks to improvements in data collection and analysis. Data analysts, like the pioneer in this field, Jeffrey Brenner from Camden, N.J., study information from state Medicaid programs and hospital billing, utilization and claims records looking for patients who visit numerous inpatient facilities and repeatedly call on emergency responders.

Brenner, a physician, learned early in his career that the people with the highest medical costs were usually receiving the most uncoordinated care by cycling in and out of hospital emergency departments. He believed “we could make a big difference in people’s lives if we could figure out how to deliver more organized services that were easier for patients to use,” according to an interview by The New Yorker.

Once super-utilizers are identified, care
coordination programs—which organize all aspects of patient care, including information sharing among providers—can help address their needs before they reach a crisis.

Care coordinators helped Rosario draw on her faith and reconnect with her local church community. Members helped her find an apartment and settle in. And as she did, her breathing became easier to control, and the following year, she didn’t go to the emergency room once.

Medical Homes and More

In Colorado, lawmakers approved a program at Denver Health Medical Center, a public hospital, where super-utilizers receive help establishing a “medical home”—a single place for comprehensive care. Patients form stable relationships with health care providers, receive transportation to medical appointments and services, and learn to manage their medical and behavioral health issues.

And, the state saves money.

Tracy Johnson, a Denver Health researcher, found that 3 percent of adult patients met super-utilizer criteria there and accounted for 30 percent of all adult costs.

“Even if savings are just 2 to 5 percent ... it is still significant in terms of dollars,” says Johnson. “In a system like ours, that translates into millions of dollars.”

Other programs have reported savings as high as 50 percent. Denver Health calculates its return on investment using a comparison group, however, and may have a more realistic estimate of potential savings.

The Cost Factor

It is costly to establish data systems that track super-utilizers in the health care sector; but it is even more difficult to assess the cost of super-utilizers across different sectors, such as the criminal justice and social service systems. For example, the significant expenses covered by states and localities when people are incarcerated are rarely included in Medicaid calculations for super-utilizers.

Data systems that can integrate information from several sources and track costs can help officials improve coordination of care programs within and across the health and social services sectors and identify ways to cut costs.

Bringing It Together

As legislators debate health care funding and what looks to be the most promising programs for achieving real savings, many are considering these health care data systems.

Lawmakers in Maryland, New Jersey, Oregon and Texas have taken the lead in passing legislation authorizing super-utilizer programs that address data collection, usage, analysis and privacy issues.

“The states need to assess the costs and benefits of establishing data systems that collect information from all areas of state government,” says Utah Representative James A. Dunnigan (R), co-chair of the Utah Health Reform Task Force. With this data, “decision makers can assess the true impact that super-utilizers have on state budgets.”

Data systems that track how people use health care services are quickly becoming useful tools—not only for people like Rosario and Hassan, who receive better care, but also for state lawmakers who can track how health care dollars are spent.

Coming Soon: CPC+

Comprehensive Primary Care Plus is coming next January from the U.S. Department of Health and Human Services. Called CPC+, the five-year effort hopes to move the nation’s health care system away from the traditional fee-for-service model with carrots rather than sticks.

Participating providers will receive a monthly fee, along with bonuses for meeting specific goals, instead of for performing a certain number of patient visits or medical procedures, like most current systems still do.

CPC+ offers incentives for states to adopt the “medical home” model of care. Medical homes are “one-stop shops” for patients to get all their health needs met as efficiently as possible. Because they’re designed to coordinate medical services, behavioral health care and long-term community-based services, they can better meet the needs of people with several chronic illnesses.

Medical homes can also save money. Minnesota, for example, a leader in this type of care, has saved more than $1 billion in the past five years, according to a University of Minnesota study.

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Learn more at the Summit in Chicago this August. Go to ncsl.org/summit
Getting the Most From Millennials

Three steps to help you with younger coworkers

BY KATE ZABRISKIE

Kate Zabriskie is president of Business Training Works Inc., a Maryland-based talent development firm that helps businesses establish customer service strategies and train their people to live up to what's promised. For more information, visit www.businesstrainingworks.com.

W hat was she thinking wearing that to work today? This is the legislature, not a night club! How does he not know to bring a notebook and a pen to a committee meeting? Do I have to tell him everything? What would make her think it was OK to party with lobbyists until 3 a.m.? Unbelievable!

If you have new hires fresh out of school, or interns who are still in school, some of these observations may have a familiar ring. Are these new employees just bad hires? Probably not.

Rather, the source of such surprises more likely has to do with training (or the lack of it) related to workplace expectations. Before you say, “But they should know,” don’t waste your breath. Maybe they should know, but they don’t. Young, freshly minted employees or interns don’t know much about the workplace because most of them haven’t been in it that long.

Think about it: If the shoe were on the other foot and you found yourself in some kind of “Freaky Friday” role reversal, would you totally understand today’s high school or college social codes? Dream on, and good luck with that!

As someone with more experience than the people you hire, you have a responsibility to get them off to a good start. You can short-circuit many of the problems people encounter when working with new, young staffers if you follow these three steps.

1. Get to Know Them

Of course, millennials are not all alike, nor do they all exhibit the same behaviors and values. But generally—as a generation—they share some characteristics that define them and differentiate them from older generations.

Born between 1982 and 2004 and raised in an era when parents often treated their kids like friends, more than a few millennials still live at home and don’t plan on leaving soon. Many had to borrow money for college, and may have student-loan debts that are similar to some home mortgages. That doesn’t mean, however, that they’re clueless about life outside the nest. But their financial circumstances are probably very different from those previous generations knew at the same age.

These young people also grew up surrounded by ever-present technology in an era of instant answers. You may have had an Atari or Nintendo, but they had Google. They are multitaskers who are used to being able to find all kinds of information quickly and who find social media and texting hard to resist.

With parents as buddies and information available at their fingertips, many of these individuals have no problem questioning authority. In the legislature, you already may have noticed that they ask questions and interact with senior leaders confidently and boldly, in ways you wouldn’t expect.

Another difference is how they view praise. Unlike older generations, millennials grew up showered in praise, rewards and recognition—for excelling, sure, but often just participating was enough. Sports teams got trophies for showing up. School kids were recognized with ribbons and certificates for being polite, having integrity or displaying common courtesy. Millennials expect feedback larded with praise whether merited or not. On the other hand, they often work well in teams and enjoy collaborating with colleagues.

Millennials also view loyalty to an employer and longevity in a job very differently. They work hard and play hard

TOOLBOX
and cherish the flexibility to do both. In the past, it was a major taboo to job-jump or have gaps on a résumé. These days, you’ll find this generation will gladly take six months off to hike along the Appalachian Trail or to volunteer somewhere overseas. Strangers to delayed gratification, they aren’t saving those activities for retirement. They don’t expect to spend a lifetime at a job that’s not flexible when they have a bucket list to complete. Instead of thinking millennials will be part of your team for a decade or more, look for ways to make the most of the limited time you have together.

2 Spell It Out

Millennials are not the Amazing Kreskin. They don’t have clairvoyant powers. Most of them don’t even know who he is. (For those who don’t, he’s a mentalist who was popular on TV in the 1970s.) Don’t assume they will just “get it” or “catch on” or “absorb it.” Some will, of course, but assume nothing. They appreciate open, honest communication and abhor ambiguity. Take workplace dress codes, for example. Spell out your expectations about what is and isn’t acceptable. Fashion rules have changed dramatically, and if you offer no guidance new staff will likely step into the capitol in footwear you wouldn’t wear outside your house and in skirts shorter than many of us dared to wear even in the late ’60s and early ’70s.

Also consider other interactions they will have outside the capitol. Will they attend constituent functions with you? If so, it makes sense to review your expectations before you head out the door. Most will likely do fine on their own, but if you expect a certain standard of behavior, you need to make clear what that is.

3 Use Praise, but Keep It Real

As mentioned earlier, millennials are used to getting praise. But a lot of them have figured out that the trophy thing wasn’t much like real life. Still, they want to feel valued, so pay attention, recognize good work and offer constructive feedback often. It’s more time consuming, but if you put in the effort, it will pay off. Make time for regular one-on-one meetings where they not only hear from you but have a chance to share their thoughts and ideas as well. Millennials aren’t hesitant to share their opinions, and may offer a fresh perspective.

A word of caution: Millennials know when they are being patronized just as well as the next person, so choose your words wisely. Don’t skip this step. It will ultimately benefit the new person, the legislature and you.

A Final Thought

Training any employee takes time, and working with millennials has its own set of challenges. But taking these steps will provide a few shortcuts along the road to success. How much effort you put into training another person is certainly up to you. But think back to your first days in the working world. If someone spent time to help you early in your career, you were lucky. If you didn’t have that opportunity, don’t you wish you had?

Learn more at the Summit in Chicago this August. Go to ncsl.org/summit
The Rundown on Renewable Standards

Renewable energy is powering up across the nation—more than half of new energy sources announced for 2016 will be wind or solar. A key factor in this historic growth are state renewable energy mandates requiring, within a specific time frame, that a certain portion of utility sales be from renewable sources.

Iowa began the effort in 1983, and now 29 states, the District of Columbia and three territories have renewable portfolio standards. Eight states and one territory have voluntary goals. Renewable portfolio standards were designed to diversify energy sources, reduce emissions and promote economic development and job growth.

For the first time, several of these states either have eclipsed or are nearing their final target dates, forcing them to consider whether they will establish new targets, repeal final targets or maintain current standards but allow growth requirements to lapse. Part of the debate centers on whether these policies are still needed to drive renewable energy growth or whether energy markets would drive this growth in the absence of policy. This is the first year, for example, that the market, rather than portfolio requirements, is driving a majority of new utility solar installations.

So far, states nearing their final target dates have taken a variety of approaches. Montana, for example, left the mandate intact with no requirements for further growth, while New York increased its renewable standard. At press time, Michigan, Montana, Texas and Wisconsin—also with 2015 target deadlines—either had met or were projected to meet their final requirements. —Jocelyn Durkay

The Participants
Thirty-seven states, four territories and the District of Columbia have requirements or goals to produce more energy from renewable sources.

Have renewable portfolio standards
Have voluntary goals

Source: NCSL, April 30, 2016

Powering Up
Electric generating facilities expect to add more than 26 gigawatts of capacity to the power grid this year from all sources. Utility solar is expected to add 9.5 gigawatts—37 percent of the increase—the most of any source.


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<tr>
<th>Solar</th>
<th>Natural gas</th>
<th>Wind</th>
<th>Nuclear</th>
<th>Hydro</th>
<th>Petroleum and other</th>
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<tr>
<td>9.5 GW</td>
<td>8.0 GW</td>
<td>6.8 GW</td>
<td>1.1 GW</td>
<td>0.3 GW</td>
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<td>37%</td>
<td>31%</td>
<td>26%</td>
<td>4%</td>
<td>1%</td>
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Source: NCSL, April 30, 2016

Up for Renewal
Eleven states and two territories either have passed or are approaching their final target dates. The remaining participating states have deadlines as far out as 2035 or 2045.

2015
Michigan
Montana
Texas
Wisconsin

2016
Northern Marianas (MP)

2017
Maine

2019
Rhode Island

2020
Colorado
Connecticut
New Jersey
New Mexico
Washington
District of Columbia

Note: New York recently extended its standard from 29 percent by 2015 to 50 percent by 2030.

Source: NCSL, April 30, 2016
With every advancement in technology, Americans are using electricity in more ways than ever. And every day, the men and women of the electric power industry are working to deliver the safe, reliable, affordable, and clean energy that drives our economy and powers America.

Today, a profound transformation is underway across our nation. Electricity customers know that the way energy is used and produced is changing. Most important, they expect our industry to deliver the energy future they want, in ways that do not jeopardize reliability and affordability.

As we lead this transformation, we are focused on providing clean energy; building smarter energy infrastructure; and creating energy solutions customers want. To do this successfully, we will need to get energy policies right.

CLEAN ENERGY

Our industry has always relied on a variety of resources to generate electricity. We believe a balanced energy mix that combines clean and renewable energy sources with traditional ones is critical to ensuring that electricity remains safe, reliable, and affordable.

We also know that our customers are interested in cleaner generation to benefit the environment. Our industry is—and has been—taking meaningful actions to move America toward a low-carbon energy future. The facts demonstrate the progress we are making:

- **Our energy mix is cleaner.** In just 10 years, the mix of sources used to generate electricity in the U.S. has changed dramatically. Today, one-third of U.S. electricity now comes from zero-emissions sources (nuclear and renewables) that help reduce our environmental impact.

- **We are leading the way on renewables.** The use of renewable energy sources to generate electricity is projected to quadruple between 2010 and 2040. As leaders in renewables, electric power companies provide virtually all of the wind, geothermal, and hydropower in the country. We also have installed about 60 percent of all U.S. solar capacity, with the ultimate goal of bringing the benefits of cost-effective solar to all U.S. communities.
We are reducing emissions. Whether it’s by increasing the use of renewables, improving energy efficiency, or using cleaner fuels and technologies, U.S. electric power companies are intensifying efforts that, so far, have reduced carbon dioxide emissions close to 20 percent below 2005 levels, as of the end of 2015. In addition, between 1990 and 2015, emissions of nitrogen oxides were cut by 79 percent and sulfur dioxide emissions by 86 percent, during a period when electricity use grew by 36 percent.

SMARTER ENERGY INFRASTRUCTURE
As we think about our energy future, we must recognize the value that the power grid delivers. As the backbone of our system, the grid efficiently delivers reliable and safe energy, so customers always get the power they need, whenever they need it.

The continued deployment of digital smart meters—with nearly 65 million installed in U.S. households to date—is one key building block of a more dynamic and more secure power grid. Investments that hasten the integration of new technologies—such as small-scale wind and solar, energy storage, microgrids, and other devices in our homes and businesses—are another. Our industry invested a record $42 billion just in 2014 to enhance the power grid and to further enhance our grid security efforts.

Protecting the power grid is our industry’s top priority. Every day, we are working to improve grid security, reliability, and resiliency. Our security strategies constantly evolve and are closely coordinated with government partners. By working together, industry and government greatly enhance our response and recovery efforts following a major storm, as well as our ability to defend and protect against cyber and physical security threats.

ENERGY SOLUTIONS CUSTOMERS WANT
Customers today want more flexibility and want to be more engaged with their energy use. Electric power companies are changing the way they provide services to customers and individualizing those services—for large customers, like data centers and major corporations, that want to use renewable energy; for residential customers who want to manage their energy use with connected devices and through web-based platforms; and for major cities that want to be more sustainable and reduce their carbon footprint.

We also help our customers save energy. We invested $7.3 billion in energy efficiency programs in 2014 alone. These investments avoided the generation of 107 million metric tons of carbon dioxide and saved enough electricity to power 14.7 million U.S. homes for one year.

And, we continue to promote electrification in both on-road and off-road applications to support environmental goals, build customer satisfaction, and enhance national security by using more of our domestic energy resources.

Last year, we further bolstered these efforts by launching a partnership with the Department of Energy that is identifying and pursuing collaborative opportunities between the government and our industry to promote and accelerate the nationwide adoption of electric vehicles.

GETTING THE POLICIES RIGHT
One energy technology that customers are increasingly interested in is rooftop or private solar systems. Private solar offers an attractive option for some customers, and electric power companies are actively examining ways in which these systems can be better integrated into the power grid to enhance reliability, improve resiliency, reduce costs to customers and to the grid, and improve the environment.

We encourage policymakers across the country to update current policies to ensure that everyone who uses the power grid continues to share equitably in the costs of paying for the grid.

To ensure that electric power companies can deliver the energy future customers want and expect, it is critical that traditional generating sources work hand-in-hand with clean and renewable technologies; that a diverse energy mix is maintained; and that new technologies complement one another, instead of competing against each other.

At the end of the day, the more than 1 million Americans directly or indirectly employed by the electric power industry are committed to delivering safe, reliable, affordable, and clean energy—and to using new technologies and leading change that maximizes value to our customers.
Carl E. Heastie became the first African-American to serve as speaker of the New York State Assembly in February 2015. He represents the northeast Bronx, where he was born and raised. Before his election to the Assembly in 2000, Heastie was a budget analyst in the New York City comptroller’s office, where he reported on the city’s spending patterns. He earned a master’s degree in business administration with a concentration in finance from Bernard M. Baruch College and a bachelor’s in applied mathematics and statistics from Stony Brook University.

Have you always been good at math? Yes. Even in elementary and junior high school.

When you were a kid, what did you want to be when you grew up? It ranged from being a police officer to an airline pilot to a baseball player.

What drew you to public service? I always had an interest in politics. I always ran for things like class president in elementary school, but I lost every time. Never even came close.

And that didn’t deter you? No. When I graduated from Stony Brook, I came back home and I was working in a day care center as a bookkeeper. So I guess that kind of started me on public service. I started to get involved in local politics and then I felt like I wanted to run for office.

Has your experience in business and finance helped you as a legislator? Yes. Even before I was elected speaker, the budget was probably my biggest area of concentration.

What does it take to be an effective leader? The ability to listen, to look at everybody’s opinion as ingredients. Then we put them all together and we come out with something like a meal that everyone can be happy with.

What does it mean to be the Assembly’s first African-American speaker? I mean, it’s nice to be noted in history, but as I’ve said publicly, that’s not what I want to be known for. I want to improve the plight of people of color, but I really want to make sure that I do the right thing by the 19 million people in the state.

What keeps you up at night? It’s an ongoing desire to try to continue to improve the plight of people. As much as I think we accomplished in this year’s budget, I know that we still have a lot of work to do. There are still a lot of people who are struggling, and there are a lot of lives that I still want to try to impact in a positive way, by getting at the things like poverty, education and criminal justice reform.

What gives you hope? This is one of my favorite stories. I was given a bag of 53 thank-you cards from young people in a program that helps students from disadvantaged situations. One of the cards was from a young lady who thanked me and my colleagues for putting more money into the program. She had just gotten her acceptance letter into SUNY Albany, and she signed the card “future world changer.” But that’s not the most impressive thing about it. Her first semester there, she got a 4.0 GPA. Those are the types of things that keep me motivated. When you give young people a shot, particularly in communities of color, they just make you so proud that you helped them.

What would surprise people most to learn about you? I am much more shy than people realize. I’m a man of few words. I don’t like to command my presence in a room. That’s just not who I am.

What have you learned about yourself since becoming speaker? I’ve gotten a greater appreciation and acceptance of my relationship with the press. Before I was speaker, I just wanted to let the work speak for itself. But I realize now that the press is a part of the job and I’ve accepted it.

How do you de-stress from the pressures of the legislature? Sports, quiet time and my daughter.

What’s your favorite show? On TV right now it’s probably “The Walking Dead.”

Do you see yourself staying in public service? I don’t know if I want to stay elected till the day I stop working, but I will say this is absolutely the last political office I will ever run for, that’s for sure.

What final words would you like to share? It’s a great thing to do public service and to affect people’s lives, particularly people we don’t know. It’s always easy to do things for people we know, but to me it’s a greater achievement when we do things for people who would never have had the opportunity.
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