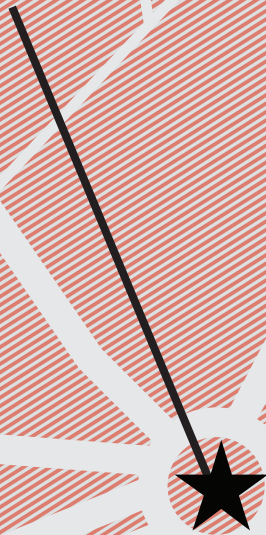


LOCALISM IN AMERICA



**Why We Should Tackle
Our Big Challenges at
the Local Level**



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WHY WE SHOULD TACKLE OUR BIG CHALLENGES AT THE LOCAL LEVEL

FEBRUARY 2018

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Introduction: Reviving Localism in America

Joel Kotkin and Ryan Streeter

One of the distinguishing characteristics of American dynamism is that, at its heart, the United States is an intramural, competitive enterprise. Competition among cities, regions, and states for people and investment has been essential to our success as a nation.

Interstate migration has always allowed people to “vote with their feet” and escape a bleak environment for a more promising one. Until the end of the 19th century, this primarily meant moving from the East Coast to the West. “The peculiarity of American institutions,” noted historian Frederick Jackson Turner, “is the fact that they have been compelled to adapt themselves to the changes of an expanding people.”¹

Then came other mass movements, including the “great migration” of six million African Americans from the segregated South to the less stringently racist cities of the North.² Today there is a reverse migration—among African Americans but also the rest of the country—to the less-regulated, lower-tax states of the Southeast and Intermountain West.³ Throughout our history, this battle between and within regions has allowed individuals and businesses the luxury of choosing the kind of environment they preferred or that fit their essential needs.

Implicit in America’s “competitive federalism” is the ability of states and localities to be different and freely pursue ends of their choosing. To be sure, some federal intervention against state and local prerogatives is necessary, as was the case with attacking legal

segregation, enforcing basic health and safety standards, or bringing electric power to remote regions. Yet increasingly this federal role has grown so intrusive that it now impinges on what has long been the bulwarks of local control, such as zoning, schools, and policing.⁴

The founders favored a strong federal government but remained profoundly aware of the dangers posed by a concentration of power. In *Federalist No. 47*, James Madison wrote, “The accumulation of powers legislative, executive, and judiciary in the same hands . . . may justly be pronounced the very definition of tyranny.”⁵ The Constitution divided power in two ways: among the executive, legislative, and judicial branches of the federal government and between the powers of the federal government and those “reserved to the states.”⁶ State constitutions also divide power along these two lines, presupposing and defining the responsibilities of local governments in various ways. Some states grant greater autonomy to municipalities than others, but generally, the founders regarded local decision-making as far removed from the purview of the federal government’s authority.

The following compilation of essays brings together an eclectic and ideologically diverse group of thinkers to examine various aspects of local governance and problem-solving. Some of the contributors assess the merits of local governing itself and suggest that, paradoxically, solving big problems may work better with smaller units of government. Others contend that localism involves the integrity of essential units

in society such as families, neighborhoods, and other locally approximate communities. Understood this way, the best way to promote local problem-solving in critical areas such as education and health care means empowering these essential units of society regardless of whether a state or local government or another governmental body is administering the relevant policy. Contributors to this volume also draw our attention to the growing importance of cities in our understanding of local solutions, why poverty is best addressed at the local level, and how reinvigorating local solutions is best for American democracy as a whole.

Feeding Leviathan

The issue here is *not* the irrelevance or intrinsic evil of government itself, but rather addressing society's primary challenges. Are they best addressed from the top or by a shift of responsibility to local governing agencies, neighborhoods, and families? While local governments can make mistakes and act in an authoritarian manner, the negative effects remain contained in their own jurisdictions and can be fixed more readily through the democratic process.

The notion of decentralized control predates America. Roman cities, for example, enjoyed particular autonomy from central control.⁷ The great Italian, Dutch, and Hanseatic cities of the early modern period enjoyed wide-ranging self-government and, in some cases, functioned as independent states. Arguably the most enduring example of this approach, as Leo Linbeck notes, can be seen in the durability of the Roman Catholic Church principle of subsidiarity, which the *Oxford English Dictionary* defines as “the principle that a central authority should have a subsidiary function, performing only those tasks which cannot be performed at a more local level.”⁸

What we have been pursuing, sadly, is not subsidiarity but a growing tendency for policymakers in both Washington and state capitals to impose themselves on historically local concerns. The federal bureaucracy has grown immensely in its financial and regulatory power under both parties. In 1929, federal

spending as a percentage of gross domestic product (GDP) was 3 percent versus 22 percent in 2016. The Congressional Budget Office's baseline models expect federal spending to creep up to 23.4 percent by 2027.⁹ The total number of economically significant regulations and the rate of growth of the pages in the federal regulatory code were roughly the same under President George W. Bush and President Bill Clinton.¹⁰

Although hardly the originator of this trend, President Barack Obama emerged as one of the most prolific authors of executive power in US history.¹¹ Critically, this occurred in a time of relative peace and no compelling national emergency. Obama issued regulations concerning issues such as climate change and immigration, without submitting proposals to a Congress regarded, as one White House spokesman said, as a body that was “hard to take seriously.”¹²

As Obama prepared for his last year in office, his agenda was defined primarily by new executive orders and regulatory edicts.¹³ This escalation of concentrated power has turned local government, notes Richard Epstein and Mario Loyola, from what Justice Louis Brandeis called “laboratories of democracy” into “mere field offices of the federal government.”¹⁴ Not surprisingly, many of the Trump administration's initiatives have found expression not in legislation but in revoking Obama's orders.

Promoting Polarization

By pushing centralization, Washington and some states are systematically undermining the habits of self-government that so appealed to Alexis de Tocqueville.¹⁵ Smaller units, he understood, were far more intrinsically participative than larger ones. As Howard Husock points out in his chapter, to run for office in a city of 5,000 or even 50,000 is very different than trying to get on the city council of a municipality 10–20 times bigger.¹⁶

Generally speaking, larger governments are less engaged with their citizenry. One indicator here is that voter turnout, declining in general, has fallen most in the larger cities and less so in suburbs and smaller towns.¹⁷ In mayoral races in Los Angeles,

turnout has fallen from nearly 70 percent in 1950 to 20 percent in 2016.¹⁸ In New York, voter turnout in mayoral races dropped from 93 in 1953 to 26 percent in 2013.¹⁹ Of the country's 22 leading cities, 10 experienced turnout under 20 percent in mayoral elections between 2008 through 2011. No city had a turnout of more than 45 percent.²⁰ Overall, notes a recent Pew study, residents in dense and large cities are "the least" engaged and interested in local issues.²¹

In contrast, the underlying premise of hypercentralization turns on assumptions of the expertise and wisdom of bureaucracies. As the *New York Times*' Thomas Edsall noted, the ensuing nationalism has served to make politics far more ideological and less capable of addressing real problems, as the center weakens and the extremes in both parties carry out ever-more narrow agendas.²² The real question, as social psychologist Jonathan Haidt has remarked, is: "How do we adapt our democracy for life under intense polarization?"²³

Certainly greater power has not made our institutions stronger or more well regarded. Public support for the major bulwarks of federal power—the presidency, the Supreme Court, and Congress—have been trending downward for decades.²⁴ Almost half (49 percent) of Americans view the federal government as "an immediate threat to the rights and freedoms of ordinary citizens," according to a 2015 Gallup poll.²⁵ According to the most recent annual Chapman University Annual Survey of American Fears, more Americans now fear their own government more than they fear outside threats.²⁶

People tend to prefer more localized governance. In a national 2015 poll, nearly two-thirds (64 percent) said more progress was being made at the state and local level in major challenges than the national level (26 percent).²⁷ People also generally prefer local and state government control. Some 72 percent of Americans, according to Gallup, trust their local governments more than their state institutions.²⁸ As Samuel J. Abrams, Karlyn Bowman, and Eleanor O'Neil point out in their chapter, three-quarters of Americans are satisfied with how things are going in their communities, compared to only 28 percent who are satisfied with how things are going in the country as a whole.

These attitudes, critically, are also shared by the generally left-leaning millennials, as Anne Snyder points out in her chapter. Millennials, whether Democrat or Republican, tend to show little to no faith in Congress. A Harvard Institute of Politics survey found that 83 percent of millennials had no faith in Congress. "Millennials are on a completely different page than most politicians in Washington, D.C.," notes pollster John Della Volpe.²⁹

How to Reinvigorate Our Democracy

Sen. Mark Hatfield (R-OR) once compared the US political landscape to the dystopic world of Franz Kafka's novel *The Castle*, a realm of suffocating bureaucracy and robotic obedience to authority. Like the colonial-era revolutionists, Hatfield told delegates, Americans must "break the chains that bind us," returning authority to vehicles such as "the town meeting, the voluntary organizations, the PTA, the neighborhood association."³⁰ As Hatfield suggested, localism offers the best hope for reinvigorating our democracy and finding effective ways to solve problems.

Former Defense Secretary Robert Gates notes that the country needs to return to "the system of government bequeathed to us by the Founders," saying that the expansion of government should be restrained "when so much of what we have works so poorly."³¹ As Gates suggests, federal power has proved ineffective at addressing key problems. After a half century of massive federal investment, federal antipoverty programs have had little success helping people escape poverty through higher earnings, however much they may have lessened the burdens of poverty.³² Similarly, there is little evidence that federal intrusion into the minutiae of public schools has done anything to improve poor educational outcomes.³³ At the regional level, large consolidations have proved inefficient, with higher costs and levels of indebtedness than smaller ones.³⁴

Ultimately nothing is more basic to the American identity than, whenever feasible, leaving control of daily life to local communities and individuals. This is a particular challenge at a time when control of our

economy is becoming more concentrated.³⁵ Powerful businesses and well-funded lobbyists are best positioned to get results in a large government setting. Citizens, smaller businesses, and local associations cannot easily compete against well-funded lobbyists in Washington, Austin, Albany, or Sacramento.

The issue of an overly centralized government cuts across partisan lines. The urge to consolidate power extends to both ends of the political spectrum and often includes state abuses of local government. While federalism and subsidiarity as principles have typically enjoyed more support among conservatives than progressives, as analyst Aaron Renn points out, conservative legislators in places such as North Carolina and traditionally localist Texas have undermined local control of core cities just as progressive legislatures have done in other states.³⁶

A return to localism, then, requires a new way of thinking that transcends ideological boundaries. As governor of Arkansas, Bill Clinton supported the view that local governments were often better suited to address civic problems. In his forward to David

Osborne's book *Laboratories of Democracy*, Clinton praised "pragmatic responses" to key social and economic issues by both liberal and conservative governors. Such state-level responses, Clinton noted, were critical in "a country as complex and diverse as ours."³⁷

This compilation reflects such pragmatic transcendence of ideological poles. It includes conservatives, such as several AEI scholars, and longtime Democrats, such as Texas Southern University's Jay Aiyer, urbanist Richard Florida, and former Al Gore aide Morley Winograd.

To resuscitate localism, we need to forge a new path that empowers the grassroots economy and polity and respects the diversity of contemporary America. We cannot expect that this movement would begin in Washington, DC, as deeply rooted in centralization as its institutions are, but it could be propelled by local communities and people who still believe in the decentralized democracy that the founders envisioned.

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Competition Among Local Governments

John Hatfield

In general, if any branch of trade, or any division of labour, be advantageous to the public, the freer and more general the competition, it will always be the more so.

—Adam Smith, *The Wealth of Nations*

The benefits of competition among firms are well understood: Competition among firms lowers prices, increases quality, and leads to technological innovation. In this essay, I argue that this fundamental insight—that competition is socially beneficial—extends to competition *among local governments*. In other words, when local governments are forced to compete, their residents benefit because the local governments must provide more value to attract and keep residents and investment.

However, unlike with competition among firms, many public policy scholars have condemned “destructive competition” among governments.¹ Indeed, in the 1990s, public policy scholars John Kenyon and Daphne Kincaid noted that “the prevailing popular and academic consensus [had] long been that competition between states and local governments has predominantly negative effects.”² Yet economists strongly believe in the virtues of competition in other areas: Few economists lament the competition among Verizon, AT&T, and Sprint for cell phone customers, and similarly, few lament the competition among State Farm, Allstate, and Geico to provide car

insurance. Indeed, this competition incentivizes firms to lower prices, increase quality, and create a greater variety of products. Here, I argue that the same benefits can be realized by competition among local governments, or *interjurisdictional competition*.

In this essay, I summarize the theoretical arguments for why interjurisdictional competition enhances outcomes for residents and the recent empirical literature investigating the effects of interjurisdictional competition.

Interjurisdictional Competition and Welfare

Many economists have argued that interjurisdictional competition has substantial benefits.

First, Friedrich Hayek argued that local governments are likely to have better information on their residents’ preferences and thus are better able to tailor policy to satisfy those preferences.³ Building on this insight, Charles Tiebout argued that when many local jurisdictions are present, residents are likely to sort themselves into different jurisdictions depending

on their tastes in public goods: One municipality could specialize in providing parks and nature trails for those residents who particularly enjoy such things, while another might specialize in playgrounds and high-quality elementary schools for residents who have small children.⁴ Thus, we should expect that allowing local governments greater policy choice would allow them to better fit those policies to residents' specific needs. This is similar to how firms in competitive markets tailor their products to specific market segments: Ford trucks, Honda minivans, and Porsche sport cars are all targeted at specific market segments, none of which would be well served by a generic sedan.

Second, Timothy Besley and Anne Case argued that local governance allows for "yardstick competition," in the sense that voters can evaluate local policy outcomes by using the "yardstick" of how other localities are performing (with respect to school quality, economic growth, and the like).⁵ Just as many CEOs' performances are "benchmarked" against similar firms, local government officials' performances can be measured by considering how other nearby localities did in similar circumstances. Boards of directors use these performance measures to fire underperforming CEOs; similarly, voters can compare how their jurisdiction is doing to other jurisdictions and remove underperforming local officials.

Third, and most importantly, competition among local governments incentivizes those governments to better respond to their consumers (i.e., residents). Geoffrey Brennan and James Buchanan were among the first to argue for the benefits of competition among local governments, showing how competition for residents can restrain Leviathan-like local governments.⁶ Later work built on this insight, showing that competition among local governments for capital investment can enhance residents' welfare and accelerate economic growth.⁷ Finally, other scholars have recently argued that competition for residents will induce local governments to more efficiently invest in long-term public goods.⁸

Evidence from Housing Values

We can test the hypothesis that competition among local governments induces socially beneficial outcomes by looking at differences in residents' willingness to pay to live in areas with significant competition among local governments. Places that are enjoyable to live, such as San Diego, have high housing prices, which reflect residents' willingness to pay to live in a locale where 50°F is "freezing." Similarly, if competition among local governments induces those governments to operate more efficiently and better provide for their residents, then that should be reflected in local housing prices.

In current work, John William Hatfield, Katrina Kosec, and Luke Rodgers test this hypothesis in the US context.⁹ They look at metropolitan areas across the United States and measure the degree of interjurisdictional competition by the number of counties that make up that metropolitan area. For instance, the Phoenix metropolitan area is composed of only two counties, Maricopa and Pinal, while the Seattle metropolitan area is composed of nine different counties (and has approximately the same population as Phoenix), as defined by the US Census. Thus, Seattle has significantly more interjurisdictional competition than Phoenix.

Hatfield, Kosec, and Rodgers find that having more counties indeed results in higher housing prices. Specifically, they find that doubling the number of counties in a metropolitan area increases housing prices by approximately 8 percent.¹⁰ That is, a house with similar characteristics (such as square feet, age, and number of bedrooms) will cost 8 percent more in a metropolitan area with four counties as opposed to two, after controlling for other relevant external variables such as ocean access and weather. They conclude that this 8 percent differential in housing prices is the result of cities with more interjurisdictional competition being more desirable places to live.

While this is strong evidence that competition among local governments is good for residents, it would be helpful to understand how this competition affects resident welfare: Does it lower tax rates? Increase the quality of public services? Engender

economic growth? I next consider the channels by which competition among local governments may enhance residents' welfare.

Interjurisdictional Competition and Social Outcomes

Competition among local governments induces those governments to create policies that appeal to residents, just as competition among firms induces those firms to create products and services that appeal to consumers. Here, I look at how interjurisdictional competition affects some of the most important determinants of how desirable a community is to live in, such as whether that community has abundant employment opportunities and high wages and whether it can deliver high-quality schools.

Wages. One of the most important factors in deciding where to live is the availability of jobs and high wages. Thus, I would expect that wages would affect housing prices—as indeed they do.¹¹ Therefore, as discussed above, I would predict that metropolitan areas with more interjurisdictional competition would have higher wages on average.

Moreover, local governments have a great deal of control over local economic outcomes such as wages: They can invest in public goods that enhance firm productivity. They can create tax incentives for firms to entice them to relocate. And they can implement regulatory regimes that make starting and expanding businesses easier.

Hatfield and Kosec tested the hypothesis that more competitive metropolitan areas have higher wages and wage growth.¹² They found that US metropolitan areas with more counties had higher wages and higher wage growth during 1969–2006.¹³ In particular, doubling the number of county governments in a metropolitan area led to an approximately 10 percent increase in annual wages per worker.

However, it may be that places with a greater degree of interjurisdictional competition attract more productive workers; moreover, when wages are higher, it may induce workers to put in longer hours as they receive more compensation per hour worked. Both of

these effects can be seen in the data: After controlling for worker characteristics, the effect of doubling the number of counties on wages falls to approximately 6.5 percent. When I further consider hourly wages (as opposed to annual wages), the effect of doubling the number of counties on wages falls to approximately 4.5 percent. Nevertheless, this is strong evidence that competition among jurisdictions induces those jurisdictions to enact policies that substantially increase wages.

Education. The importance of high-quality schools to local housing values has long been recognized.¹⁴ School quality is a much-desired attribute for homebuyers with children, and I would expect that local governments subject to a high degree of interjurisdictional competition would be highly incentivized to improve school quality to attract residents.

The question of whether interjurisdictional competition is good for educational outcomes was first explored by Caroline Hoxby.¹⁵ Hatfield, Kosec, and Rodgers reexamined this question using more recent data and found that educational outcomes were indeed significantly higher in cities with more interjurisdictional competition. Just as competition among firms induces those firms to create higher-quality products, competition among local school districts induces school districts to perform better.

Taxes and Spending. Interestingly, it does *not* seem to be the case that metropolitan areas with more interjurisdictional competition have lower tax burdens. Hatfield and Kosec found that metropolitan areas with more interjurisdictional competition in fact have higher taxes and spending per capita; specifically, doubling the number of counties leads to an additional local tax burden of approximately \$100.

At first, this result may seem surprising, since competition for residents should incentivize local governments to lower their taxes to attract residents. But at the same time, local governments are incentivized to use local tax revenue more efficiently; if this efficiency gain is large enough, residents may be happy to pay more overall in taxes for the higher-quality public services provided.¹⁶ Moreover, the increase in per capita

taxes is small relative to the increase in wages; thus, the net-of-local-taxes income for residents is still significantly higher in metropolitan areas with more interjurisdictional competition.

Pollution. However, just as with competition among firms, market imperfections sometimes necessitate government intervention; in the case of interjurisdictional competition, this implies a state or national government intervening. For instance, a monopolistic industry may pollute less than a competitive one, since a monopolist will restrict output to raise prices. Similarly, small jurisdictions in a metropolitan area may allow too many polluting facilities, as much of the pollution created is “exported” to other jurisdictions. Thus, a jurisdiction may receive most of the benefits of allowing a heavily polluting facility (such as jobs and tax revenue) while not paying all the costs (since the pollution affects the entire metropolitan area).

Hatfield and Kosec tested the hypothesis that air pollution levels are higher in areas with more interjurisdictional competition. They found that doubling the number of counties was associated with greater levels of air pollution: Specifically, doubling the number of counties was associated with an additional 11 days per year with an Air Quality Index above the level the Environmental Protection Agency considers safe.¹⁷ They also found that areas with

more interjurisdictional competition have higher concentrations of toxic air pollutants such as acrolein and benzene.

Conclusion

Local governance has been a cornerstone of American politics since the signing of the Constitution, and competition among local governments for business and residents is just as old.¹⁸ And there are many reasons to believe that this competition among local governments leads to better outcomes: Local governments can cater to residents with different preferences more easily than a central government. Evaluating the performance of local officials is easier for residents than evaluating the performance of national politicians. And the competition among local governments disciplines those governments to provide more value for each tax dollar collected.

Moreover, an abundance of evidence shows that these benefits are realized in practice: Metropolitan areas with more local governments tend to have higher real estate prices, higher wages, and better educational outcomes. Thus, in a time of increasing demand for efficient government, we may want to look to local governments—and the competition among them—to create public institutions that serve us better.

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16. A similar phenomenon was observed in the cell phone industry: Apple's entry with the iPhone dramatically raised the average price of a cell phone, but this clearly redounded to consumers' benefit due to the increased quality of the product.
17. The Air Quality Index is based on the concentrations of ozone, particulate matter, carbon monoxide, sulfur dioxide, and nitrogen dioxide, all of which may cause respiratory difficulties.
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The Enduring Virtues of American Government Localism

Howard Husock and Wendell Cox

It might be called the siren song directed at US local governments. Merger and consolidation aimed at reducing the number of America's small municipalities will, it is said, lead to greater efficiency—presumably lower costs for services and, theoretically at least, lower taxes.

Municipal consolidation, usually wrapped in a shiny good government package, is an idea that refuses to die.¹ New York Gov. Andrew Cuomo is the latest to advance it, promising to “streamline their bureaucracies, cut costs and deliver real relief to their taxpayers.”²

In practice, however, consolidating local governments has not worked as promised, often leading to prohibitive costs, higher taxes, and reduced efficiency. This conclusion, which we will explain, may seem counterintuitive. And to be sure, there are select services (fire protection and libraries come to mind) for which it makes good sense for municipalities to work together to expand capacity to reduce costs.

However, overall, the American tradition of local government has proved to not simply exist as an artifact of a simpler time from a more rural America of sparsely populated settlements. Evidence points to America's thousands of local units of government, each with their own powers of taxation and capacity to incur public debt, manage their own budget authority, represent their own distinct electorates, and express and devote funds to locally preferred public services, as a catalyst for the American tradition of localism and its positive side effects. Just look to the flexibility

local government offers in public investment—while some governments will invest in golf courses, others will in skateboard parks. Some will construct new school buildings; others will add more teachers. Some will choose to appoint city managers; others will be governed by open town meetings.

This paper reviews the relevant research and offers explanations as to why consolidation and efficiency—often called “regionalism”—do not improve the self-governance of small units of government. More broadly, it reflects on the ongoing virtues of local government as historically structured in the US and why Americans evidently prefer local municipal governments over larger governmental bodies.

The Historical Context

Woodrow Wilson, when asked how Americans out in the provinces are governed, observed that American cities and towns “govern themselves.”³ Yet local government control since then has not been enthusiastically embraced.

The idea that larger units of government might be preferred for economies of scale over smaller local governments has garnered considerable support since Wilson's presidency. For more than a century, prominent academics have touted the supposed benefits of municipal consolidations, based principally on high-minded theories unsupported by evaluations of actual results. In 1978, Virginia Commonwealth

University Professor Nelson Wikstrom described the puzzling persistent dominant idea of municipal consolidation in academic debate:

In terms of metropolitan political structure, I maintain that the merger position is a rather tired, weak and unimpressive one. What is surprising is that this view of the normative nature of urban political structure could maintain its dominant intellectual position for such an extended period. It appears that the ambiguous wisdom of the electorate, as manifested by its general negative political behavior toward reform proposals, exceeded the perception of scholars of urban government.⁴

Municipal consolidation first began in the 19th century, when major East Coast cities began consolidating local units of government to expand utilities and services. While the most prominent instance of consolidation could be found in the boroughs of modern New York City, Boston and Philadelphia city governments also incorporated once-independent local governments. At the time, there seemed to be good reasons. Central cities tended to control clean water supplies and even have better school systems than relatively rural neighbors.⁵

However, rather than merge local governments, Americans have been merrily creating new ones. According to Census data, in 1942 there were some 155,000 units of local government in the US—including municipalities, counties, townships, school districts, and special purpose governments that largely serve regional services, such as sewer, water, fire protection, and transit districts. While the number of total local government units steadily declined to 90,000 in 2012, most of the decline can be attributable to independent school districts. In 1942, there were an astounding 108,000 independent school districts—in 2012, just 12,800 remained.⁶ In contrast, there were some 16,200 local municipalities in 1942, and by 2012 they had increased to 19,500 (Table 1).⁷

Rather than accept the academic preference for one-size-fits-all regional or metropolitan governments, citizens have incorporated new municipalities while legitimate regional issues have been assumed by special districts (or cooperative efforts between municipalities), for which existing regional bodies were considered inappropriate (such as counties). This has permitted electorates to maintain control over inherently local functions. Special districts, for instance, are local, providing utility services and other public services to emerging suburban areas to ensure

Table 1. Local Government Units in the United States

Year	Total Local Government Units	Counties	Municipalities	Townships	Independent School Districts	Special Districts
1942	155,067	3,050	16,220	18,919	108,579	8,299
1952	116,756	3,052	16,807	17,202	67,355	12,340
1962	91,185	3,043	17,997	17,144	34,678	18,323
1972	78,217	3,044	18,516	16,991	15,780	23,886
1982	82,290	3,041	19,076	16,734	14,851	28,588
1992	84,955	3,043	19,279	16,656	14,422	31,555
2002	87,525	3,034	19,429	16,504	13,506	35,052
2012	90,056	3,031	19,519	16,360	12,880	38,266

Note: "Local Governments" is defined as government created by or under the laws of states.

Source: US Census of Governments in years indicated.⁹

that the new infrastructure is paid for by users, rather than the existing municipal tax base (such as the municipal utility districts of Texas).

Municipalities also have the authority in many states to make cooperative agreements with other municipalities to more efficiently and effectively provide services. These agreements have the advantage of being voluntary, which permits municipalities to exit the agreements at contract expiration, should they no longer be advantageous.⁸

Were it not for a massive consolidation of school districts, the number of local governments would not have declined at all since the 1940s, notwithstanding a continued push for regionalization. Indeed, since 1972, the number of local governments has increased by 11,000 (Table 1). The trend, in fact, gives one pause. The one area in which consolidation has been most pervasive—public education—has emerged as a perplexing national problem. Costs have risen, and the results are dissatisfying.¹⁰

Efficiency Is Not a Function of Size

Perhaps most damaging to the idea of consolidation is the idea that larger governments are not necessarily more efficient, a concern raised in 1972 by University of Indiana economist and eventual Nobel Laureate Elinor Ostrom.¹¹

Simply put, the evidence has not supported the virtues asserted for consolidation. The effects of local government mergers, city-county consolidations, and similar changes have been widely examined in academic studies and literature reviews.

A 2011 review of peer-reviewed literature from Lawrence L. Martin and Jeannie Hock Schiff of the University of Central Florida found limited empirical support that city-county consolidation increased efficiency of service delivery, promoted economic development, or improved socioeconomic equity.¹² Of the nearly 3,150 county-level governments in the United States, fewer than 50 have become consolidated city-county governments.¹³

Similarly, a US National Research Council report reviewed the consolidation literature and found

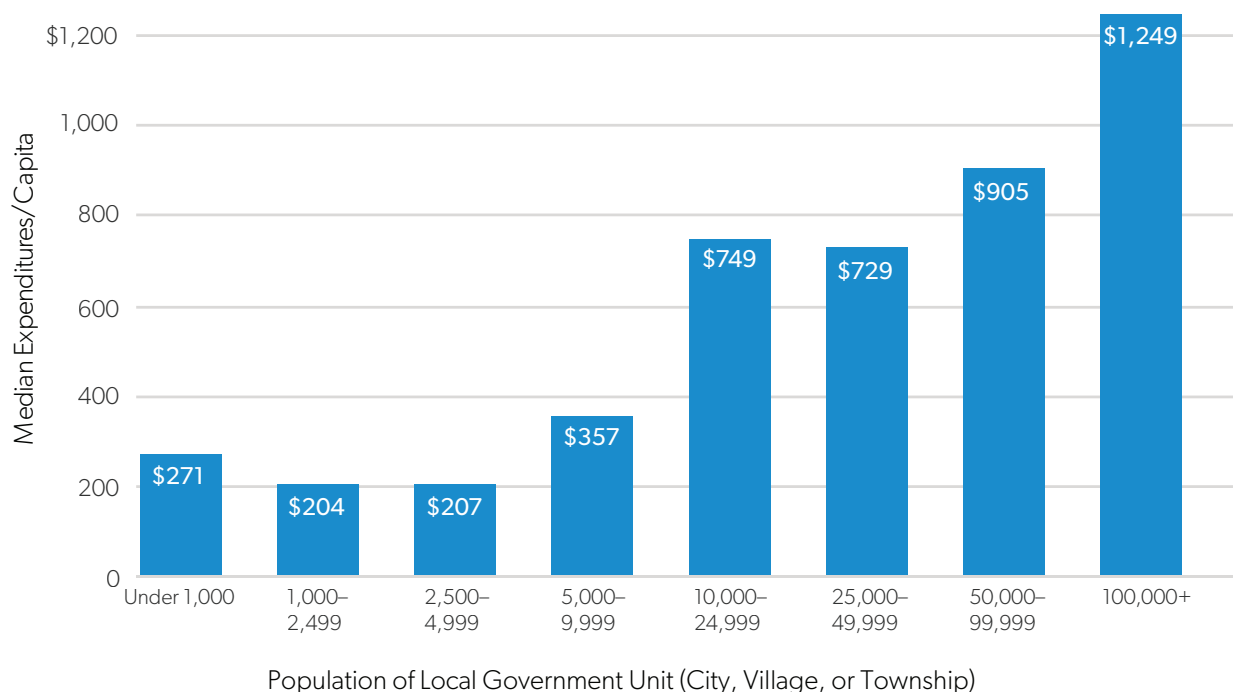
“there is general agreement that consolidation has not reduced costs (as predicted by some reform advocates) and, in fact, may have even increased total local expenditures.”¹⁴ This federal committee, charged with examining the future of US cities, included consolidation advocates. The committee declined to recommend consolidation and instead favored reform and retention of smaller local government structures.¹⁵

A review of international research by the World Bank, including such countries as Belgium, Canada, France, and the United States, indicates that municipal consolidations do not necessarily result in reduced expenditures or even reduced expenditures per capita. The researchers continued, “No single policy advice can be given on whether consolidation is a good idea, with the facts and circumstances of each case determining whether consolidation or not is beneficial.”¹⁶ Researchers also noted that consolidation can reduce competition between governments, which increases the quality of service delivery, while losing satisfaction from people because larger governments will be less able to recognize what people want.¹⁷

This research consensus has not deterred anti-localism advocates. Over the past 15 years, there have been efforts in at least five US states (Illinois, Indiana, New York, Ohio, and Pennsylvania) to either force or strongly encourage local government consolidations.¹⁸ A stated objective of consolidation proponents was to improve efficiency. They claimed in each case that the multiplicity of local governments resulted in higher spending levels and higher taxes. They contended that consolidations would reduce local government costs and taxes.

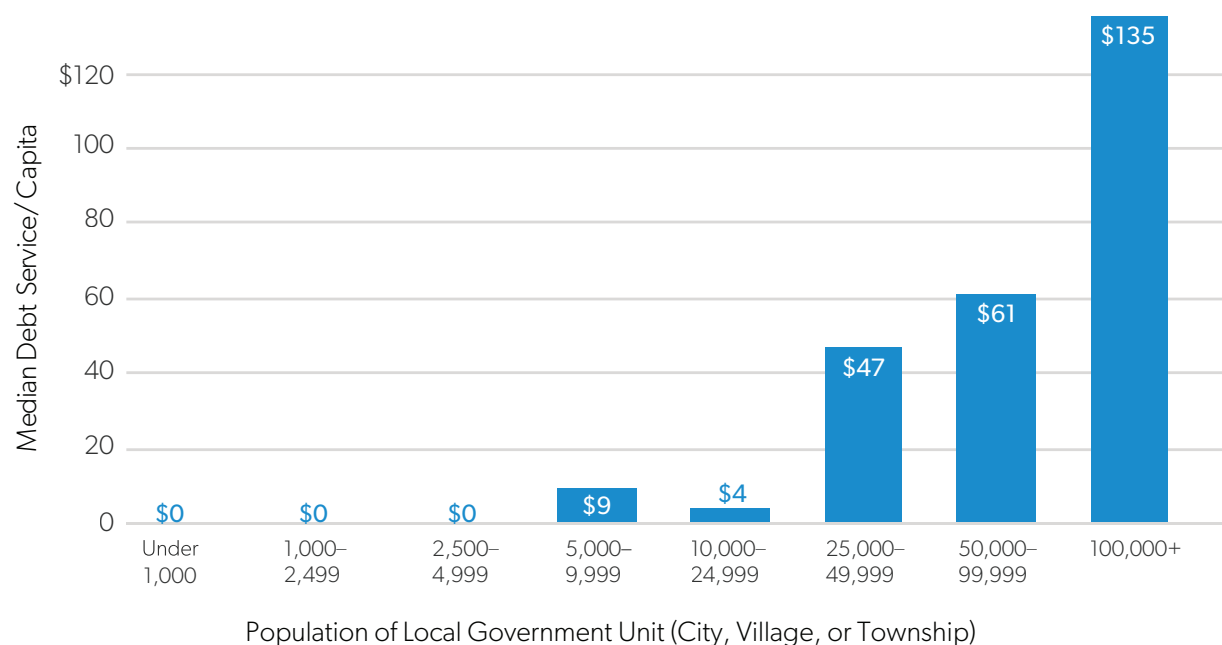
However, little, if any, quantitative research was cited to support these claims. Consolidation campaigns tended to assert as self-evident that larger governments were more efficient and that a larger number of smaller governments necessarily spent more. However, as University of Victoria municipal expert Robert Bish has noted, efficiency has little to do with the number of governments: “There is no evidence that per capita costs are lower in large municipalities or that they are better able to meet their residents’ demands for services than small municipalities.”¹⁹

Figure 1. Ohio: Expenditures per Capita, 2008



Source: Wendell Cox, *Local Democracy in Ohio: A Review of City, Village and Township Financial Performance by Size*, Ohio Township Association, July 2012, <https://ohiotownships.org/sites/default/files/Report.pdf>.

Figure 2. Ohio: Debt Service per Capita, 2008



Source: Wendell Cox, *Local Democracy in Ohio: A Review of City, Village and Township Financial Performance by Size*, Ohio Township Association, July 2012, <https://ohiotownships.org/sites/default/files/Report.pdf>.

In response to a consolidation initiatives, one of the authors of this report was commissioned to produce reports covering Pennsylvania, New York, Indiana, Illinois, Ohio, and the Chicago metropolitan area.²⁰ The starting assumption was that if consolidations were inherently more cost-effective, then larger governments should be more efficient and spend less per capita. Yet municipality data from four of the states and the Chicago metropolitan area yielded the opposite conclusion—*lower* spending per capita is associated with *smaller* units of government, measured in population (Figure 1). Analyses of municipality data in the US Census Bureau database revealed the same general tendency. In addition, it was found that general government debt per capita tended to be lower in smaller jurisdictions (Figure 2).

Other Reasons for Localism

While considering the merits of local government, it is helpful to examine the ratio of citizens to elected officials. Simply put, there will almost certainly be fewer voters for each elected official in a smaller jurisdiction.

Consider the comparative figures for the City of Columbus, Ohio, and Bexley, a municipality surrounded by Columbus. Columbus has seven city council members for a population of 860,000—a ratio of one council member for 123,000 residents. Bexley also has seven city council members but for a population of 13,700—a ratio of one council member for 2,000 residents.²¹

New York City, with 8,540,000 residents, has 52 city council members—large by the standards of such bodies—or one council member for 164,230 residents. In contrast, the suburban village (municipality) of Malverne, Long Island, has four members of its board of trustees for a population of just 8,500. That is one legislator for each 2,100 residents.²²

Los Angeles, with 3,976,000 residents, has only 15 council members, one representative for every 265,000 residents. More people are represented by each Los Angeles city council member than live in Buffalo and more than 19,400 municipalities. To contrast,

the enclave of Santa Monica has 92,000 residents and seven members on the city council, or 13,000 residents per council member.²³

Americans intuitively understand that at the local level, their individual votes carry much greater weight in small municipalities. Moreover, a lower official-to-population ratio means the oversight power of any individual citizen or, significantly, citizen or neighborhood group will be less diluted. There is, thus, greater incentive for citizens to organize—and to exercise oversight over elected and appointed officials.

Crucially, the same is true, *in reverse*, for organized public employee groups—which are typically powerful in large cities and state governments. Larger political jurisdictions favor organized interest groups, whether from business or labor, thanks to their capacity to finance and employ staff dedicated to achieving their goals. In influencing large jurisdictions, private citizens concerned about specific issues are at a relative disadvantage.

Labor enjoys an advantage. Were New York City teachers or transit workers to threaten to strike, for instance, they could exert leverage over millions of residents. Not surprisingly, when consolidations do occur, labor contracts tend to “leverage up”—that is, adopt the wage and benefit scale of the more expensive jurisdiction. This was the experience in the “megacity” of Toronto, where a central city business organization lamented that harmonization of labor contracts and service levels “resulted in higher costs for the new City.”²⁴

This applies to levels and varieties of public services. Were the city to comprise, say, 52 individual school districts, that power would be vastly diminished, and the relative power of parent groups would increase. In fact, economist Carolyn Hoxby’s research on school district competition in metropolitan Boston—where the central city school districts are far smaller relatively—has shown that competition among districts improves outcomes.²⁵

One of the hallmarks of America’s local municipalities—and one that restrains expenses—has been called the Tiebout sorting effect. Named from economist Charles Tiebout’s classic 1956 paper, “A Pure

Theory of Local Expenditures,” the Tiebout sorting effect refers to the diverse types and levels of local amenities offered by different communities.²⁶ Tiebout sorting allows communities to choose the level of amenities and services—such as K–12 education—they wish to pay for. This allows people to select the communities that have the attributes they prefer at the rate of taxes they can accept.²⁷

Consolidation, in other words, will likely result in rising expenses to accommodate the same range of services for all citizens in a larger jurisdiction. Some citizens will inevitably pay for types of services they previously did not “vote with their feet” to obtain. The unsurprising effect: higher costs per capita.

Consolidation and the Progressive Agenda

Alleged efficiency, however, is not the only argument made by advocates for government consolidation.

For instance, David Rusk argues in *Cities Without Suburbs* (a book that gave the consolidation agenda a high profile for a time in the 1990s) that consolidation is linked to notions of social justice.²⁸ Rusk praises a group of 23 “elastic cities,” primarily in the Sunbelt, whose core, central city governments include many of their region’s growing and affluent areas. Rusk’s overall thesis—that cities’ “elasticity” explains their increased affluence compared to older Northeastern “inelastic cities”—has been widely debunked, including by one of this paper’s authors, who has noted that the rise of the Sunbelt almost surely had more to do with such factors as the advent of inexpensive air conditioning and the attraction of right-to-work (non-union) labor laws.²⁹

Rusk, however, makes clear that overall affluence is not his endgame. He strives for cities that are “becoming societies of greater social equity,” in which consolidation or annexation lessens racial segregation and allows for inner-city residents to have access to an “entire region’s resources.”³⁰ This is an argument for redistribution rather than efficiency. It ignores that many older core cities for decades have overspent in wages and benefits for public employees to the detriment of current services and capital investments. Nor

does this argument acknowledge that minority urban residents have themselves dispersed to suburbs—whether in the Atlanta, Chicago, or Washington, DC, metropolitan areas.

The argument that consolidation would address segregation is less relevant than two decades ago. According to urban analysts Edward Glaeser and Jacob Vigdor, demographic change has led to a generalized decrease in racial segregation—American cities are more integrated now than since 1910.³¹

The goal of creating racially integrated polities is often overtaken by uncontrollable macro events and immigration trends, and it certainly does not outweigh the benefits of localism, which can be made available for minority suburbanites through alternative policies. For example, for small jurisdictions such as East Cleveland, Ohio, or Benton Harbor, Michigan, with limited local resources, fiscal aid rather than governmental consolidation would be the most practical way to help them address their local needs.

The Tyranny of “Experts” over the Promise of Civil Society

The consolidation impulse also reflects the Progressive Era belief in technically trained bureaucrats as a panacea to long-standing urban issues. A cure for urban problems, writes Rusk, is “achievable if the patient is put in the hands of skilled professionals.”³²

Localism chooses the opposite approach. It is common in smaller communities for some of the most important decisions made at the local level to fall in the purview of planning and zoning boards whose members volunteer their services. Often, they are accomplished in their own fields and bring a keen sense of the trade-offs (greater tax revenues versus more traffic, for instance) when deciding whether to permit development projects to proceed. This sort of voluntarism is part of the essence of the American experiment.

Outsourcing local planning and zoning commissions to skilled professionals diminishes our civic culture. Localism, in contrast, encourages a wide range of voluntarism and civil society organizations. Citizens inevitably identify with communities where they

live, vote, and send their children to school—for that matter, where they root for local high school sports teams. Indirectly, that identification with a community of a manageable size encourages a wide range of nongovernment organizations to form: community foundations (often focused specifically on special projects for local schools), historical societies, arts centers, and charities.

Some opponents of local governments have criticized them as carriers of NIMBYism—individuals that may advocate for development but oppose specific projects located close to themselves. Yet if communities are fiscally and administratively autonomous, they will have more motivation to grow as the benefits of development will be more visible. While in Los Angeles or New York the benefits of a local development are easily lost in the vastness of the city, in smaller communities, the positive benefits could be felt more directly.

This may be why such a sizable percentage of new development has taken place in smaller, low-density suburban communities.³³ Small localities will confront costs and complications associated with any new development—whether a hotel, housing development, or office park. But they also have an assurance that the proceeds for the development—new property taxes—will help pay for new or existing services or reduce the tax burden for others.

Developments in large jurisdictions come with no such guarantee. For instance, an elected official distant from a specific community will have just as much say over how to use revenues as any one city council member. In other words, the costs of new development will surely come, but the benefits will likely require a political fight. It is no wonder that development in big cities is so often stymied—and that it has moved steadily outward to more receptive local areas.

For those who have been involved in local government (including Howard Husock, one of the authors, an elected member of the Brookline, Massachusetts, Town Meeting and an appointed member of the Rye, New York, Board of Assessment Review), it can be deeply gratifying, providing a way to develop

community ties and make a difference in modest but tangible ways. In Brookline, Husock used his role as a member of a committee on capital improvements to stop the town from sliding toward what he called “shabbification” and reinvest in its public buildings and parks. Working out a local budget in a local legislature of 240 members is no simple task—but it is both satisfying and instructive.

From a local perch, one can learn a great deal about how all levels of American governance work—and what sorts of roles elected officials can play. It is no surprise that capable nationally known political figures have started their careers in local office. One thinks of Theodore Roosevelt (who began as New York City’s police commissioner), Calvin Coolidge (mayor of Boston), and Harry Truman (an elected judge and county commissioner in Kansas City). More recently, Wisconsin Gov. Scott Walker began his career as a Milwaukee County executive. One can make a case that recent presidents, with no experience in local office, would have benefited from having done so as well.

No more succinct case has ever been made for localism than that offered by US House Speaker Sam Rayburn (D-TX), as recounted by David Halberstam in his landmark book about the Vietnam War and the Kennedy administration, *The Best and the Brightest*. It was offered when Lyndon Johnson, who Rayburn mentored, told him how impressed he was by the brainpower he had seen in action at the first Kennedy Cabinet meeting he attended. Rayburn replied: “Well, Lyndon, you may be right and they may be every bit as intelligent as you say, but I’d feel a whole lot better about them if just one of them had run for sheriff once.”³⁴

Halberstam would later call the passage his favorite in the book, for highlighting “the difference between intelligence and wisdom, between the abstract quickness and verbal facility which the team exuded, and true wisdom, which is the product of hard-won, often bitter experience.”³⁵ Such is the healthy fruit with deep American roots: governmental localism.

Notes

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Refactoring for Subsidiarity

Leo Linbeck III

If debugging is the process of removing software bugs, then programming must be the process of putting them in.

—Computer scientist Edsger Dijkstra¹

Over the past 60 years, America grew vast federal agencies and spent trillions of dollars to fight wars on drugs, poverty, crime, and terror and to expand federal control over education and health care. The results of centralization and expansion of the federal government raise serious questions about the ability of the large-scale federal government to solve problems. In fact, many problems are worse, some dramatically so, than when the expansion began.

Along the way, virtually all institutions—whether in politics, government, business, religion, or civil society—have lost significant amounts of credibility and trust.² Elites in our society—those responsible for these very institutions—are baffled by this turn of events and are at a loss about what to do.

What is needed is a new approach to changing human institutions that reverses relentless centralization. This essay proposes one. This new approach uses concepts and frameworks borrowed from software engineering but is inspired by the principle of subsidiarity, which has its origins in the ecclesiology of the Catholic Church. The *Oxford English Dictionary* defines subsidiarity as “the principle that a central authority should have a subsidiary function, performing only those tasks which cannot be performed at a more local level.”³ In the language of software engineering, control should be pushed to “lower-order components” (e.g., a municipal government or

individuals), and “higher-order components” (e.g., the federal government) should not interact or interfere with those lower-order components except through a clearly defined interface.

To implement subsidiarity, we can look to software engineering for tools and patterns. In particular, the concept of refactoring provides an alternative way to think about change and adaptation in institutions. Changing large-scale software systems is hard, as is changing large-scale human institutions. For policymakers to decentralize power, the only viable approach is to employ a greenfield strategy. Policy architects should stop trying to fix problems from the center and instead design greenfield strategies that create regulatory competition.

Models of Change

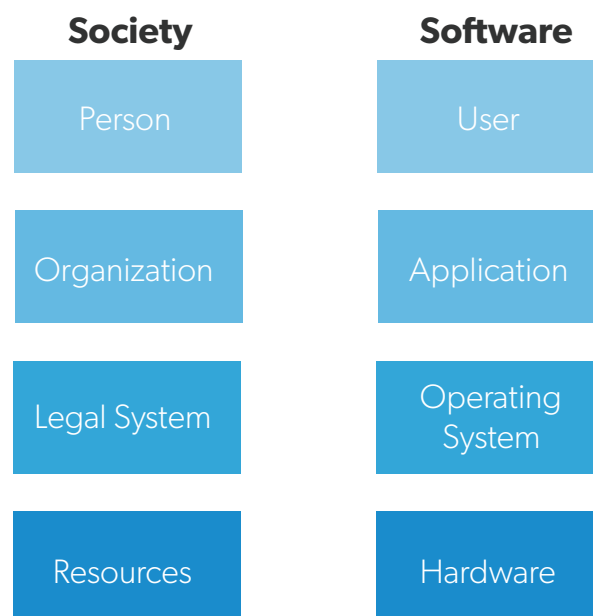
Our current political dysfunction is less a product of evil intentions, as is sometimes alleged, than misunderstanding the consequences of our remarkable success as a nation. When we consider any human organization—whether a business, city, or republic—a cycle emerges: Success leads to growth. Growth leads to scale. Scale leads to centralization. Centralization leads to complexity. Complexity leads to failure. Failure creates the imperative to change.

Figure 1. The Cycle of Society and Software



Source: Author.

Figure 2. Society Versus Software



Source: Author.

(See Figure 1.) This is the cycle of society. It is also the cycle of software.

Change is hard, especially in large-scale, complex, centralized systems. In society, there are two modes of change: reform and revolution. Reform identifies problems or opportunities and creates, updates, or deletes text in the existing set of laws to fix the problem or take advantage of the opportunity. Revolution throws out the existing set of laws and substitutes a new set of laws.⁴

In software, those two modes also exist (Figure 2). Reform is like fixing bugs or adding features. Problems (bugs) are patched or opportunities (features) are added to the existing program by creating, updating, or deleting lines in the existing code. Revolution is like switching from a personal computer to a smartphone.

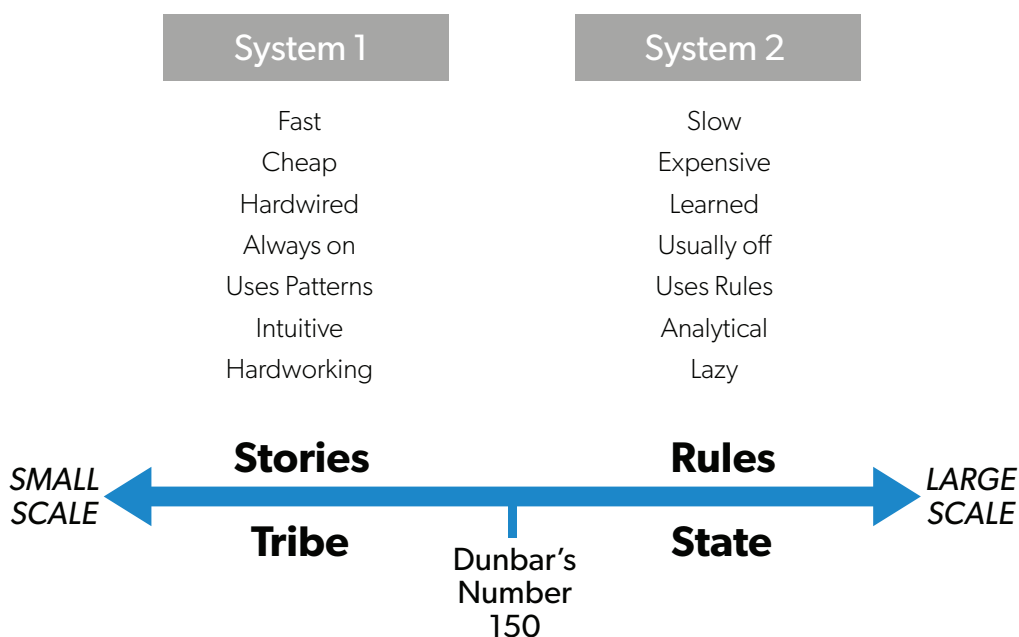
But in software, there is a third mode of change, one that software engineers call *refactoring*. This mode is largely unknown to nonprogrammers and usually completely invisible to users. Simply put,

refactoring changes how a software system works without changing what it does—its external behavior. In software engineering, examples include improved readability and reduced complexity of code. Refactoring does not have an analog today in the political and policy world, which tends to categorize change as either reform or revolution. And as we explore the refactoring concept, it will be clear—especially to software engineers—where the analogy breaks down. But the refactoring concept is a new way of thinking about creating policies of sustainable, maintainable human flourishing.

Centralization, Scale, and Complexity

David Lilienthal, former chairman of the Tennessee Valley Authority, once remarked on the perils of centralization, noting, “Centralization at the national capital or within a business undertaking always glorifies the important pieces of paper. This dims the

Figure 3. Systems of Thinking



Source: Author.

sense of reality.”⁵ According to Daniel Kahneman, our brain has two systems of thinking. He refers to these as “System 1” and “System 2.”⁶ System 2 is our slow, rational, reasoning, rule-based system, and System 1 is our fast, intuitive, pattern-matching, narrative-driven system. System 2 is crucial to our ability to adapt, but most human action is driven by System 1. This is in part because narratives are the language of the shared values that drive communities and businesses to change. As renowned management educator Peter Drucker noted famously, “Culture eats strategy for breakfast.”⁷

Our brain has another important characteristic: We can maintain stable social relationships with around 150 people—Dunbar’s number, named after British anthropologist Robin Dunbar.⁸ This number shows up everywhere in society: in the military (the size of a company, the core unit of an army since Roman times); business (the upper limit on the number of shareholders of a family business); politics (the size of Congress when political parties first emerged); social networks (Dunbar showed that even if you had a million Facebook “friends,” you really have about only 150 real friends); and so on.⁹ For better or worse, we live System 1 narratives in Dunbar-sized tribes.

But as human organizations scale, we go from using System 1 (stories) to System 2 (rules) because we interact more with strangers—people outside our tribe do not know our tribal identity (expressed as our tribe’s stories, so outsiders do not know how we will behave (Figure 3). In addition, scale leads to the emergence of hierarchy as a way to control the number of relationships so organizations and groups’ networks maintain fewer than 150 people—Dunbar’s number.

A hard truth is that a successful organization may grow, but the number of people with whom we can maintain stable relationships does not. This truth means that organizations naturally centralize as they scale—the central tribe maintains control and power through loyalty and trust. The “center” promulgates rules that everyone else is expected to follow while managing its own affairs according to the tribal narratives it maintains—rules for thee, discretion for me.

Thus, throughout human history, as organizations grow larger, they naturally centralize power and authority. In theory, this centralization might be fine, if it were not for another problem: As organizations grow in scale, they grow in complexity, and that complexity soon exceeds the ability of any person or tribe to manage the organization from the center.

The Problem with Complexity

Niklaus Wirth, a pioneer in computer science and software engineering, often noted the perils of misinterpreting software complexity as sophistication and convenience: “Increasingly, people seem to misinterpret complexity as sophistication, which is baffling—the incomprehensible should cause suspicion rather than admiration. Possibly this trend results from a mistaken belief that using a somewhat mysterious device confers an aura of power on the user.”¹⁰

When the United States Constitution was written in 1789, the US population was about four million people.¹¹ By 1860, the population exceeded 30 million and by 2010 was more than 300 million. Along the way, the number of laws and regulations has exploded (as has the number of lawyers). The first Congress passed laws that totaled 225 pages.¹² By 1936, the *Federal Register* was published for the first time, with a length of 2,620 pages. In 2015, the *Federal Register* had grown to 81,402 pages. Each page has about 100 lines, so it is probably more than 10 million lines of text.¹³

When Linus Torvalds published the first version of the Linux operating system in 1991, it had 10,239 lines of code.¹⁴ By 2001, Linux had grown to 3,377,902 lines of code, and version 4.1 of Linux, which was released in June 2015, had more than 19.5 million lines of code and 14,000 contributors.¹⁵

It is safe to say that no human being has read every page of the *Federal Register* or every line of Linux code. Both of these systems are way beyond the scale of a single person. And this simple and indisputable fact means that no one can deal directly with these systems. Instead, this complexity must be managed by employing a number of strategies.

The first strategy is to break a big, complex system

into smaller, simpler subsystems and carefully define the way those subsystems interact. Even after such a breakdown, if a system continues to grow, the subsystems themselves will become too large and must be broken down further into smaller sub-subsystems. Through this subdivision process, we not only reduce the complexity of the subsystems but also increase the number of people who can deal with the problem.

In political theory, this strategy gives rise to concepts such as localism, federalism, and the compound republic. Higher levels of government have clear responsibilities and scope while lower levels of governance are smaller, simpler, and closer to the people; focused on their own local issues (e.g., snow removal is more important in Boston than Houston; the opposite is true for hurricane preparation); and easier to change.

Yet creating a hierarchy of subsystems is not enough. There must be a commitment to subsidiarity—that is, pushing control as low in the hierarchy as possible. We do not reduce complexity if we create additional subsystems but still control everything from the center. In fact, it makes the complexity problem worse. In programming, interaction between components is managed through an *interface*. Higher-order components, for instance, cannot directly access and modify the properties of lower-order components—they must access those properties through the interface of that lower-order component. This rule—which, perhaps counterintuitively, limits the power of the higher-order component—is a way to keep complexity under control and is especially important when debugging programs.

The First Amendment is an example of such a restrictive interface; it begins with the words “Congress shall make no law”—a beautiful example of the software principle called “separation of concerns.”¹⁶ Separation of concerns is needed because scale and centralization lead to complexity. They do this naturally and without any intention or effort on the part of those in charge. But complexity inevitably leads to failure, so we must expend effort to control complexity.

That effort to control complexity in the face of scale—the effort to maintain subsidiarity while growing—is what refactoring is all about.

Refactoring

Refactoring, defined by the “father” of refactoring, is said to be “the process of restructuring existing computer code without changing its external behavior.”¹⁷ The idea is to make changes that improve the code without changing the way the user interacts with the software system.

A real-world, non-software analogy may help. To drive a car, a driver uses three basic controls: an accelerator pedal to go, a brake pedal to stop, and a steering wheel to control direction. These are the control elements of the “user interface” of a car (at least one with an automatic transmission).

Refactoring an engine can lead to many changes: replacing a carburetor with a fuel injection system, a gasoline engine with an electric motor, a hydraulic with an electronic steering system, and so on. Those changes can be large (gas versus electric) or small (single-point versus sequential fuel injection), but the key is that they do not change the way the driver interacts with the vehicle. There can be radical changes under the hood, but there is still just the gas, brake, and wheel.

In software, refactoring has a similar goal: make improvements under the hood but do not change the way the system works from the user standpoint. There are dozens of refactoring techniques, and software engineers come up with new ones from time to time. Decades of experience in software development have given us a powerful tool kit for developing and—more importantly—maintaining high-quality software. And all new software systems have been designed to support some degree of continuous refactoring.

But what about “legacy” systems? Those systems were originally developed before refactoring became widely understood and supported and are riddled with bugs and shortcuts, and attempts to change the code often create more bugs than they fix. These are important systems that millions of people use; what should we do with them?

The general consensus is that legacy software systems should be left pretty much as is, and we should just have a few experts focus on fixing the really egregious bugs that pop up from time to time.¹⁸ They

work, and the short-term cost and risk of breaking them are not worth the long-term benefit of refactoring the code.

Our “legacy” political systems are much the same, creating a nearly uncountable number of laws, rules, and regulations at the federal, state, and local level that are so big and complex that we hardly know where to begin. The short-term cost and risk of changing those systems are almost always too big compared to the potential long-term cost. Sure, eventually it will fail (perhaps catastrophically), but that will be someone else’s problem to deal with.

So are we just stuck with legacy systems that are doomed to fail?

The Greenfield Strategy: Removing Complexity

Not necessarily, but we have to do something different. We need to use a special type of refactoring strategy, one that creates a new system that provides the same functionality to the user, but with a completely different code base. This strategy does not affect the user—the gas, brake, and steering wheel are still there—but it does make big changes under the hood.

But there is a problem with making these big transitions from older systems: They often break special features that users have added to their system. As a result, software companies rarely if ever force users to upgrade their system. Instead, they announce the availability of the upgrade and then allow users to choose when to make the switch and allow application developers to update and upgrade *their* systems to adapt to the new code base.

This refactoring strategy—which we will refer to as a “greenfield” strategy—is a way to make big changes to legacy systems. Put simply, a greenfield strategy is a way of creating an alternative system to an existing system and then letting users—or citizens, in the case of governance—choose between the systems. Engineers can start with a blank sheet of paper and design the best way to give users what they want, but at the end of the day the user decides whether and when he or she wants these additional benefits.

Greenfield strategies are perhaps the most important sources of innovation in software. Each major advancement in software engineering—including the IBM System 360/Operating System (OS), VAX, CPM, MS-DOS, Mac, Windows, Netscape, Google, Facebook, iOS, and Android—started as a greenfield project that ultimately replaced an older legacy system because users liked it better.

The opportunity in governance is similar. We have failing legacy systems because they are too large and ossified to change. Big changes are needed, but these systems are also crucial components of our society, and the long-term benefits do not justify the short-term risks and costs of change—especially from the perspective of the elected official, government bureaucrat, or fee-seeking consultant.

With a different strategy—a greenfield strategy—we can change that cost-benefit ratio and make it possible to do a major refactoring of governance. The essential elements of a greenfield governance strategy could be as follows:

1. It maintains the existing legal authority structure. There are strategies that move authority from one level of government to another—from federal to state, state to federal, local to state, and so on. A greenfield strategy does not do this; it takes the existing authority structure as a given. Using our software analogy, this is like keeping the same hardware platform.
2. It gets enacted through legislation. There are strategies that go through the courts, a referendum, or civil disobedience. A greenfield strategy does not do this; it uses the existing legislative process to make the necessary changes. Using our software analogy, we make changes in our code, not in how users behave or the groups that oversee computer standards.
3. It competes with an existing “brownfield” regulatory regime. There are strategies that try to maintain a single regulatory regime and improve that regime. A greenfield strategy does not do this; it sets up a separate

regulatory regime that is fiscally and administratively independent and allows competition between the two regimes to drive innovation and improvement. Using our software analogy, this is like releasing a new operating system while continuing to ship and support the existing system.

4. It leaves the choice of regime and timing of when to switch (if ever) to the groups subject to regulation. There are strategies that change regulations and have those changes apply to every regulated party. A greenfield strategy does not do this; it gives regulated parties (“customers”) the right to switch to a different regulatory regime if they do not like the change. By giving customers the choice of

regime, it forces regulators to deliver a superior service or see those customers switch to the other regime. Using our software analogy, this is like giving users the choice of whether and when to upgrade their operating system.

These four criteria are essential if we are to undertake a major refactoring of governance. And for that refactoring to be successful, the alternative regulatory regime must have a more modern, decentralized, and competitive architecture. It must embrace the principle of subsidiarity, moving decision-making from higher- to lower-level components. And it must deliver a superior product—a truly better operating system—to attract users to its system.

Table 1. Greenfield Strategies

Domain	Brownfield	Greenfield
K–12 Education	School Districts	Charter Schools
Pensions	Defined Benefit	Defined Contribution
Utilities	City Utility Department	Municipal Utility District
Trash Collection	City Solid Waste Department	Private Trash Services
Building Code Compliance	City Building Department	Third-Party Building Inspectors
Securities Anti-Fraud Regulation	Federal Securities and Exchange Commission	State Blue Sky Laws
Health Care	Affordable Care Act	Block Grant and Waivers, Health Care Compact
Dispute Resolution	Litigation	Binding Arbitration
Lawmaking	Centralized State	Charter City
Commercial Banking	Federal Reserve Bank	State Chartered Banks
Automobile Infrastructure	State and Federal Highways	Private Toll Roads
Criminal Justice	Trial by Jury	Victim-Offender Mediation
Housing Development	High-Density Urban Rental	Master Planned Community
Package Delivery	US Postal Service	Federal Express

Source: Author.

Greenfield and Subsidiarity Strategies Already Work

Interestingly, we do not have to guess how this strategy might work. It turns out that many if not most successful large-scale policy innovations in the past few decades followed exactly this pattern.

Perhaps the most well-known such innovation is public charter schools. The original idea behind charters was to establish a separate system in which schools would receive public funds and deliver a free public education but have the freedom to try different operating models. In states such as Texas, charter schools are established and operate under a largely separate section of the state education code. But perhaps without exception, charter schools are subject to less regulation than district schools.

Charter schools are a greenfield strategy, as they meet all four tests:

1. Charter laws do not change the authority structure. Education is still controlled by the state government and subject to federal regulations.
2. Charter laws were created through legislative action, not through the courts or by popular vote.
3. Charters compete with the existing school district system.
4. Parents can choose to send their children to a charter school or remain in the district system—same for teachers and principals.

The competitive regulatory structure charter schools created—particularly as they increase their market share in local areas—is a powerful force for change. Districts that must compete with charter schools are forced to innovate, improve their human resources practices to retain talent, and be more responsive to parents who now have the ability to leave and take their public funding with them. Studies have shown that districts, while often slow to adapt because

of their large size and bureaucratic inertia, do respond to competition from charters.¹⁹

Education might be the most salient example, but in fact many different greenfield strategies have been proposed or used to great effect at every level of government. Table 1 provides a few examples, but others could be added to this list.

Avoiding System Failure

Our society, characterized by massive-scale and mind-boggling complexity, has a classic legacy system problem. Fixing the system seems impossible, and all involved are filled with a sense of dread. Experienced software developers will recognize the challenges facing our governance system and understand policymakers' plight. But as Winston Churchill once said, "Out of intense complexities, intense simplicities emerge."²⁰

The answer is *not* despair. Rather, we should take many of the hard-learned lessons of software engineering and adapt them to the governance challenge. The knowledge we have of software code needs to be applied to the legal code.

But we first need to accept that the current centralized system must undergo a major refactoring. Too much power is concentrated at the center, and this has led to a dysfunctional mess. You can see this concentration by following the money. In 2015, the federal government made up about 61 percent (\$3.4 trillion) of total revenue across federal, state, and local government receipts. Even after accounting for transfers, the federal government still maintains approximately 51 percent of all spending.²¹

One of the major reasons why our politics is so divisive is that we have established a winner-take-all game decided in Washington, DC. There will always be partisanship and vitriol in politics; it is like the pollution that comes from the decision-making process. As more decisions are sucked inside the Beltway, pollution is too.

The solution to pollution is dilution. This dilution can be achieved by applying the principle of

subsidiarity: putting the decisions about the commons as close to the people as possible. Some might even call this “draining the swamp.”

Applying subsidiarity will require a major refactoring, which is where greenfield strategies can come into play. No other peaceful strategy for devolving power has ever succeeded because brownfield regulatory regimes are monopolies, and no monopoly in the history of mankind has reformed itself from within.

That is why we need to switch our policy change paradigm. We need a new political language, a way to

think and talk about policies in a way that acknowledges the real-world challenges we face. And we need to simplify and de-escalate our politics by returning more control to local communities.

In short, we need to refactor our governance for subsidiarity. And we need to do it before the massive, tangled, bug-ridden spaghetti code in our centralized legacy system crashes and cannot be restarted.

After all, you can always replace a broken computer. It is much harder to replace a broken society.

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Federalism (Properly Understood) Works in Welfare Policy Too

Robert Doar

Of all the revolutionary ideas that shaped the founding of our Republic, perhaps the most important is that government should be not just “for the people,” but “of the people” and “by the people” as well. Our Constitution provides that Americans have the right and responsibility to self-govern and elect people who will stand for their interests, who will legislate and execute laws knowing that voters will hold them accountable.

To make that self-government work best, the founders created a federalist system of government, dividing power between the limited, central federal government and state governments. State governments were meant to be more receptive and accountable to the people’s interests, and each would be able to cater to its own unique populace, economy, needs, and interests.

An important role for local governments is thus entrenched in the American legal system, which leads policymakers to involve and respect the jurisdictions that are closest to the people. This legal deference is a nod to the efficacy of local governments: Local authorities are meant to be best at pragmatic governance. The deference is also what I would call localism: Government should cater, as much as possible, to the needs and interests of local communities. Localism means government should be most accountable for its actions, since each local vote counts for a great deal, and it means that local governments should have the greatest ability to effect meaningful change for the communities that elect them.

Why is someone who has spent his career working in government antipoverty programs going on about our federalist system? Because I know from personal experience that, regardless of all the attention federal policy gets in the press, the real action in fighting poverty happens at the local level.

During my seven years as the commissioner of the New York City Human Resources Administration, I oversaw various welfare and other social service programs and was able to initiate several reforms that met the unique needs and potential of New Yorkers head-on. Before that, I worked at and then led the state agency that oversaw similar programs throughout New York State. In both capacities, my colleagues and I engaged with the needs of those we were appointed to serve, and we were able to execute meaningful change—change that was different from what was happening in other jurisdictions.

The role local governments play in the social services world is not well understood by those who focus on only federal antipoverty policy. But in many of the most important antipoverty efforts, local efforts can often mean the difference between success and failure. In the nation’s largest anti-hunger program, in our huge health insurance program, and in cash welfare and housing and employment services, the federal government provides money and sets policy, but state or local officials provide the actual service.¹ In virtually every instance of interaction between the agency providing and the citizen receiving benefits from Supplemental Nutrition Assistance Program or

Medicaid—our two largest programs—the administering official is a state, county, or city agent. Filing an application? Generating a benefit? Resolving a complaint? Collecting the data needed to assess performance? All these essential tasks are executed by state or local governments.

Conservative control of the federal government means that poverty-fighting initiatives are likely to be delegated to state and local governments even more than they already are. In the coming years, local governments will need to step up and embrace the role carved out for them by the federalist system, to take greater initiative in fixing problems of poverty and mobility. To an extent that more of us should understand and appreciate, local governments already do much of the meaningful work fighting poverty and improving Americans' lives. But local impact can still go further.

Administrative Data and the Future of Local Initiatives

One major way in which local governments can step up and take initiative is by improving the availability and use of administrative data. These data are bits of information about constituencies amassed through routine government functions, from running public schools to administering social safety-net programs. They can tell governments a lot about those they serve, what their constituents' conditions are like, and how people's lives interact with government activity.²

Movements to use these data are gaining traction. On the federal level, a bipartisan commission on using evidence gleaned from such data recently made its recommendations to Congress (enthusiastically endorsing using data for policymaking, at minimal risk of compromising individuals' privacy), but local governments can do even more.³

Local governments are in a unique position to gather and use administrative data, for three main reasons. First, some of the best available data are collected by municipal administrations, which can identify precisely which geographic or demographic zones need the most attention. For example, the small city of Naperville, Illinois, has used data to chart out

patterns of concern and has implemented a set of interactive maps to help residents see where there have been public safety incidents, where construction is occurring, and so on.⁴

Second, localities are great places to break through the barriers of resistance that stand in the way of data use on the federal and state levels. Eager to compete with other cities for residents and businesses, local governments should be least likely to carry the attitude of entrenched norms and immutable cultures. Many cities are even committed by mission to attracting business and spurring growth, and doing so requires taking risks such as investing in data integration and training city employees to understand it.⁵

Finally, cities can learn from other cities. There are thousands of municipal governments in the US, many of which are similar to each other in terms of demography, geography, and socioeconomics. Rather than taking cues from state and federal governments, which deal on larger scales and often with divergent policy problems, cities can learn from each other if several commit to integrating data and putting the data's lessons into practice for themselves and similar localities. This is already occurring, with cities such as New Orleans sharing their data-driven innovations (in this case, regarding deficiencies in smoke detector installation) with places such as Glendale, Arizona.⁶

With confidence in theories of localism and the lessons of my experience in local government, I can say that governments at the state level and below can do a more efficient job of meeting Americans' needs than larger governments can. Moreover, with the growing centrality of administrative data collection for evidence-based policymaking, local governments with unique access to such data that can use it efficiently will play only an increasing role in one of government's most important functions: fighting poverty and increasing opportunity.

How Administrative Data Favor Local Governments

Using data amassed through administering local government programs is not new and underscores local governments' unique role to understand and serve

people better than larger governments can. Public schools, for instance, are often financed through local property taxes, which means that at both the collection and expenditure ends, local governments have access to information about the way people live, where people of certain income statuses are concentrated, and where they send their kids to school. Local governments also spend much of their budgets on health services and hospitals, allowing them to gather data about public health trends and how patients are treated.

Support for public schools is just one area in which data have been used to spur local action where federal guidance is insufficient. Los Angeles County, for instance, has spent nearly a decade collecting, analyzing, and sharing data from its Unified School District and its Department of Children and Family Services to combat truancy. Los Angeles County, sensing that the federal government could do little to improve truancy rates, used Los Angeles Unified School District data to fight the widespread phenomenon of persistent school absences. While the project remains a work in progress, it is clearly a resolution to not wait for Washington to fix problems of poverty. Los Angeles recognized that widespread absence from school was hurting students' chances of staying out of poverty and took the initiative to make data-driven decisions about who was missing school and how they could change a local culture of truancy.⁷

These types of initiatives are becoming more widespread, especially as people become disillusioned with Washington. To make these efforts more common and more efficient, Bloomberg Philanthropies launched What Works Cities (WWC) in 2015 to promote the use, sharing, and critical assessment of data and evidence in municipal governments. Together with partners such as Results for America (where I am a fellow) and Harvard Kennedy School Government Performance Lab, they have helped facilitate and measure data- and evidence-driven projects undertaken by local governments. WWC can already tout progress in several instances of cities engaging in enhanced data collection and integration, which has opened new doors toward launching worthwhile antipoverty and pro-mobility initiatives, though they

have yet to detail improved outcomes rather than just a change in focus and monetary allocation. These instances are helpful models local governments can emulate to execute outcome-driven antipoverty and pro-mobility policy change.⁸

Critically, WWC's successes are predicated on the idea that local governments should be eager to try new things. Since they must compete with other localities for residents, while resisting problems of poverty such as homelessness and crime, local governments should be bastions of innovation. Some cities, such as Las Vegas (as documented through its work with WWC), are committed by mission to economic growth and mobility, a feature of the competition that exists between locales to attract residents and businesses, and will take on new initiatives to further such missions.⁹ Finally, local governments can compete with each other in ways that federal administrations cannot, by sharing data to compare localized problems and outcomes, leading to better-tailored solutions in municipalities facing similar circumstances.

Clearly this revival of local government initiatives with the gift of data is a realization of the promise of self-rule, even of a social contract. A municipal government that understands its constituency and tailors policy accordingly builds trust through responsiveness and accountability. Projects that shift focus away from federal action speak to the enduring importance of preserving the federalist mission at the heart of our nation's founding, in order to best preserve the liberty and opportunity due to all Americans. Local governments that use data to further the ends of greater economic mobility and less poverty are the paradigms of that mission, serving Americans not yet sharing in the American dream while catering to the specific needs of local communities.

Here is where I need to pause and state what the appropriate federal role is and should be. First, let's cover what it is not. The federal government should not be an enforcer of equal "rights" to various forms of assistance or minimum levels of income. "Welfare rights" are not the same as civil rights, so the federal government should not be determining how much income American households end up with. Like it or not, our Constitution does not guarantee baseline

levels of financial well-being like it does basic civil rights, so the federal government's role is not to dictate to states how their constituents should live.

But that does not mean that the federal government does not have a significant interest it needs to advance—it does, and this interest stems from the federal government's role as a huge source of funding for antipoverty programs and from being the entity that sets nationwide goals for what the programs need to achieve. While the real difference in effectiveness is determined at the local level, the federal government does provide the bulk of the funding, and with that comes Congress' legitimate right to know what outcomes it is getting from all that money.

Federal focus on the outcomes of programs that the federal government funds but that local governments administer, each according to its own calculated need, allows local governments to tailor the process of achieving established goals to their circumstances. Critically, outcomes are not process, and process is where states need to have great flexibility, so long as they are held accountable—by financial sanctions and rewards—for achieving the goals the federal government establishes.

Local Governments Taking Initiative and Fighting Poverty

Federal programs are often vast and unwieldy, and collecting evidence on outcomes and results can be hampered by the large scale of the projects, which require coordination among many subsidiary organizations and bureaus. Local governments, on the other hand, are in a unique position to harness data to better self-assess through evidence, as they have access to data and the ability to integrate it more seamlessly. And while larger governments focused on means are more inclined to attempt to solve problems through only more spending, local governments can be leaders in results-driven administration while being far more efficient in the process. Results, after all, are the markers of effective governance—how much money an administration spends fighting a problem is irrelevant if the problem is not being sustainably fixed.

WWC has recognized this and encouraged local governments to take initiative. Seattle's anti-homelessness initiative can be pointed to as WWC's greatest success in orientating cities toward outcomes thus far. With evaluation help from Harvard Kennedy School Government Performance Lab, WWC aimed to correct the city's problem-solving technique, which had been to eradicate homelessness simply by increasing spending: Seattle increased its budget for homeless services by more than 60 percent over 10 years, to \$50 million in 2016. But homelessness continued to rise, until several city offices began a project to restructure government contracts to focus on performance goals. That meant using administrative data to track how the local human services department was affecting homeless individuals and how consistently homeless families were being moved into stable housing. Seattle used historical data to set benchmarks for performance goals so that they could tailor their new results-driven contracts to tangible, plausible results.¹⁰

As with many data-driven projects, the initiative is ongoing, and there is little evidence of these results being achieved. The principle of the project, though, is promising: Local government, tired of waiting for federal and state governments to solve their problems and not content to continue wasting public money on ineffective antipoverty work, used data as a guide to focus on results and outcomes. The involved organizations and Seattle's local government deserve credit for being models of evidence-based and results-driven poverty fighters—so long as they see this project through and continue to adjust until outcomes are sustainably improved.

Beyond WWC, a good example of local government success driven by data and focused on outcomes is Texas' Noncustodial Parent Choices program, which uses data from courts, child support records, and local workforce development programs to enhance child-support-payment enforcement. By initiating this program that targets noncustodial parents who are not working and are behind on child support payments, Texas increased employment among noncustodial parents by 21 percent and increased child-support-payment frequency by

nearly 50 percent. State and local governments that were focused on a particular set of social problems—single-parent households lacking resources and non-custodial parents failing to earn income—aggregated data to help pinpoint who should be the target of the program and set goals: increased child support payments and employment. The program has been a success in both of those areas, demonstrating the power of governments beyond Washington to fight poverty and increase mobility.¹¹

Indiana's health care plan, the Healthy Indiana Plan (HIP), is another example of state governments providing locally tailored alternatives to enormous federal projects—in this case, Medicaid. By setting goals such as improved access to health care and, more importantly, improved quality of care and working with locally run Indiana hospitals, HIP has seen some positive outcomes. The program encourages personal responsibility and appropriate emergency room usage and saw near-universal contributions to the plan's health savings accounts, an 18 percent decrease in emergency room visits, and high rates of preventive-care use. In an arena in which the federal government dominates—health coverage for low-income Americans—state and local administrations took charge and designed an effective program tailored to fit the state's needs and values.¹²

What can we learn from these examples about the role of local governments moving forward? Perhaps the main lesson is that states and local administrations should not shy away from tackling an issue even though there is a federal effort to do the same. Although the Department of Education and Centers for Medicare and Medicaid Services may be putting significant time and effort into the antipoverty programs they run, local governments should think about data and other knowledge that they have about their constituents and that the federal government may not. When it comes to issues of education and health in particular, local administration of schools and hospitals means that local governments are in a unique position to adapt and act.

Conclusion

Done properly, local government initiatives should reinvigorate the notion of smaller, more targeted, more efficient ways of combating poverty. What's more, beginning the process of shifting society away from a giant web of federal benefits moves Americans toward a sense of community, with members who care for and support each other. This has significant benefits: Receipt and giving will feel much more like the functions of a community of people whose successes are shared and less like the meddling of a faceless agency that has taxpayers feeling fleeced by a distant and unresponsive government and recipients feeling like unwanted liabilities. A community that supports its own needs, with neighbors helping neighbors, will breed a healthy sense of mutual responsibility and kinship and would be good for Americans' sense of dignity and character.

That is all just a change in attitude. But different places have different needs and cultures that will respond differently to different programs. While one city may need an economic revival, for instance, cities that are growing rapidly need to solve much different kinds of problems, such as making sure housing and education are keeping up with growth and not letting vulnerable people slip through the cracks.

The important work of Raj Chetty and his colleagues at Stanford and Harvard has shown that counties and cities have a clear effect on their residents' chances of being mobile. Their work shows that local communities are the key for people to become economically mobile, since certain localities have positive effects on mobility generally, while others actively hamper their residents' chances.¹³ If local leaders want their city or county to rise to the top of Chetty's charts, if they want to increase upward mobility while decreasing poverty and dependency, they are going to want to unlock the power of data and take initiatives to increase mobility in ways the federal government cannot or will not. That can happen most effectively at the local level.

The proliferation of administrative data helps make this all more imminent. Cities are collecting more data and learning how to put them to greater

use. As such, governments below the federal level are in a unique position to take advantage of the “data moment” and the growth of data’s influence. They have a unique ability to take charge of the social reforms of the future.

Local governments can and should compete for human capital with mobility-friendly policies and

effective antipoverty efforts that use the data they collect. And if economic mobility is greater in one place than another, people should feel encouraged to move. After all, like federalism, moving to opportunity is as American as our Constitution.

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Texas Municipal Utility Districts and the Power of Localism

Tory Gattis and Andrew P. Johnson

In many parts of the country, government seems determined to raise housing prices, the most crucial family expenditure, through layers of regulation. In some places, such as in California, government regulation can cost upward of 40 percent of all housing costs.¹ This places especially large burdens on populations such as minorities and young families.

Texas has a better idea, one that cuts through government processes and allows developers to finance new construction at reasonable rates. Some in the planning community and the media² have attacked the Texas way as irresponsible,³ yet the record is clear that the state's approach has not only created sustainable communities but also provided new communities a more flexible, less bureaucratic, and less expensive system for growth.

Texas' Municipal Utility Districts (MUDs) represent one of the most innovative forms of localism in America.⁴ These privately organized groups allow developers to independently create housing and supporting infrastructure outside municipalities⁵—that is, in unincorporated areas of counties—and thus keep the supply of housing up and the cost of housing down. MUDs issue bonds to pay developers back for the infrastructure they create, and those bonds are paid back over time through property taxes on the properties inside the MUD.

Texas has about 950 MUDs averaging about 1,000 acres each,⁶ and more than 620 of these (about two-thirds) are in the Houston metro area.⁷ This has helped keep Houston one of the most affordable

major metros in America, with a median home price of approximately \$220,000 (Figure 1). MUDs have also helped keep Texas one of the most affordable states in America, with a median home price of \$169,900.⁸

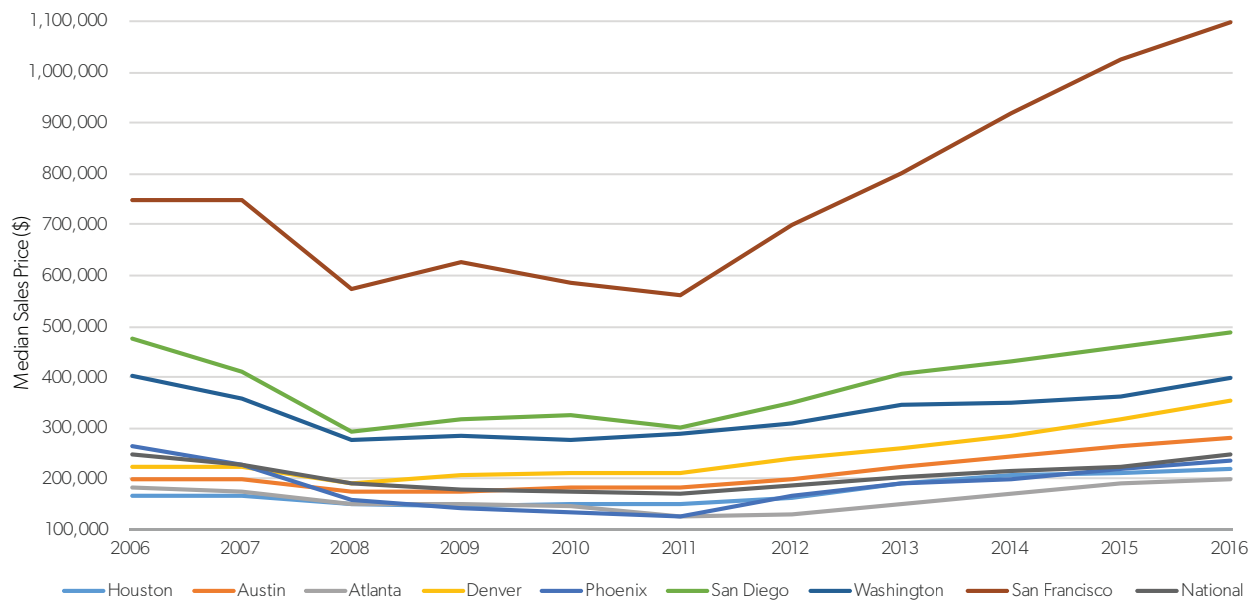
Freed from layers of government oversight and delay, MUDs represent a cost-efficient way of developing new housing. Meyers Research finds new homes in MUDs are about \$150,000 cheaper than homes built outside MUDs—that is, \$339,000 versus \$493,000.⁹ With MUD tax rates around 1.75 percent in total (including operating and maintenance costs), MUD taxes capitalize about \$90,000 into a new home. Seventy-eight percent of Houston's new home sales are in MUDs.¹⁰

The fact that more privately master-planned communities exist in the Houston metro area than anywhere else in the country is a testimony to the success of using MUDs as a development tool.

Why MUDs

MUDs¹¹ provide safe, high-quality essential infrastructure that pays for itself and meets city design and construction standards. They provide faster approvals and allow for local public ownership of utilities. They reduce barriers to entry, which enables more affordable housing development while putting the financial risk on private developers rather than taxpayers. And they qualify for tax-exempt financing just like municipalities.

Figure 1. National Housing Affordability Data, 2006–16



Note: See the appendix for the data table.

Source: National Association of Home Builders, “The NAHB/Wells Fargo Housing Opportunity Index Complete History by Metropolitan Area (1991–Current),” <https://www.nahb.org/en/research/housing-economics/housing-indexes/housing-opportunity-index.aspx>.

MUDs are not new in Texas. They have been used since the 1960s, beginning with the use of a water control and improvement district in the Sharpstown area of Houston. Until that time, the developer installed utilities, and the cost was included in the price of the home or lot. Districts became popular with developers because they helped finance the utility systems, lowering development borrowing costs; enabled lower lot and home prices, making homes more affordable; and avoided the developer owning a private utility system for many years.

In the late 1960s, Houston simply could not keep up with its internal growth while providing wastewater treatment service to areas outside city limits. Texas Attorney General John Hill sued the city of Houston over its wastewater treatment plant discharge violations, which effectively shut down most growth in the city limits. The central business district was the only area exempted, essentially forcing growth into the extraterritorial jurisdiction (ETJ).

MUDs helped Houston and its surrounding region continue to grow. The use of districts surged during

the 1970s, primarily using the new and streamlined vehicle of MUDs, invented specifically for residential development during the 1971 legislative session. Reliance on MUDs to finance infrastructure, which the city of Houston could not or did not wish to finance, has continued to the present. The development community and the city have historically cooperated to meet demand and keep housing affordable at all levels.

MUDs became the preferred tool for provision of the water, sewer, and drainage infrastructure. A MUD’s expected life in the 1970s and early 1980s was 8–12 years from creation to annexation by the city. MUDs were the tool used to finance growth, as opposed to the city paying for the utility systems. The policy of promoting growth while protecting the city financially from new infrastructure costs has continued to the city’s benefit.

In working to solve the issue of quality, the city approached representatives of the development industry on the issues of control, quality, and planning of the neighborhoods, which would eventually become part of the city. The result, first adopted in

June 1982, was a comprehensive subdivision ordinance, which, with changes in state law, enabled the city in its ETJ to enforce its subdivision ordinance; control platting, including approval of site plans; require major thoroughfare coordination; review and approve utility and street plans and specifications; and prescribe new bond issue financing parameters for districts.

The city currently reviews and approves all plans for water and wastewater facilities and streets and approves the plats for all platted land in the ETJ. As for storm sewer and detention facilities, the Harris County Flood Control District (Flood Control) under an agreement with the city, or a comparable entity in adjacent counties, establishes design standards and reviews and approves plans and specifications.

The current consent ordinance the city uses contains requirements for city approval of all plans and specifications for MUD facilities, requires city consent to annex land into all MUDs, prescribes an index in which MUD bonds must be priced, and places other requirements on the issuance of bonds. These controls protect the city's interests in having facility design control and preventing irresponsible financings.

The Powers of MUDs

Generally, MUDs may, among other things, build and operate water, sewer, and drainage facilities; enforce water and sewer rules such as ordinances; enforce deed restrictions; collect garbage; hire law enforcement officers to protect MUD property; buy and sell water rights; finance roads and firefighting facilities; use the power of eminent domain on a limited basis; and own and operate parks and recreational facilities.

Most of these powers are self-explanatory. However, two of these powers deserve additional discussion.

Deed Restriction Enforcement. Lenders and builders, as a rule, want deed restrictions to control the style and quality of residential and commercial construction. The architectural control committee, which is part of a homeowners association (HOA), is the only way a developer must ensure that the

builder's product is within the deed restrictions, which maximizes the value of the homes in the subdivision. Part of the reason MUDs were given this power is because, in some areas of the state, MUDs have had to take over the responsibility of funding enforcement because the HOAs were inadequately funded, even for deed restriction enforcement. In the Houston area to date, this has largely not been the case as the HOAs have had adequate funding to handle it, but the state has authorized the same power to MUDs as a backup if needed.

Parks and Recreational Facilities. However, this is not true with parks and recreational facilities. MUDs and HOAs have found much synergy in this area, since the cost of operating playgrounds, clubhouses, existing swimming pools, and related facilities outstrips many HOAs' abilities to increase and collect HOA dues and fees. Many MUDs, by either original design or later agreement, have assumed this important community responsibility. In 2001, the state authorized MUDs to finance limited parks and recreational facilities.

What MUDs Can Finance

When (or if) bonds are issued, MUDs can finance water, sewer, and drainage facilities; some major thoroughfares (if road utility district powers are acquired); fire emergency facilities and equipment; street lights under limited circumstances; and limited parks and recreational facilities (i.e., not swimming pools or golf courses).

A few MUDs may perform all the above functions. However, most MUDs currently concentrate on water, sewer, and drainage. A few perform road repair functions, and even fewer have jurisdiction over firefighting functions. Street light financings are extremely rare, and since the limited parks and recreational powers granted to MUDs in 2001, more and more MUDs have started to pursue this option.

MUDs: “Wild West” or Intelligent Localism?

In planning circles, particularly outside Houston, MUDs are often seen as part of a “Wild West” approach to development that has been tied, among other things, to the damage Hurricane Harvey caused.¹² Yet MUDs have shown they can provide high levels of service for everything such as wastewater treatment, flood control, solid waste, and emergency services, which was particularly evident in the aftermath of Harvey.

Wastewater. Due to the expense of wastewater treatment capacity construction, most new developments attempt to obtain capacity from existing facilities. New treatment plants are generally constructed only if no feasible economic choice is available. Larger developments typically phase in treatment capacity and replace temporary treatment plants as soon as larger facilities are justified.

Flood Control. MUDs generally fund all drainage and detention facilities constructed to serve land in each MUD. All plans, plats, and related documents related to drainage in MUDs must be reviewed and approved by Harris County via Flood Control. No culvert, ditch, or detention pond may be constructed without Flood Control’s approval, which generally means that no adverse downstream impact is felt. County officials in surrounding counties have similar requirements. Therefore, regional coordination and protection from major flood events are maximized.

Solid Waste. Coordination for major solid waste facilities and landfills is coordinated by the Houston Galveston Area Council of Governments and is regulated by the Texas Commission on Environmental Quality (TCEQ). Many MUDs contract for solid waste collection and, in doing so, pay all fees for disposal of solid waste charged by private firms. Presumably, all solid waste collection and disposal fees MUDs pay are sufficient to pay all regulatory and licensing fees necessary to dispose of garbage in landfills and necessarily include the costs of planning, constructing, and

operating all solid waste disposal operations used by the MUDs, just as city garbage collection fees charged to city customers are sufficient to fund the city’s similar activities.

Emergency Services. Fire, police, and ambulance services outside the city are typically funded locally. Emergency services districts generally levy a tax to fund local volunteer fire departments and emergency medical services equipment and supply needs, while the labor is furnished by volunteer and paid staff, some of whom are city professionals working a second job or serving the community in which they live. Many of the volunteer and contract emergency services organizations in the ETJ have extremely high insurance ratings.

As to law enforcement, the county sheriff’s office and constables carry the load. Many MUDs hire contract deputy sheriffs and constables to provide extra patrols of districts. No city funds are used in these efforts. As the city expands with annexation, the additional revenues from annexed areas should be able to fund the new services the city is required to deliver in the annexed areas, with a corresponding reduction in fees and taxes on the MUD side.

How MUDs Are Regulated and Run

In contrast to claims of being largely out of control and under developer pressure to cut corners, MUDs are likely the most regulated and controlled public entities in Texas under Chapter 49 of the Texas Water Code and the TCEQ’s regulations. They are subject to the same laws as cities and counties with respect to open meetings, open records, public bids, nepotism, elections, public official ethics, attorney general approval of bonds, investment of public funds, setting debt service and maintenance tax rates, no service to unplatted land, limitations on expenditures of public funds, and conflicts of interest.

Additionally, MUDs also are subject to the continuing supervision and control of the TCEQ and have additional requirements under the Texas Water Code and TCEQ regulations with respect to operations

and issuance of bonds. These requirements include restrictions on what can be financed and reimbursed, TCEQ review and approval of all new money bond issues, limitations on tax rates resulting from developer reimbursement, conflicts of interest between directors and developers and consultants, and an annual audit requirement.

Rather than mere operatives of the developer interests, MUD directors are public servants and are required to be trained on open meetings, open records, and investment of public funds and are provided educational opportunities at several conferences annually. The Association of Water Board Directors (AWBD), the state educational organization for MUDs, holds two educational conferences a year, with more than 1,500 MUD directors at the recent summer convention in Fort Worth and more than 1,400 at the winter conference in Galveston.

An example of change in the industry is the education level of MUD directors in their field, due largely to the AWBD's efforts, and the intent of the industry to police itself and eliminate problems. Another example is the rise of aggressive preventive maintenance programs for MUD pumps and motors. This is also driven by the desire to keep insurance premiums low and service consistent.

Now that MUDs have been around awhile, and the city annexation policy has changed, many MUD directors have 20–30 years of public service experience. The directors run the MUDs like city councils run cities, but often with a more hands-on approach, since they are smaller entities. However, the average MUD in the Houston area is larger in population than many small towns in Texas, mostly without the political drama, since most MUDs are extremely well run and conservatively financed.

Conclusion

By financing utilities, drainage, and other items with bonds, MUDs allow a developer to be able to produce a lower-cost lot and thus a lower-cost home with a smaller mortgage and lower payment. Relative to

competing markets throughout the country, MUDs have made it possible to keep housing affordable for working-class and younger families through a combination of how they structure bond financing, which is off the city's books, with the city's reasonable planning requirements, reasonable building codes, impact fees that are lower than permitted by state law, and modest building permit fees with quick turnarounds.

Clearly, pricing affects affordability. Additional costs, or costs not financed by MUDs, normally lead to either increased prices or reduced amenities. This all leads to lower-quality housing. James Gaines, the chief economic of the Real Estate Center at Texas A&M University, shows that using MUDs reverses this effect:

MUDs have been crucial in allowing an adequate housing supply and keeping home prices lower than in other high-growth states. Without MUDs, or some other means of financing local infrastructure to accommodate a rapidly expanding population and escalating housing demand, new-home construction would be severely limited and much more expensive and overall housing costs would escalate. That's what happened in such high-growth areas as California and Florida, where supply was constrained by local infrastructure development and highly restrictive, costly land-use regulations.¹³

MUDs are an excellent example of fine-grained localism at work and are a great market-based mechanism for increasing affordable housing on the periphery of metro areas. All states—and especially those facing home-affordability challenges—should consider creating similar mechanisms while looking to Texas as a well-refined and successful model.

Appendix

Table A1. National Association of Home Builders/Wells Fargo Housing Opportunity Index Complete History by Metropolitan Area (2006–16)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Houston	169,000	167,000	150,000	147,000	151,000	153,000	164,000	192,000	207,000	214,000	220,000
Austin	199,000	200,000	176,000	176,000	184,000	183,000	201,000	225,000	244,000	266,000	280,000
Atlanta	183,000	175,000	153,000	150,000	145,000	128,000	130,000	152,000	172,000	190,000	200,000
Denver	224,000	223,000	193,000	206,000	214,000	210,000	240,000	259,000	285,000	319,000	354,000
Phoenix	263,000	230,000	161,000	144,000	135,000	126,000	168,000	192,000	200,000	220,000	238,000
San Diego	475,000	412,000	295,000	319,000	325,000	300,000	350,000	409,000	430,000	460,000	490,000
Washington	405,000	360,000	276,000	285,000	277,000	288,000	310,000	345,000	350,000	364,000	400,000
San Francisco	750,000	749,000	575,000	625,000	584,000	560,000	700,000	800,000	920,000	1,025,000	1,100,000
National	247,000	227,000	190,000	180,000	175,000	170,000	188,000	205,000	215,000	226,000	250,000

Source: National Association of Home Builders, “The NAHB/Wells Fargo Housing Opportunity Index Complete History by Metropolitan Area (1991–Current),” <https://www.nahb.org/en/research/housing-economics/housing-indexes/housing-opportunity-index.aspx>.

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More Accountable Delegation in Health Care

Thomas P. Miller

The circular political debate over “repeal and replace” of the Affordable Care Act in 2017 mostly reflected the wide gap between the rhetoric of empowering state governments to reengineer health care financing and regulation and the realities of health care politics. Thus far, various initiatives to alter the federal-state balance of power in health policy primarily have involved proposals to:

- Finance Medicaid through less open-ended per capita allotments or block grants,
- Liberalize the scope and scale of waivers to allow states more discretion in structuring their health insurance markets and administering their Medicaid programs, and
- Promote interstate competition among states in how they regulate health insurance.

Renewed efforts to advance such reforms during 2017 stalled on the legislative front in Congress, although they continue to be pursued to lesser degrees via executive branch rulemaking, modified guidance, and enforcement discretion. Assessing their future political viability, policy rationales, and practical effects should begin with reviewing the strengths and weaknesses of federal- versus state-led policymaking for health care, followed by a reframing of strategic options ahead.

The initial case for delegating more policy decisions involving health care to state government officials usually points to the need to tailor policies to the variation across states in their demographic, cultural, and political makeups. A more pluralistic approach to health policy, at a minimum, also increases the odds that mistakes are made but contained, one state at a time, rather than triggering a more uniform set of maladies. In theory (and sometimes in practice), the feedback loop between state-level policy promises and their actual results should be shorter, as localized effects are more evident and less avoidable. Experiments can be not only launched more often but also modified and adapted more quickly. Political transaction costs are lower at the state level. The greater hope is that successful reforms can serve as models to guide similar efforts by other state, and even federal, policymakers.

More practically speaking, delegation to state governments of many matters of health policy already occurs because the federal government lacks the capacity to administer its rules and guidance at a more granular level in 50 different jurisdictions. It may also enable outsourcing of political blame for failures to square national theory with local practice.

On the other hand, the political appetite for health policy experimentation and innovation actually may be more modest than assumed at the state level. For example, most states were quite happy to dodge the expense and complications of setting up their own

health exchanges under the Affordable Care Act (ACA) while still selectively complaining about the federal government's efforts.

State Policymaking in Practice: Maximizing Federal Funding and Ratcheting Regulation Upward

States historically have devoted far more of their attention and energy to devising creative ways to extract additional revenue from federal taxpayers in other states than to developing more competitive and efficient health care systems of their own. The most common intergovernmental accounting gimmicks involve provider taxes and supplemental payments above Medicaid reimbursement rates. States impose provider taxes on specified categories of home state health care businesses to generate new in-state matching funds that can be leveraged to produce larger amounts of new federal Medicaid dollars. Some, if not all, of those revenues then are directly or indirectly routed back to those providers in the form of higher Medicaid "payments." Although this manipulation of Medicaid financing rules has been limited to some extent by federal law since the early 1990s, it still continues to allow many states to increase their "effective" federal matching assistance percentage (FMAP) above the one tied by statutory law to a state's relative per capita income level and thereby spend more money on its Medicaid program than it would otherwise.¹

Another financing technique states use to increase FMAP funds for Medicaid is to make payments to providers above what they pay for individual services through Medicaid provider rates. Federal upper payment limit (UPL) regulations prohibit federal matching funds for Medicaid fee-for-service payments in excess of what would have been paid under Medicare payment levels. However, states can receive extra federal matching dollars, up to that UPL, beyond regular Medicaid payments, for services provided by any institution in a specific group of institutions (primarily hospitals). The US Government Accountability Office has raised concerns about oversight, transparency, and accountability for these payments, particularly whether they actually are being used for Medicaid.²

The Medicaid and CHIP Payment and Access Commission recently noted that various combinations of state provider taxes and intergovernmental transfers allow states to draw down federal funds without providing any additional services or improving the value of services provided to Medicaid enrollees, and they can increase the federal share of Medicaid spending substantially. It calculated that state use of these non-general-revenue sources increases the federal share of Medicaid financing by about 5 percentage points, from roughly 57 percent to 61.7 percent.³

Moreover, richer states have learned to exploit the flawed incentives of Medicaid's federal funding formulas more successfully than poorer states. Because the pre-ACA FMAP sets a floor of 50 percent for the federal share of Medicaid dollars in even the richest states, the latter have strong incentives to expand the program's optional coverage to less-poor constituents further up the income ladder while shifting at least half the costs onto taxpayers in other states. In addition, more affluent states have been more likely to adopt the ACA's expanded Medicaid coverage at even higher matching rates.⁴

Many state governments' past policy decisions also have tended to increase health care costs, by reducing choice and competition in health care services. For example, the template for mandated health insurance benefits in the individual and small group markets was established first by many states, well before the ACA's essential health benefits requirements were proscribed by federal law. The National Conference of State Legislatures estimates that there are more than 1,900 statutes among all 50 states involving required categories of benefits, providers, or persons to be covered by insurance, most of them enacted well before the ACA.⁵

Certificate of need (CON) laws at the state level require advance approval for new health care services and facilities, such as hospitals or nursing homes. They encourage incumbent providers to block or delay new competition. Under the 1974 Health Care Planning Resources and Development Act, federal law once required all 50 states to establish state health planning processes to evaluate and approve major capital projects such as building expansions

or ordering new high-tech devices. However, federal policymakers found CON ineffective in limiting the growth of health care costs and repealed the mandate in 1987. Nevertheless, at least 34 states still maintain some form of the CON program.⁶

In the recent past, many states restricted the scope of practice for nonphysicians such as nurse practitioners (NPs), although a growing number of states have removed or liberalized those restrictions as evidence shows similar outcomes at lower costs when the NPs have more autonomy. State licensing rules also may hamper expansion of telemedicine, such as by imposing “physical exam” requirements for doctors to perform in-person exams before writing prescriptions or limiting access to out-of-state physicians without a home state license.

Twenty-seven states limit the cost-reducing effectiveness of managed care by imposing “any willing provider” laws on state-regulated insurers. They prohibit those insurers from limiting membership in their provider networks based on geography or other characteristics and require them to reimburse all providers equally, as long as a provider is willing and able to meet the carrier’s conditions of membership. Similar state laws have restricted selective contracting; limited the ability of insurers to steer their insured customers toward lower-cost, in-network doctors and hospitals (so-called freedom of choice laws); banned financial incentives for physicians to provide less-costly health services; or prohibited insurer restrictions on physicians’ recommendation of high-cost treatment options.⁷

Well before the enactment of the ACA, almost all states imposed rating requirements on insurers in the small group or individual market that limited to varying degrees the premiums they could charge customers, and a lesser number (as many as 19) required some insurers to sell coverage to all comers.⁸

The main point here is not that supporters of freer and more competitive health care markets should turn to the federal government for relief, but rather that both levels of government share more in common with each other regarding health policy than advocates of innovation through federalism either recognize or admit. When many state policies make

health care and insurance coverage less affordable, competitive, and consumer centered, states then increasingly turn to Washington for more money to subsidize it.

Delegation That Makes a Difference

The current balance of power between federal and state governments in health policy tends to leave taxpayers, patients, and other private payers on the sidelines. Four different, but somewhat overlapping, strategies come to mind to sort out and adjust that balance.

Federal Deregulatory Preemption and Capped Assistance to States. This approach would extend the Employment Retirement Income and Security Act regime of relatively limited federal regulation of health insurance beyond larger self-insured employer plans to other voluntarily organized pools of insured individuals that meet sufficient financial solvency, information disclosure, and governance standards. It would preempt state regulation of covered benefits, premium pricing, and risk rating while relying more on informing and assisting consumers in making their choices and exercising their contractual rights. This type of deregulatory reform would refrain from pre-screening and precluding consumer options to prevent every imaginable bad decision.

The other half of this policy package would reduce incentives for a state to maximize its draw on funding from federal taxpayers elsewhere and minimize the share of its own funds placed at risk. Policy approaches here tend to emphasize various versions of capped federal Medicaid funding either through per capita allotments or block grants that are indexed to grow slower in the future than projected spending trends. However, they also could be extended to limit federal subsidies for private insurance coverage.

Putting external sources of funding for a state’s Medicaid program (or even federal support for all state efforts to maintain and expand insurance coverage) on a fixed budget would provide more fiscal certainty at both levels of government. However,

even allowing more managerial discretion for states to resize their spending commitments and reallocate their resources across longer time horizons still may not ensure enough of an operating cushion for poorer states. Purely budgetary fixes at the aggregate level also will not necessarily solve other long-standing program management problems involving lack of informed choice for beneficiaries, insufficiently vigorous competition in benefits design, and poor incentives for improved health care delivery. Setting limits on federal financial support needs to be harmonized better with downsizing federal minimum standards and eligibility guarantees for Medicaid beneficiaries.

A bolder approach would redirect, if not exclusively devote, federal financial support to those lower-income states deemed least able to finance adequately their poorest citizens' medical needs.⁹ States still claiming to lack additional mechanisms to raise revenue could be allowed to "rent" the federal income tax machinery to impose higher taxes on their own residents, somewhat similar to how some states allow willing local governments to raise additional retail sales taxes for dedicated purposes.¹⁰ Making this enhanced revenue raising optional for all states should protect it from uniformity clause legal challenges.

The most serious challenges facing this category of reform are political, not legal or administrative. It must overcome resistance to unwinding a host of cross subsidies and regulatory protections that conceal costs, distort choices, protect entrenched interests, and deliver far poorer results than promised. We have learned that doing so is no easy task when it comes to changing health policy.

Interstate Competition in Health Services Regulation and Health Outcomes Production.

There is an alternative to either more standardized federal government control of health care regulation or 50 different state regimes each separately immunized from external challenges. It involves opening up choices across a more diverse set of competing jurisdictions for end users of health care services and the health policies that shape them. This approach most often has been proposed for health insurance

regulation, via either federal legislation or state compacts to facilitate the sale and purchase of health insurance across state lines. The better versions structure a process of primary regulation in the state where an insurer chooses to be domiciled and then leave the final purchasing choice up to consumers living in any participating state. They also include a host of disclosure, solvency, and enforcement safeguards that necessarily limit the maximum imaginable scope and scale of interstate competition and potential premium savings.¹¹

Interstate competition in health policy does not need to be limited just to insurance regulation and purchases of out-of-state insurance products. In a more traditional sense of Tiebout-style competition among different states (or even local governments) to attract residents and businesses to relocate or remain there, the comparative performances of particular governments in helping produce better health outcomes at lower costs could become competitive assets.¹² Such competition could extend to more creatively localized production of health information, nutritional assistance, educational opportunity, affordable housing, family counseling, urban planning and design, and health services licensing.

Of course, the hypothetical in this realm remains substantially limited by practical and political considerations. States and localities would have to develop and commit to more differentiated and sophisticated policy approaches to increasing health care value, in pursuit of residents willing and able to vote with their feet. Likely marginal gains would need to meet a challenging cost-benefit test.

That has already proved difficult enough in recent efforts to launch meaningful interstate competition in health insurance regulation alone. First, potential entry by out-of-state insurers into other states is limited by the costs of establishing new provider networks, developing sales distribution channels, and finding customers. Second, the range of savings depends on the scope and scale of future interstate competition. For example, it may be applied to only particular parts of the overall health insurance market (small group, individual, or all fully regulated plans). Several additional safeguards necessary

to ensure sufficient political viability and economic credibility may expand even further in ways that would reduce the size of potential premium savings and coverage gains.

Potential interstate competition in health insurance also has been blocked by political resistance from dominant insurer incumbents, medical provider groups, and disease advocacy associations. All of them “benefit” from various state coverage mandates. This iron triangle of interests usually favors tighter state insurance regulation (a.k.a. barriers to new entry) and extensive mandated benefits (a.k.a. make someone else help pay for the benefits they want covered by insurance).

Moreover, unless and until the ACA’s Washington-centric regulatory regime is repealed or substantially altered, efforts to create greater choice in state-based insurance regulation are inherently limited. It remains hard to make a business case for speculative investments in such ventures in the face of the chilling presence of current federal rules and regulations. Moreover, even state officials who are willing to listen to such ideas find it hard to resist their inherent bias toward believing that their own state’s brand of regulation remains the best one.

State Freedom, with Accountability, to Experiment and Innovate. Greater emphasis on decentralized federalism in health policy needs to travel more of a two-way street. For example, Medicaid programs present not only the most immediate concerns about state-level fiscal abuses but also the greatest potential opportunities for states to play a larger role in reshaping their health policy environments. Finding a better, sustainable balance among Medicaid’s levels of eligibility, covered benefits, provider reimbursement, and beneficiary choice certainly requires more flexible trade-offs, better targeting, decentralized decision-making, and more transparent accountability to both taxpayers and enrollees. But simply transferring large amounts of revenue from one level of government responsible for collecting it to another level of government left relatively free to spend it dilutes political accountability for balancing tax decisions with spending ones.

Each state Medicaid program should be accountable for measured improvement in health care quality, whether through better health outcomes or other performance metrics, rather than just for close compliance with federal rules and regulations. The latter often has little if any real impact on the lives of beneficiaries and fails to promote efficiency and cost containment.

For policy delegation reforms such as block grants or capped allotments, the primary role of the federal government should be to ensure true accountability and responsibility on the part of states that are given greater freedom in spending federal dollars. The federal government should offer every state the opportunity to enter into a simplified compact that sets outcome measures and benchmarks and then requires a participating state to report periodically (probably annually, but perhaps quarterly) on its performance toward them. Federal oversight should be triggered when there is a significant deviation in the reported versus projected performance. The number of measures should be limited to perhaps no more than 10 for each relevant dimension of health care: cost, quality, and access.¹³ This will simplify or eliminate the state plan approval process, allowing states and their constituents to concentrate more on what matters most: better health outcomes, better value, and lower costs.

The federal government should allow states adopting this mega waiver option to:

- Determine their own eligibility categories and income threshold levels for Medicaid;
- Establish rates and service delivery options;
- Design benefit packages that best meet the demographic, public health, and cultural needs of each state or region (whether that involves adding, deleting, or modifying benefits); and
- Use cost sharing to promote individual responsibility for personal health and wellness.

Congress may also consider providing bonus payments for each state that achieves or exceeds appropriate benchmarks (or even hold some federal funding at risk for coming up short of them). Unlike most other liberalized Medicaid waiver reform proposals, this approach would go far beyond seeking federal permission for specific policy changes (e.g., work requirements, greater cost sharing, premium contributions, managed care extensions, and health promotion incentives) and instead offer far broader results-accountable operating discretion.

Wider corridors for state waiver authority could merge funding for coverage under both a state's Medicaid program and its ACA exchanges, or even across the rest of the state's regulated insurance markets, to provide more innovative coordination and integration of insurance reforms. But improving the effectiveness of federal and state assistance in the lives of low-income Americans will also entail bolstering other areas of public policy that shape the magnitude and nature of the demand for its assistance and the likelihood of the program's success, at a more decentralized level.

Direct-to-Consumer Empowerment. Even the best versions of capped funding and liberalized waiver authority that limits the federal government's role in Medicaid program reform still essentially hand off many important Medicaid decisions concerning health benefit levels from one set of government officials at the federal level to other policymakers at the state level. Individual beneficiaries remain largely on the sidelines instead of becoming more engaged and empowered. Similarly, reform proposals that would move more control over health insurance regulation back to the state level may only change the source but not the substance of current policies.

A truly consumer-driven health care approach would focus less on favoring which particular level of government determines the primary parameters of health care choices and far more on increasing the opportunities for individuals to determine them more directly in competitive private markets. The ultimate issue is not whether a particular government body is inherently more likely to make the "right" decisions but rather how to reduce currently excessive layers of political interference aimed at obstructing willing

buyers and sellers from reaching mutually agreeable health care arrangements.

Moving to a defined contribution approach to taxpayer-subsidized insurance coverage would facilitate a more consumer-centric world of health care choices. With various levels of financial assistance provided to beneficiaries based on their relative needs and the related costs they are likely to face, the nature, quality, and level of health care services they actually choose would become more variable and customized. Such an approach would reward insurers, health care providers, and (perhaps) more accountable local policymakers for raising the quality of health care, the value of health benefits, the overall culture of health, and the satisfaction of patients, instead of just struggling to keep the apparent, visible costs of government assistance somewhat lower.¹⁴

Although this type of reform presumes that overall taxpayer support for health care would be more limited, it could be targeted better to where it is most needed and still leave unrestricted the spending of additional private dollars to enhance or expand health care options. However, placing initial choice and control over how to spend taxpayer subsidies in the hands of beneficiaries would not accomplish much without also providing an enhanced infrastructure of usable health information and improved connections to intermediary agents to assist them in making their choices more actionable and effective.

Conclusion

The fundamental policy road not yet taken in health care does not involve picking the most favorable government jurisdictional level of the moment to achieve particular results. Federalism discussions in this policy area tend to confuse short-term political alliances with long-term structural dynamics of political accountability and market competition. They need to resolve better what type of health care markets we prefer and which set of policies best allows a larger voice for consumer choice and market competition, instead of outsourcing those matters too casually to political intermediaries at all levels of government. Until then, we should expect past political performance to predict similar future results.

Notes

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Can Utah's Model of Self-Help Be Replicated by Other States?

INTERGENERATIONAL POVERTY AND CULTURAL CAPITAL IN UTAH

By Natalie Gochnour

In a landmark study on intergenerational mobility in the United States, Stanford and Harvard economists concluded the greater Salt Lake area has the highest rate of absolute upward mobility in the nation.¹ The authors compiled statistics from millions of anonymous income records and analyzed time trends and geographic variation in mobility. Salt Lake City, the greater Salt Lake metro area, and Utah consistently performed well across a range of metrics.²

Other communities may not be able to replicate the cultural capital present in the predominantly Mormon state, but they can look for public policy innovations as sources for inspiration. Utah's innovative intergenerational poverty initiative, which is localism at its best, represents a public policy worthy of emulation.

Utah's Cultural Capital

The discussion about Utah's "model" centers on self-help. The Church of Jesus Christ of Latter-day Saints (LDS church, also referred to as Mormon), whose membership comprises about 63 percent of the state's population, operates a private welfare system undergirded by the principle of self-reliance.³ LDS leaders teach that the responsibility for temporal well-being rests first with the individual, second on the family, and third on the church.⁴ This leaves government welfare a distant fourth.

Work is a core component of the LDS welfare ethos. The welfare manual LDS leaders use says:

We cannot be self-reliant without being willing to work. . . . The Lord has commanded us to work, for work is the source of happiness, self-esteem, and prosperity. It is the way we accomplish good things in our lives.⁵

This focus on work stretches back at least as far as the Great Depression. In an LDS church conference in 1936, a church leader said the church tried to design a welfare system in which "the curse of idleness would be done away with, the evils of the dole abolished, and independence, industry, thrift and self-respect [would] be once more established amongst our people."⁶

Recently, journalist Megan McArdle described the LDS welfare system and church members in this way:

They [the LDS church] are extremely good at investing in people. If you are in a Mormon parish . . . and something's going wrong in your life, you're going to have intensive, kind of tag-team efforts by people in your community to get you back on track.⁷

A few years later, McArdle observed an odd relationship in Utah between the much celebrated (at least on the left) welfare states of Scandinavia and conservative business-oriented places such as Houston.

Salt Lake City, she notes, was “a bit like Sweden . . . if it were run by the U.S. Chamber of Commerce.”⁸

This clever juxtaposition of caring for the common good and doing it in a business-minded way captures a vital component of Utah’s cultural capital and welfare ethos. Utahans care for the needy while teaching and promoting self-reliance. While we do not know precisely why Salt Lake City scores so high in upward mobility, we do know social capital plays a role.

Utah’s ethos of self-reliance is not limited to the faith community; it exists in public policies as well. The innovative work being done in Utah to alleviate intergenerational poverty provides a great example of this ethos in public policy and one that other states can replicate.⁹

Utah’s Intergenerational Poverty Initiative: A Local Success Story

Utah’s political leadership is focused on how to effectively combat poverty. The state’s most recent political initiative against poverty began with former state Sen. Stuart Reid’s efforts to target intergenerational poverty cycles. Reid, who served as a volunteer leader in an LDS congregation and had experience with what the Utah Department of Workforce Services director has called “the brilliant minds lost in poverty,” wanted to find opportunities to break the intergenerational cycle of poverty he observed in many Utah families.¹⁰

After being elected to the Utah State Senate in 2010, Reid sponsored the Utah Intergenerational Poverty Mitigation Act, legislation that required state policy analysts to study two types of poverty: situational poverty, which is temporary and occurs because of a job loss, major health event, divorce, or other life change, and intergenerational poverty, in which poverty is passed on through two or more successive generations of a family.¹¹ Reid observed as a lay clergyman that while both types of poverty existed, each required different interventions.

Both houses of the legislature unanimously passed the Reid-sponsored Intergenerational Poverty Mitigation Act in 2012. According to Reid, “A unique component of our effort is a Republican

dominated legislature saw the virtue in a data-driven, child-focused effort to arrest intergenerational poverty. As much as anything, I am proud that my Republican legislative colleagues proved that they indeed do care about the poor and are willing to support efforts that make sense and demonstrate provable outcomes, particularly as it relates to children.”¹²

The Intergenerational Poverty Mitigation Act requires Utah government entities to share administrative data across agencies, develop a system to track intergenerational poverty, identify trends, and study and develop plans and programs to help individuals and families break the poverty cycle.

After more than two years of assembling data-sharing agreements and needed privacy protection, Utah’s state government has one of the most complete data sets in the country on families suffering economic hardship over successive generations.

The most recent analysis completed in 2016 found:

- Exactly 37,512 adults and 57,602 children are in intergenerational poverty,
- Twenty-five percent of adults receiving public assistance are experiencing intergenerational poverty, and
- Thirty-three percent of Utah’s children are at risk of remaining in poverty as adults.¹³

Based on the 2016 data, 75 percent of Utah adults receiving public assistance do not meet the definition of intergenerational poverty. For these adults, Utah uses traditional social safety-net supports to target temporary needs and help families get back on their feet. However, as the data make clear, large numbers of families remain in poverty, holding a worrisome lack of economic mobility. This is where Utah’s intergenerational poverty work and emphasis on self-reliance become so crucial.

With data in hand, Utah’s efforts have now turned from researching intergenerational poverty to implementing a “policy vision” to fix it. The legislature created an Intergenerational Welfare Reform Commission in 2015 to measurably reduce the incidence of

How Does the LDS Church Welfare System Work?

The scale and success of the LDS church welfare system is well-known and documented.²⁹ It combines work (self-reliance) and service (care for the needy) to create a private welfare system of significant size and scope. In 2015, the LDS church spent approximately \$40 million on welfare and humanitarian projects around the world, and volunteers devoted 25 million hours of labor.³⁰ Over the past 30 years the LDS church has contributed an estimated \$1.2 billion to worldwide welfare and humanitarian aid.³¹

The LDS welfare system includes 131 storehouses, 259 employment resource centers, and hundreds of millions of dollars in aid distributed around the world.³² Welfare Square in Salt Lake City, where members serve and render aid, includes a cannery, milk-processing plant, thrift store, and employment center.

The centerpieces of the LDS welfare system are self-reliance and work. The church's welfare manual outlines six areas of self-reliance (education, health, employment, home storage, resource management, and social, emotional, and spiritual strength). LDS leaders teach that the responsibility for temporal well-being rests first with the individual, second on the family, and third on the church.³³ Members are admonished to give their time, talents, and resources for others.³⁴

Members contribute to the welfare system through a 10 percent tithe on their earnings and through a monthly fast offering. The church has designated one Sunday a month for members (who are physically able) to forgo food and drink for two consecutive meals. Members are asked to give to the church an offering at least equal to the value of the forgone food. Those who are in a position to give more are asked to do so. These offerings are then used in the church to "feed the hungry, shelter the homeless, clothe the naked, and relieve the afflicted."³⁵

The emphasis on self-reliance and work has been emphasized by LDS President Dieter Uchtdorf: "The Lord's way is not to sit at the side of the stream and wait for the water to pass before we cross. It is to come together, roll up our sleeves, go to work, and build a bridge or a boat to cross the waters of our challenges."³⁶

Utah families in the cycle of poverty while improving economic mobility and quality of life.¹⁴

Since then, commission members have identified challenges, goals, and benchmarks to measure progress and have created a five- and 10-year plan.¹⁵

Among the most important challenges identified are findings that many young children in poverty are underprepared for kindergarten, starting behind other students from their first day of school. Seminal research demonstrates that a child growing up in economic hardship is often exposed to stress and trauma that can impede healthy brain development, affecting cognitive, social, and emotional development.¹⁶ Research has shown low-income children, on average, hear 30 million fewer words than their more affluent

peers by age three.¹⁷ These same children are often caught in a vicious cycle of poor health, abuse, and neglect. And, far too often, the agencies responsible for rendering aid lack coordination and alignment.

The five- and 10-year plans confront these challenges directly and articulate goals in the four areas of focus: early childhood development, education, health, and family economic stability. They have developed benchmarks to measure progress for each goal and are actively building strategies to achieve them.

Self-reliance, a primary component of Utah's welfare ethos, is a key focus of the Intergenerational Welfare Reform Commission. The commission has outlined a 10-year goal to improve economic stability

and ensure that children at risk of remaining in poverty are living in self-reliant families. To reach this goal, one must first have reliable data. Utah's commission uses data indicators such as year-round employment, wages, and postsecondary enrollment to measure economic stability. The commission has also identified specific strategies to achieve the goal of self-reliance:

1. Establish career pathways for intergenerational poverty adults and young adults;
2. Connect students to employment;
3. Promote access to postsecondary education, including trade certificates;
4. Provide financial coaching; and
5. Recognize job-skill-development activities, such as education, as satisfying a safety-net program work requirement.¹⁸

Interestingly, none of these strategies focus on increasing financial support to families or expanding the social safety net. That is because the commission avoids a common trap of spending more money while ignoring opportunities for program reform and innovation. The commission focuses on improving the effectiveness of existing services and programs and enhancing opportunity for those in poverty.

In testimony to the Senate Finance Committee, Utah Department of Workforce Services (DWS) Director Jon Pierpont said:

The initiative is leading the way not by outlining numerous new services or massive additional programs that incur more government spending, but by more effectively using the services and programs already in place.¹⁹

Examples of the commission fine-tuning programs and services include expanding access to qualified tuition plans (529 college savings plans), placing highly effective teachers in schools with high rates

of intergenerational poverty students, and providing scholarships for intergenerational poverty four-year-olds to attend a high-quality preschool.²⁰

Utah's intergenerational poverty work also reaches outside of government to address challenges. The legislation requires the commission to engage a diverse group of stakeholders such as business leaders, religious organizations, nonprofits, and academic experts. Moreover, the commission focuses on addressing intergenerational poverty program reform at the local governmental level, where actors are closest to stakeholders.

For example, Next Generation Kids, a local policy innovation in program and service delivery, builds from a body of evidence that shows children and parents do better when they *both* have opportunities to succeed.²¹ Rather than focus on the parents' employment needs, Next Generation Kids focuses on the entire family unit. In an interview, Pierpont explained, "In most cases, it does not cost more money for programs to be family-focused."²²

DWS partnered with the University of Utah's Social Research Institute to implement Next Generation Kids, a two-generation approach designed to package employment, health, and childhood education supports together for families and children at risk for intergenerational poverty. Next Generation Kids uses evidence-based policy implementation practices to establish key strategies for program implementation, including meeting families where they lived and socialized (in schools, community centers, and residences), promoting self-determination, and building relationships with community partners and government agencies.²³

With new and robust intergenerational poverty data in hand, DWS targeted the Next Generation Kids program in schools serving large numbers of children in or at risk for intergenerational poverty. In these schools, DWS staff develop relationships with school district officials, principals, and teachers, incorporating student educational outcomes into family's case management plans. While supporting childhood education for children at risk of intergenerational poverty, Next Generation Kids works with "connecting parents to job training, helping them obtain GEDs,

and connecting them to employment, while their children are now enrolled in high-quality preschool, participating in afterschool programs, and improving school behavior.”²⁴ All this is done while continuing to meet all federal aid requirements.

In a 2015 testimony in front of the Senate Committee on Finance, Pierpont spoke of Utah's holistic approach to tackle intergenerational poverty:

This two-generation approach to case management is not designed to grow government. Rather, our caseworkers are connecting families to the extensive resources available through other government entities, religious organizations, non-profits, and other community groups.²⁵

Replicating Utah's Intergenerational Poverty Initiative in Other States

Can Utah's intergenerational poverty work be replicated in other states? I think it can. Other communities may not be able to replicate the same social networks present in Utah, but they can replicate the public policy innovations that come from it.

Utah's intergenerational poverty initiative is data driven, customized by community, and focused on improving effectiveness of existing services and programs. It does all this without requiring additional federal funding while meeting federal requirements. This innovation is exactly the type of public policy that should be appealing to every state.

While some states' welfare programs lack focus on intergenerational poverty, others are showing interest.²⁶ Washington State has explored legislation, and several other states have contacted Utah leaders and sought input on designing a similar effort in their state. In addition, Sens. Martin Heinrich (D-NM) and Susan Collins (R-ME) have introduced federal legislation modeled after Utah's efforts.²⁷

In an interview, Pierpont was optimistic about scaling Utah's family-focused approach to ameliorating poverty:

All states can become more data-driven, all states can work to bring federal funding to serve vulnerable families, all states can serve vulnerable populations through family-focused approaches, and all states can look to their local communities to partner to solve issues without spending a significant amount of new funds.²⁸

My look into the crystal ball tells me more states will adopt an intergenerational approach to alleviating poverty based on the Utah model. They will be successful not only because they have the cultural capital that stems from a faith tradition such as the LDS church, which makes such a positive contribution in Utah, but also because addressing intergenerational poverty makes policy sense. As communities do so, they will recognize that self-reliance is not created from the top down, but rather from the bottom up. Communities that cultivate their own brand of self-reliance and adopt innovative local solutions will prosper.

Notes

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Go Local: Communities as Laboratories for Rescuing American Democracy

Michael D. Hais, Doug Ross, and Morley Winograd

In surveys conducted before and after the 2016 election, a Public Religion Research Institute and *Atlantic* poll found that “six in ten white working-class Americans . . . say because things have gotten so far off track, we need a strong leader who is willing to break the rules.” The same poll found 32 percent of white college graduates agreed.¹

Since the 2016 presidential election, much of national debate has focused on sharp partisan, ethnic, cultural, and economic divisions in America. These differences are pulling the country apart and make finding consensus at the federal level difficult, if not impossible. Pundits and politicians call for leadership that “brings us together” as the antidote to this growing divisiveness.

These authors respectfully disagree. We see the pursuit by groups and communities of varied cultural norms, economic strategies, and lifestyles as a healthy sign of American freedom and choice, not a destructive force. We need to rebuild public confidence in American democracy, not by insisting on a singular national answer to each problem but by celebrating the ability of America’s diverse communities to find innovative solutions that work best for them. As we see it, the challenge confronting the nation is to find a way to permit this diversity of opinion and action. These values can all flourish in our political system while restoring faith in the common democratic values and processes that define American self-government—individual rights, rule of law, checks and balances, freedom of speech and the press, and protections against the tyranny of the majority.

What Is Constitutional Localism?

To provide better governance and simultaneously restore faith in democratic processes, America must adopt a new civic ethos on the scope and purpose of government. We call this new civic ethos “constitutional localism” because it intentionally shifts the greatest number of public decisions possible to the community level, albeit in a clear constitutional framework protecting the individual freedoms and rights won over the past 250 years. This paper is our attempt to discuss rebalancing our federal system from the Washington-centered, New Deal civic ethos of expansive federal government for the common man used in the Depression and postwar period to a new way of organizing governing rights and responsibilities for 21st-century America.

Constitutional localism’s shift of public decision-making to the community level promises greater benefits than simply expedience from the enervating deadlock of Washington, although we believe efficiency is important in the near term. We see constitutional localism as a democratic adaptation for Americans who hold an ever-wider range of social mores, lifestyles, political philosophies, and economic opportunities without sacrificing either self-government or membership in a great nation. Bringing decision-making closer to home satisfies the first desire while insisting on preserving the ideas that unify us as Americans—such as individual freedom, self-government, rule of law, and

preserving basic individual rights—provides a path to the second.

The “constitutional” part of constitutional localism is central to our belief. We cannot overemphasize our conviction that local empowerment must not risk division from any attempts to undo the historical consensus on America’s individual and civil rights. A shift of public decisions from the federal to local level must build on an expansion of rights that aligns with our Constitution and the demographic, economic, and cultural realities of today’s America.

Reflecting Changes over the Past 80 Years

Our urgent call for a new civic ethos acknowledges profound changes that have rendered the old national civic ethos obsolete. Since the New Deal was enacted in the 1930s, the US population has been transformed from one that was overwhelmingly white, Christian, and of European descent to one that represents a mix of the world’s races and most of its nationalities and religions (or, recently, lack of religion).² The civic crisis that the nation confronts today is largely a reaction to this increased diversity.

America’s economy also has morphed in profound and disruptive ways over the past 80 years. The number of Americans working in manufacturing peaked in 1979; mining employment, which includes oil, gas, and coal extraction, peaked in 1982. In 1965 these two blue-collar occupations, along with construction, provided about one in every three nonagricultural jobs in the US. Today, they provide fewer than one in seven.³⁴ Populism, whether it comes from the left or right, captures people’s anger at these changes but does little to provide logical solutions to the underlying problems.

Given the magnitude of the changes America has experienced in a relatively brief time span of 80 years, many are anxious about the speed and nature of the transformation while others applaud it. It is also hardly surprising that some want the political system and government to endorse and further the changes while others want those institutions to slow or even reverse them. These changes often threaten deeply held values on one side of the dispute, so whatever

action government might take becomes a source for distrust of the fairness of democratic decision-making processes for those on the other side.

Further exacerbating these barriers to national consensus is Americans’ growing preference to live with those who share their cultural and ideological views. Increasingly polarized election results reflect this growing self-segregation to live with people who share our view of the world.

At the same time, by providing a platform for the most vitriolic and divisive rhetoric, social media has worked to reinforce the country’s fragmentation. When the disintermediating capability of the internet is combined with social networks’ abilities to easily link people into communities with mutual interests, the creation of echo chambers—where people hear only people like themselves—increases dramatically. In such an environment, what is true becomes what the group believes to be true, and “fake news” becomes anything that does not fit the group’s predetermined point of view.

This localized electoral polarity, underpinned by demographic concentrations of distinctive cultures and united through social networks, helps explain our current difficulty in forging national consensus around crucial issues facing the country. But rather than attempting to pick cultural winners or elevate the concerns of one region over another, constitutional localism seeks to tap these differences as a new source of economic and social innovation.

The Advantages of Going Local

Constitutional localism seeks to address the current crisis in our civic life by reinforcing Americans’ increasing tendency to look away from Washington and even the states to focus on their local communities and regions as more promising venues to solve common problems.

Democratically debating and resolving public issues locally reduces the need to find answers that fit all communities across the country, thus making consensus easier to achieve. Solutions that are more tailor-made to specific local circumstances make them

more effective. Constitutional localism increases the chances that governmental decisions will reflect the beliefs and values of the voters. As a result, in recent years we have seen that many of our most urgent challenges are best solved at the local level.

Education is a good example. The issue is so contentious in Washington that confirming the current US secretary of education required the vice president's vote in a polarized Senate. Meanwhile, over the past dozen years, Kalamazoo, Michigan, a midsize community in the heart of the country's Rust Belt, quietly came up with an idea to revolutionize higher education in America. The Kalamazoo Promise, a pledge from anonymous donors in partnership with the Kalamazoo Department of Education, aimed to revitalize the city's tax base and economy by offering free tuition to any public college in Michigan to the city's public high school graduates. Student college enrollment and persistence soared, and people had a powerful reason to move into Kalamazoo, reversing the city's downward spiral. This local innovation has spread to communities and states across America.⁵

New Orleans offers another example of local decisions creating a competitive advantage for a community, in this case one that had been written off as economically moribund following Hurricane Katrina. City leadership came together in the wake of the disaster and decided to strategically leverage New Orleans' intrinsic strengths—its Mississippi River location, energy infrastructure, and world-famous culture—to diversify the economy and rebuild the middle class. Industrial companies invested \$70 billion in new projects. For example, a former NASA factory was converted to produce commercial drones and composite windmill blades. The result has been a steady influx of technology companies placing New Orleans second among all US cities in the growth of “knowledge industries” and number one in the volume of in-migration of college graduates.⁶

Applying Localism to Immigration Policy

Obviously, many decisions must remain at the national level, such as foreign policy and defense and

those infrastructure, commercial, and environmental issues involving externalities that cross national and state lines or offer large economies of scale. However, more of the big issues facing America, including some of the most contentious, can be tackled at the local level.

Immigration, generally seen as the exclusive purview of the national government, could benefit from a local dimension. Although the basic rules for deciding who can immigrate to the US and the required application process are a matter the federal government should continue to decide, shifting a key element of the immigration question to the local level could reduce the partisan conflict that has frustrated needed immigration reform. Requiring that potential immigrants who have been federally vetted receive a community sponsorship before qualifying to enter the country would allow places such as Detroit, Silicon Valley, and farm areas in rural Georgia hungry for new and often entrepreneurial residents to welcome them into their respective communities. Such an approach would also permit Rust Belt cities such as Youngstown, Ohio, or small towns in Alabama to decline the placement of new immigrants in their communities, given their concern about possible higher unemployment or a desire for more cultural homogeneity.

Of course, the Constitution would prohibit any restriction on the subsequent voluntary movement of immigrants once legally settled in their sponsoring communities, but under this plan each community would be more likely to feel its preferences had been respected. The result should be a better experience for new immigrants and a lessening of the tension that currently surrounds the issue.

A Solution with Potentially Broad Appeal

Despite yawning cultural, economic, and partisan differences, Americans by substantial majorities believe that their local community offers the best opportunity to find common ground regarding public challenges and opportunities. A large majority of Americans perceive that progress dealing with the range of key issues confronting and vexing the United

States is occurring more often at the state and local level (64 percent) than in Washington (26 percent). An even greater percentage (69 percent) expect that in the future “new ideas and solutions for the biggest economic and social challenges facing America” are more likely to come from “state and local institutions like government, businesses, and volunteer or community organizations” rather than similar national institutions (22 percent).⁷

This perception crosses demographic and partisan lines. As author and columnist Ron Brownstein has pointed out, the belief that “new ideas for confronting the nation’s biggest problems were more likely to emerge from state and local institutions than national ones . . . was shared by two-thirds of whites and nonwhites, and at least two-thirds of Millennials, Generation Xer’s, and Baby Boomers. Nearly four-fifths of Trump supporters thought local institutions offered the best new thinking, and although Clinton supporters tilted more toward Washington, nearly three-fifths of them as well looked local for answers.”⁸

Popularity is a good starting place, but constitutional localism also must offer effective ways to deal with the deep-seated economic and cultural concerns that are increasingly dividing the United States.

Enhancing American prosperity at a time of low birth rates and perhaps lower levels of immigration requires increased productivity to generate economic growth. While economists offer no neat prescriptions for accelerating productivity, their recommendations invariably include a heavy dose of innovation. Constitutional localism seeks to enhance productivity through calling for decentralized approaches to testing and implementing policies and providing communities and regions with the resources and autonomy to develop the specialized infrastructure and talent.

This approach has been applied in places as diverse as Silicon Valley, New Orleans, and Kalamazoo. They have all benefited economically from innovations that sprung from civic leaders establishing a unique ecosystem in which local innovation could flourish.

Millennial Preferences: A Road to the Future?

For constitutional localism to succeed, it must also be aligned with the values and beliefs of America’s largest generation: millennials. Born between 1982 and 2003, these 95 million Americans are beginning to run for public office and will form the core of community leadership over the next several decades. Unlike the intensely divided baby boomer generation now in power, survey research indicates millennials bring a greater sense of collaboration in their politics, something that will only enhance local activism and civic involvement.

Survey data indicate that millennials do, indeed, prefer to “think globally and act locally.” Since 2010, Case Foundation research has demonstrated that “with few exceptions, Millennials [are] willing and eager to ‘do good.’” But rather than attempting to make things better through large organizations and institutions, Case surveys indicate that millennials prefer to support specific issues and perform smaller actions locally, often as volunteers using nongovernmental channels.⁹

A 2016 postelection poll analysis by the Center for Information and Research on Civic Learning and Engagement, an organization that researches and promotes youth civic engagement, confirmed these findings. The study found that three-quarters of millennials had voted in a local election, half had donated money to a cause, and a third volunteered for a community organization on a regular basis. Between a fifth and a quarter had contacted a public official about local issues, attended a meeting to discuss local issues, and served in a leadership role in a community organization. Twice those numbers said they would participate in those activities if they had an opportunity to do so. By contrast, about only 1 in 10 millennials said they had ever volunteered for or donated money to a political campaign or had attended a campaign rally or event.¹⁰ Surveys indicate that millennial participation in local civic activities is comparable, if slightly less, to the public overall—a gap that is almost certain to close as the generation ages.¹¹

An Innovative Approach to Governing

We believe the promise of effective community problem-solving should make constitutional localism inherently attractive to not just millennials but also everyone interested in improving civic life in America. However, for constitutional localism to help restore faith in American democracy, it is not enough for individual communities to successfully solve their local problems. At some point, breakthrough discoveries from these local community “laboratories of democracy” must be publicized and replicated for this new civic ethos to achieve the scale needed to restore trust in our democratic way of life.

Therefore, constitutional localism will require establishing new government-to-government connections. The effort could prove as distinctive and innovative as the alphabet soup of federal agencies Franklin Roosevelt put in place to implement the New Deal. This new system, which can be put in place at the regional and state level, involves using big data and the power of networks to share and review the results of local governmental efforts. Earlier attempts to use this approach to solve challenges as diverse as crime, social welfare, or mental health in cities such as New York, Baltimore, and Los Angeles have all proved the value of sharing successful innovations among government agencies. For example, the crime rate in New York City using then–Police Chief William Bratton’s “CompStat” process dropped so dramatically that former Vice President Al Gore’s reinventing government task force required the Department of Justice to train all urban police chiefs on how to replicate

it. Now we need a concerted effort, preferably sponsored by the US Conference of Mayors, to create networks of community leaders so that they can learn from each other what is and is not working.

This is *not* a radical departure in the context of our nation’s history. The Founding Fathers launched the nation with a predisposition to put self-governance as close to the people as circumstances permit. Indeed, each successive civic ethos this country has adopted reflects the struggle to define the right balance between centralized and distributed governing authority most appropriate for the times. It is important to remember that each of these new civic compacts emerged only after an exhaustive and acrimonious debate in a context of widespread frustration, anger, and bitter partisan division.

We are clearly engaged in such a period again. In the short term, we need to find venues and processes in which Americans can escape polarization and gridlock and collectively solve problems that are preventing progress and growth. It is time for Americans to agree on a new civic ethos needed to save American democracy. Constitutional localism provides the best formula to redistribute governing power and responsibility to achieve that end.

Our purpose in writing this paper is to contribute something of value to the crucial debate about how best to preserve the American democratic experiment not only in today’s world but also for generations of Americans to come. We invite our readers to join us in this debate with the intensity and urgency the times demand.

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Localism and Education: Pluralism, Choice, and Democratic Control

Frederick M. Hess and Andy Smarick

American localism rests on a fundamental faith in the merits of pluralism. Recognizing that communities have different histories, cultures, and priorities, local governance allows communities to make decisions in accord with shared values and routines. There is a complementary assumption that localism can foster not only better communities but also better citizens. Free to forge lives and ties among those who share their beliefs and values, individuals will be more responsible, civic-minded, and inclined to support communal endeavors.

Nowhere, perhaps, has all of this historically been more evident in American life than in schooling. After all, the decisions schools make about curricula, discipline, norms, and hot-button issues go to the heart of how communities want to raise their children.

Indeed, given the role schools have historically played in binding together the fates of neighborhoods, fostering understanding and interdependency among neighbors, it is no great feat to understand why in so many communities school choice is seen as a threat rather than a boon. In short, two time-tested notions of localism are in tension: one rooted in liberty and free association and the other in the bonds of community. The challenge for education reformers is that their assessment of relative merits here has become remarkably detached from that of many families, voters, and communities.

When it comes to schooling today, localism occupies a peculiar perch: It is both revered and reviled. Paeans to community control carry talismanic weight, even as

community control is indicted as a sickness and malaise that offers an insuperable barrier to quality schooling. School boards have been indicted as anachronistic impediments to quality.¹ The vagaries of localism have been blamed for inequities in funding and performance. And, of course, local control played an outsized role in school segregation and in efforts to resist desegregation.

Local control of schooling has a long and tangled history in the US. Going back to the earliest provisions intended to support public education—whether in Massachusetts in the 17th century or the Continental Congress’ Northwest Ordinance in 1787—it was presumed that states would require localities to provide schools while maybe supplying some resources to help but that the provision of education would be handled by individual communities. Indeed, schooling in early America relied heavily on the use of local churches and the practice of “boarding round”—in which local families would help support teachers by offering room and board. All of this meant that schooling relied on local goodwill and varied tremendously from one place to the next.

That history guided the 19th century’s “common school” project, as efforts to promote compulsory education relied on states encouraging local communities to build and support schools. Governance of schools was hyper-local, with each individual school typically overseen by its own school board. Indeed, by the early 20th century, there were about 100,000 school boards in the US, nearly all of which consisted of locals overseeing a single school.

In these ways, we can see how America's decision to have public schools operated and governed locally was pragmatic, not just philosophical. Because of the nation's size and diversity, the central role played by various communities of faith, and the limited size and expectations of state and federal government, any effort to universalize educational opportunity ultimately rested on the energy and agency of local communities.

But as some of these conditions changed—namely, explicit efforts to prize assimilation over diversity, the reduced role of churches in schooling, and the increased capacity of state and municipal government—public schooling became less local, or at least less hyper-local. In the 20th century, consolidation and reform markedly reduced the number of school districts to 14,000 today, while subjecting local school systems to increasing numbers of directives from the states and (eventually) from Washington.²

After *Brown v. Board* in 1954, demands for more “rational” and “less political” oversight were joined by a compelling moral claim—that many communities (and even states) could not be trusted to do right by all their students. Thus, the post-*Brown* era was marked by school reform agendas—in the states and in Washington—that frequently sought to reduce or even eliminate local control. These strategies came from both the right and left, from both legislatures and the courts, and included new directives regarding desegregation, standards, testing, discipline, funding, teacher quality, school interventions, magnet schools, school choice, and more.

Many education reformers are uncomfortable with localism precisely *because* they believe that many differences in history, culture, resources, and priorities are *not* valuable or even tolerable. Many of these differences, they argue, contribute to inequities related to race, ethnicity, income, gender, disability, sexual orientation, immigration status, and more, all of which they regard as a threat to equal opportunity and democratic norms.³ They fear, with some cause, that allowing communities to vary in their approach to educational accountability, teacher evaluation, curricular offerings, or much else will raise the specter of uneven standards and quality—allowing existing inequities to persist.

As a consequence, reformers have shown a propensity to call for moving authority to higher levels of government, question the instruments of localism (such as school boards), and support efforts to standardize key policies and practices across states or even across the nation. Common Core was designed to make what students learn in reading and math common across much of the land. Teacher evaluation reform was intended to ensure that all teachers in a given state are assessed in a standard fashion. Most federal education funds, whether for Title I or special education, seek to equalize school spending or standardize access.

The critique of local control has come from both sides of the partisan spectrum and from many different vantage points. It is useful, however, to discern three major camps.

- **Business and “Accountability” Republicans.**

Since the 1980s, accountability-minded Republicans have urged states and Washington to embrace “standards-based reform.” This entailed states adopting clear standards for what students should learn, testing them regularly on this content, and mandating interventions in schools and systems that were deemed to be performing inadequately. Inevitably, this meant narrowing the span of control that localities enjoyed over what gets taught, how schools are evaluated, and how schools should operate. The whole point, in fact, is that the reformers do not trust the locals to get this right—especially in light of the inevitable pushback from teachers unions. During the George W. Bush administration, of course, the No Child Left Behind Act took this strategy to a new zenith, with Washington requiring states to embrace standards-based reform in prescribed ways.⁴

- **School Choice Advocates.** Wonkish advocates of choice-based reforms not infrequently find themselves at odds with suburban communities, middle-class parents, or small-c conservatives concerned about social norms, traditional values, and community routines (whether those

are neighborhood schools or local high school football teams). Indeed, school choice advocates tend to dismiss local governance as a malicious anachronism. They question the moral probity of parents who oppose school choice out of concerns about adverse impacts on their local schools and have urged state and federal action to promote school choice in communities where sentiment is opposed. Viewing local school districts as bureaucratic monopolies, choice advocates want to give families the means to escape them. They seek to remove locally imposed restrictions linked to residency and attendance boundaries, even as many simultaneously embrace new standardized policies governing admissions, discipline, enrollment, and more.⁵

- Democratic Reformers.** Progressive reformers have come to see localism as little more than a problem to be solved. The critique is captured in talk of “zip code” education—the fact that communities tend to be clustered across lines of race and class and the reality that these differences tend to be reproduced in educational outcomes.⁶ They see localism as a haven of inequity and segregation. Because they do not trust communities to have the expertise or commitment to pursue the necessary reforms to finances, staffing, desegregation, standards, and more, they look to Washington—through efforts that have ranged over time from formula-based expenditures to such novel approaches as the federal Race to the Top program. Indeed, more than a few progressive reformers have indicated they would like to see the Supreme Court overturn precedents limiting federal involvement in K–12 education so that Washington might take on a much more active role in financing, managing, and supervising schools.⁷

Yet, for all the far-reaching critiques of local control, in almost no case have reforms entailed abolishing local control. Rather, they have tended to narrow local control’s span or be layered atop familiar routines. Why? There are a number of reasons.

A sentimental attachment to localism is undergirded by the sense among many parents and voters that local control offers a bulwark against grand plans and far-off agendas. This is no small thing, given the number and goofiness of each that have been imposed on schools over the years.⁸ In many communities, that attachment is bolstered by old-fashioned attachments such as community pride and a desire to determine what history and values their children are taught.⁹

There is also another dimension to consider: Crucially, the most active and influential boosters of local control have not been red-state parents or Tenth Amendment champions. Rather, they have been teachers unions, principal and superintendent associations, and the rest of the infamous “blob,” groups that have always found it easiest to exert an outsized influence on local school boards and local decisions.¹⁰ All of this is enough to give the spins to a principled, reform-minded champion of local control—and helps explain the oft-convoluted politics of schooling.

Indeed, the most influential and impassioned advocates for localism are those with a vested interest in the current system. And, despite the opposition of “reformers,” the forces of localism have fared well this decade. The Every Student Succeeds Act was enacted by a Republican Congress, signed by a Democratic president, and cheered by the *Wall Street Journal* as a massive reversal of federalization. Moreover, an even longer view suggests the robustness of localism: Despite wave after wave of reforms spanning generations, the majority of American children continue to be educated in public schools run by local school boards.

So what accounts for the system’s stability? Well, for one thing, inertia is a powerful force in government and policy. But there is another answer—that localism is not just a sticky, lazy equilibrium but a well-reasoned consensus. That is, perhaps Americans have decided to continue situating schools’ authority at the level of small, local democratic units not merely because it is convention but because there is wisdom and value in that convention.

School choice programs have sought to empower families. Charters, vouchers, tax-credit scholarships,

and education savings accounts all enabled parents to choose schools that were not the ones to which their kids were assigned and, as importantly, schools that are free of local school boards. Yet, in the urban areas where non-district schools have captured large shares of the K–12 market, there have been high-profile efforts to re-empower local school boards. Indeed, the mostly white, college-educated reformers who have flooded into inner cities to launch and staff charter schools have been viewed in many communities as an invading horde.

This has sparked bitter divides in communities such as New Orleans and Newark. In New Orleans, after the charter sector reached 90 percent of the public school market, with the support of local and state charter school advocates, legislators adopted legislation to put most of the city's charters under the oversight of the local school board. In Newark, an aggressive reform push and massive charter school expansion have led state officials to hand control back to a local board.¹¹

What Is Localism in K–12 Education?

All of this raises questions about what “local” actually means when it comes to schooling. In most of public life, tensions between fealty to the market and faith in time-tested norms and institutions are unremarkable.¹² After all, markets are disruptive precisely because they upend familiar routines. In schooling, though, for a generation or more, reformers (including those on the right) have depicted school choice as the ultimate expression of localism. It pushed authority down from hulking, bureaucratic district offices to individual families and schools. Moreover, it enabled families to choose their school communities, rather than be compelled to enter a given school community based on their home addresses. In other words, school choice seemed to embody an understanding of localism based on voluntary associations, nongovernment bodies, and individual empowerment.

But those mixed feelings on school choice make more sense when we keep in mind how this vision clashes with traditional notions of local school

governance. After all, schools represent many important things to local communities. Especially in suburban and rural communities, local schools help define local identity. Their football and basketball teams are sources of local pride and a hallmark of community interaction. Their principals, star students, and foibles are communal touchstones. Other things equal, parents have said they would prefer for their children to attend nearby schools—and groused about arrangements that require children to experience long commutes.¹³ Local schools that attract families from a geographically compact area make it easier for parents to engage and for schools to act as a community hub.

This is not said to dismiss the value of enabling parents to choose the right school for their child but to suggest just why attachment to local control may run so deep and why the usual slogans of school choice and school reform may sound off-key in many communities. If localism is about community collaboration and compromise, measures that expand individual choice would seem to lead to atomization and the demise of familiar, popular school systems—in a manner likely to enervate communities and undermine social capital.

Both understandings of localism make sense. Both are eminently defensible. Interestingly, the tension between the two only came into focus with the success of choice-based reforms, which offered a vibrant alternative to the district's century-old definition of localism. Some of the differences between the two conceptions simply cannot be resolved. Either public schools are governed by elected officials or they are not. Either families are able to choose to send their children to private schools with public funds or they are not.¹⁴ At the same time, there are also many places where compromise and iteration are wholly feasible—choices of public options can be expanded or governance can be shifted from school boards to mayors (or vice versa).

Each approach has plenty to recommend it. For some families, the chance to enroll a child in a better school around academically motivated peers can be a heaven-sent, life-altering event—even if it means extensive travel time and logistical travails. For other

families, faced with different choices in different contexts, it may matter much more that children attend school with their neighbors and socialize with those same kids after school or on weekends and that the neighborhood is fully invested in the local school.

Now, an intriguing question in all of this is how notions of localism will evolve with changing norms, technology, and needs. For instance, as children spend more and more out-of-school time online, the fact that choice systems make it harder to physically interact with school friends may matter less. Similarly, the ways in which technology makes it easier to coherently and effectively govern a system of scattered schools can enable networks of charter schools to offer something of the virtual community once exclusive to local school districts.¹⁵

In the end, redefining the contours of local control has become a central feature of 21st-century school reform. Should local school systems have the right to evaluate teachers and address struggling schools as they see fit—even if state or federal officials think they are making the wrong decisions? Should local residents have the right to keep school programs—or particular school choice operators—out of their communities? Is local control enhanced or undermined when geographic school systems gradually cede authority under choice-based systems? And how do we weigh the benefits of the voluntary communities that emerge in schools of choice against the potential impact of further fragmenting neighborly bonds?

These are questions that have rarely been asked in contemporary school reform but that may just prove inescapable in the years ahead.

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Local Control in Texas

Jay Aiyer

Whether the Greek city-states of antiquity or the cities of Renaissance Italy, the governing and structural foundations of Western democracy have been built on the municipality. This most foundational unit of government has been the basis of how governments have been organized for thousands of years. As local governments grew and populations increased, states and federal governments developed, but the basic structure of a municipal-focused government continued to dominate the governance structure of civilization. This model gave us the foundations of representative democracy and the cultural and artistic basis of Western civilization. As a practical matter, it envisioned government at its most effective as one closest to individual citizens, allowing local control and the ability for citizens to directly affect policy and outcomes.

In the United States, no state embodied this principle more than Texas. Conceived as a decentralized mega-state, Texas was by design diverse regions united by the principle of local control.¹ The Republic of Texas was originally part of Mexico and broke away largely in reaction to Mexico's heavy-handed centralized control.² The concept of local control, or "localism," as it is often referred to, is literally in Texas' DNA. In a state that often prides itself on unique "Texas values," the Texas way is inextricably tied to localism.

Unfortunately, Texas' current leadership seems bent on altering that historical formula for political success. Over the past few years, the Texas state government, which often complains of federal interference, has pursued policies and goals that have stripped

away local control, causing much alarm from policy-makers interested in preserving the Texas model.

Background

The Texas Constitution of 1876, which remains the governing document for the state, clearly delineated the role local governments play in Texas.³ To give local governments maximum control, Texas established a weak central government headed by a part-time legislature and governor's office.

At the time of the constitution's adoption, Texas was a sparsely populated state that was almost entirely rural. With little in the way of modern cities, county governments were the primary vehicle for governance. This would change with the increasing urbanization of the state and the establishment of home rule cities.

Adopted in 1909, Article 11, Section 5, of the Texas Constitution established home rule cities for municipalities larger than 5,000 people, allowing the creation of municipal corporations with broad powers to regulate and govern—including broad ordinance powers.⁴ These entities would be regulated through "city charters," which served as local constitutions. Additionally, the Texas Constitution through Section 4 of the same article created general law cities that allowed for limited self-governance and taxing authority.⁵

The development of home rule municipalities allowed for something uniquely Texan: a diversity of cities, each governed and structured in distinct ways. Texas is now home to four of the 11 largest cities in

the country—Austin, Dallas, Houston, and San Antonio.⁶ Each city has a completely different governance model and regulatory framework. From the strong-mayor, largely unzoned, development environment of Houston to the city-manager, heavily regulated Austin, each of these cities has prospered and grown at record pace.

This diversity in governance, however, has led to external pressure from the state to diminish and weaken localism.⁷ To many in state government, local control was a valuable and important concept when Texas was largely rural and conservative. As Texan urban communities grew more liberal, the Texas statehouse has held less fervor for local control.⁸

Texas Versus California

Texas politicians have for years stoked a rivalry between America's two most dynamic states—Texas and California. Large, sunny, and eternally optimistic, these two states have consistently been pitted against each other in a contest for the heart and soul of the United States.

At the root of this competition is a misperception that the two states are fundamentally divided in their governance and structure. Texas politicians often treat California as a boogeyman, arguing that it operates as a centralized state, while Texas is juxtaposed as a libertarian paradise. The reality, however, is quite different, at least as it pertains to the Lone Star State.

Both states have a long and storied history based on local control, with a recognition that in a large and diverse state, empowering local communities is often the most effective way of governance. How that local control manifests itself is what sets them apart and is in many ways the beauty of local control.

California is a culturally liberal state, with pockets of conservatism. Its signature governance tool, initiative and referendum, has centralized some authority. One-party control has tended to strengthen centralization—particularly over land use, which reflects the ideology of the ruling party. In more urbanized California, the rural and exurban areas are more excluded and overlooked.⁹

Texas is a conservative state with growing liberal urban centers. However, just like its California counterpart, the leadership in Texas has chosen to centralize authority through the legislative process, undermining local control on a myriad of issues. The irony of Texan centralization is reflected in Texas politicians' frequent invocation of the specter of California's government to justify state centralization. Texas Gov. Greg Abbott often refers to his calls for more centralized authority as a bulwark against the "Californization" of Texas.

Just this past year, at an event with the Texas Conservative Coalition Research Institute in March 2017, Abbott spoke of the danger of cities' abilities to "California-ize" Texas: "For us to be able to continue our legacy of economic freedom, it was necessary that we begin to speak up and to propose laws to limit the ability of cities to California-ize the great state of Texas."¹⁰

In reality, recent policymaking and Abbott's actions suggest Texas is moving toward a more California-like model of state-centralized control, albeit a conservative version—but in both cases without local citizen action leading the way. In his zeal to keep Texas "pure," Abbott has driven Texas away from the model that has made it so successful.

The 85th Texas Legislature

This 2017 regular session of the Texas legislature is the most recent example of this retreat away from local control. Unlike most states, Texas has maintained its tradition of a part-time legislature. For 140 days every two years, members of the Texas House and Senate meet in a high-stakes game of Texas Hold 'em to pass a budget that will fund the state for the next two years.¹¹ Along the way, they manage to pass hundreds of other laws that affect the lives of every Texan while stoking controversy.

More than any other session in recent memory, this one has been marked by tension and division. Hostility around social issues, most notably the so-called bathroom bill and legislation banning sanctuary cities, dominated public conversation and the lawmaking process.

Lost in these discussions, sadly, is a greater focus on the fundamental shift of the Texas state government toward greater centralized authority and a dismantling of localism. At every turn, the governor and legislature have sought to usurp more authority and exercise more control over local communities and individual citizens, rewriting one of Texas' governing principles.

Four specific bills were emblematic of this dangerous trend. While the public policy behind some of them may be noble, the erosion of local authority is troubling and suggests an increasingly centralized Texas state government at the expense of traditional Texan localism and the state's municipalities.

Pension Reform. Houston's and Dallas' pension system reforms were one of the most complicated and difficult pieces of legislation filed in 2017, passing into law at the expense of local municipal control. Municipal pension systems, while entirely controlled at the local level, continue to require state approval for any structural changes, rather than allowing local elected officials to manage the systems.¹²

Senate Bill 2190 and its companion, House Bill 3158, dramatically altered the municipal, police, and fire pension systems in Houston—reducing benefits and costs, while making the system more financially sustainable. While the bill itself was the result of local compromise, it continued to preserve the existing structure requiring state “oversight.” The bill did require that local voters vote on the issuance of pension bonds, and its passage would trigger the changes to the system. Without the issuance of bonds, the changes revert back.

The irony is that state leaders put the voter-approval requirement into the bill. Even though the bill requires local voters to approve the final changes, it nevertheless usurps local decision-making power.

Ride-Sharing Regulations. Taxis and other transportation companies have historically been controlled locally in Texas and around the country. The industry has undoubtedly received a unique regulatory structure that has favored traditional taxis, often to the detriment of competitors.¹³ The success and

rapid adoption of ride-sharing services have placed a historical pressure on the taxi industry while pushing local governments to modernize regulations.

In 2014 and 2015, Austin and Houston enacted rules and regulations governing ride-sharing companies, including a requirement that drivers for ride-sharing companies such as Uber and Lyft must pass fingerprint-based background checks.¹⁴ In reaction to these changes, the legislature, at the governor's urging, sought to take control of these regulatory powers from local governments. House Bill 100 provided a new set of statewide regulations that would preempt and supersede any local regulation and remove local safety regulations and rules, including cities' fingerprint requirement for drivers.¹⁵

The new state regulations were looser than previous regulations and were seen as a victory for large ride-sharing companies such as Uber, which reentered Austin and other Texan cities, and Lyft, which reentered Houston. But they represented a loss for local control and more stringent safety regulations designed to protect Texans.¹⁶ While the policy goal of a less regulated transportation system may be admirable or desirable, using preemption to end local autonomy and control is heavy-handed and needlessly obtrusive. Local elected officials and voters ratified these changes, and their wishes need to be respected.

Texting While Driving. In June 2017, Texas' 85th legislature and Gov. Abbot passed House Bill 62 to create a statewide ban on texting while driving. In previous years, bills banning texting while driving statewide were continuously vetoed, often in the name of government overreach. In 2011, Gov. Rick Perry vetoed a bill to create a statewide ban on texting while driving, calling it a “governmental effort to micromanage the behavior of adults.”¹⁷

House Bill 62 also includes a provision that preempts all local ordinances and regulations related to texting while driving.¹⁸ Gov. Abbott threatened to veto the bill but was swayed to sign it into law with the inclusion of the local preemption of city and county regulation.¹⁹ While Gov. Abbot ultimately signed the bill, he continued to push for further state preemptive regulation during a subsequent special session, calling

for “legislation that fully preempts cities and counties from any regulation of mobile devices” beyond simply texting.²⁰

While a ban on texting while driving seems agreeable from a public-safety perspective, the Texas legislature’s continuous desire to preempt all local authority of mobile device regulation and limit local government safety requirements is a step too far.

Public School Finance. Texas’ convoluted school funding system relies heavily on local property taxes to fund education. The system is funded by a formula combining local property taxes with state appropriations. As local property taxes have risen because of appraisal increases since the housing crash, the state has reduced its funding obligation. The result has been local taxpayers paying larger shares of statewide school funding.²¹ The state has increasingly used local taxes as a slush fund to reduce its obligation and shift the burden to local taxpayers.

Rather than fix the underlying problems associated with school funding and this reliance on local funding, the Texas legislature offered little in the way of reform. The House Bill 21 proposed to slightly change the finance system and infuse \$1.5 billion into the system, but it failed to address the underlying school formulas. The Texas State Senate tacked on an amendment that would have partially subsidized private school tuition for some Texas families. Fortunately, the measure failed.

The school finance issue will be back again in the 86th session, like it is virtually every session. Until the issue is resolved, expect more grouching and lawsuits from local governments.

Looking Ahead

A crucial component of the Texas model has been its reliance on decentralized government. Unique among the large states in the US, Texas has relied on local governments to drive progress and change. The result has been dynamic metropolitan areas, prosperous rural communities, and expanding suburbs.

The actions by the governor and legislature to fundamentally reject this model threaten Texas’ prosperity and historic sense of self-determination. This “Californization” of Texas is a dangerous trend. In a state as diverse and large as Texas, its dispersing power has been a source of strength. It is simply impractical and unwise to concentrate all authority in Austin.

Unfortunately, the future prospects for Texas look like a further exacerbation of this trend against localism. As Gov. Abbott stated to the conservative media at the start of this legislative session, “One strategy would be for the state of Texas to take rifle shot after rifle shot after rifle shot approach to try to override all these local regulations. . . . I think it would be far simpler and frankly easier for those of you who have to run your lives and businesses on a daily basis if the state of Texas adopted an overriding policy and that is to create certain standards that must be met.”²²

Nearly 181 years ago, Texans rejected the centralized authority of Mexico, choosing a decentralized future. With their actions this session, the governor and legislature seem to have forgotten that history lesson and what makes Texas unique. Local control and the future direction of the Texas model could be at stake.

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The United Cities of America

Richard Florida

The day after Donald Trump's astonishing election victory, a reporter asked me an extremely prescient question: "What can we do to overcome America's red-blue divide so our nation can begin to heal?" Without thinking, I shot back, "We can't. Our divides aren't just about politics and values; they are baked into our geography and the deep structures of the knowledge economy. The biggest problem facing America isn't Trump—it's the divide that made him possible."

If the stakes of this election felt so high, perhaps it is because we as Americans have allowed the presidency to become too powerful an office and the nation-state too powerful an institution. For a country consisting of 300 million-plus people spread across thousands and thousands of cities and communities, placing the majority of its trust in any one person or group of officials makes little sense.

The urban revival of the past couple of decades was powered by local forces without much help from the federal government, including the Democratic Clinton and Obama administrations. If our national government is not going to help our cities address their opportunities and challenges, then our cities, suburbs, and metro regions will have to do the job themselves.

With or without a Trump administration in power, no top-down, one-size-fits-all strategy can meet the demands of a nation as geographically, culturally, and economically divided as ours has become. When it comes to their needs and desires, exurban and rural places are often vastly different from big cities and metropolitan regions. Dense urban areas need deep investments in transit, while more spread-out regions

need improvements to roads and bridges. Dense places need strategies for eliminating the negative impact of gentrification and inequality, while more spread-out places need strategies for fostering innovation and entrepreneurship. In short, local economic policies are best tailored to local conditions.

Indeed, Trump's election presents us with a unique opportunity to recast our governance and overcome our divide by putting real power in the hands of cities, suburbs, and metro regions. It is time to devolve power from the dysfunctional nation-state and overblown imperial presidency to the local level, where pragmatism reigns and partisan differences are much more muted.

The "Big Sort" Needs a New Politics

Trump's election shows the depths of America's political economic divide—the large and growing gap between metropolitan America and the less dense regions of the country—and the backlash from the less urbanized parts of America.

Having decisively won the popular vote, Hillary Clinton far outpaced Trump in the nation's most populous, wealthy, and progressive urban regions. But Trump eked out enough votes in the struggling, left-behind cities, suburbs, and rural areas to secure a narrow victory in the Electoral College.

While Clinton carried just 487 of the United States' 3,000-plus counties, these counties generate close to two-thirds of America's economic activity. Clinton also won 55 percent of the vote in metro areas with

populations of more than one million people and managed to clinch eight out of the 10 largest metro areas in the United States, which account for more than half the votes cast in the election. Trump, meanwhile, significantly beat out Clinton in rural areas, with 61 percent of the vote and 259 metro areas compared to Clinton's 122.¹

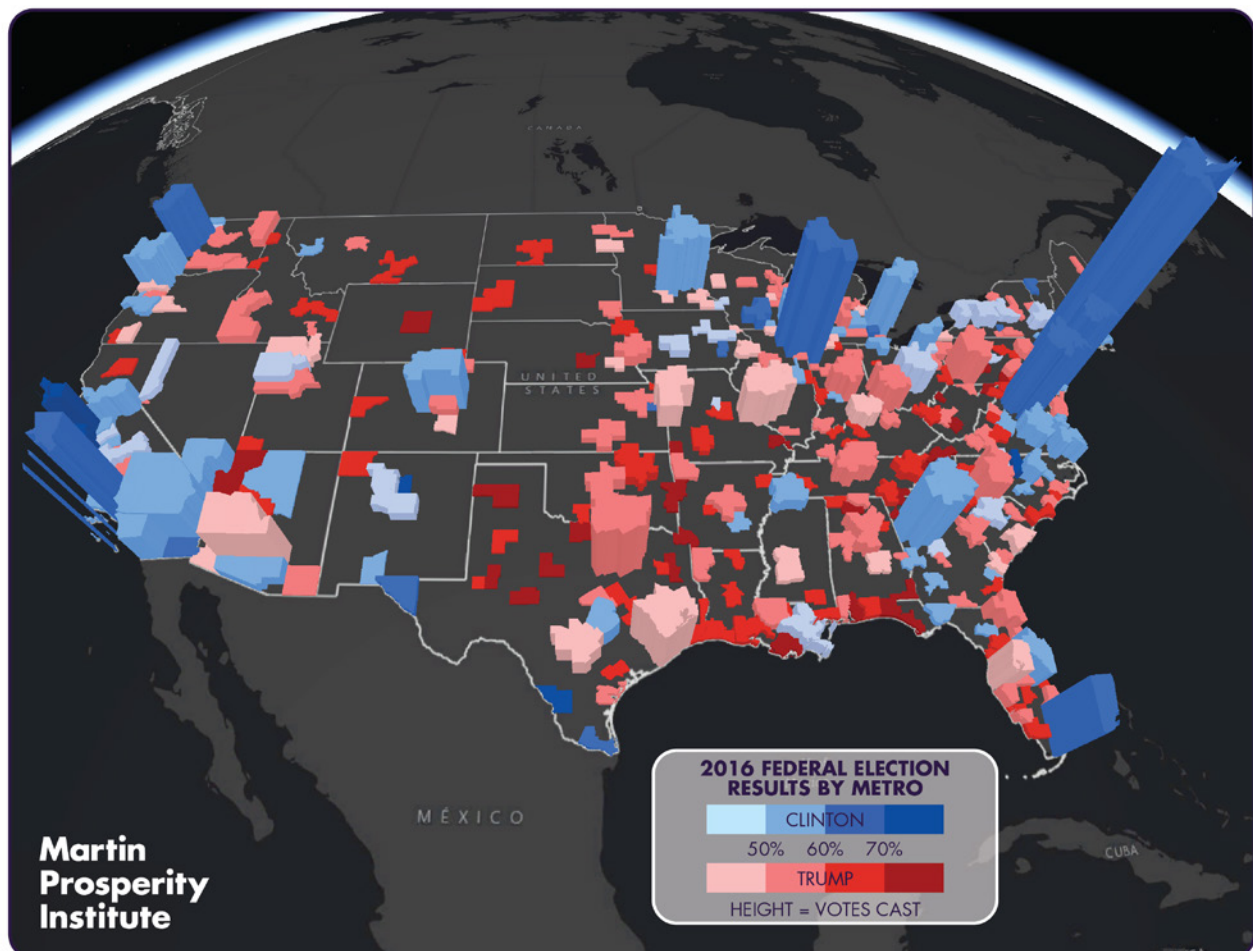
Figure 1 shows this graphically. The bars' heights represent the shares of the national vote. There are more pink and red bars on the map than blue, but those blue bars—which indicate some of the most economically productive, demographically diverse, and politically progressive metro areas in the United States—tower above them.

Clinton took 76.7 percent of the vote in San Francisco, 72.9 percent in San Jose, and 68.7 percent in

Washington, DC. She topped 70 percent in Los Angeles, Chicago, Miami, Boston, Seattle, Philadelphia, and New York. She also took outsized shares of the vote in college towns such as Santa Cruz (73.4 percent), Durham–Chapel Hill (70.5 percent), Boulder (70.3 percent), Ann Arbor (67.4 percent), Ithaca (66.7 percent), and Madison (66.7 percent).²

Clinton's margins were even wider in urban centers—including Trump's home base of Manhattan, where he earned just 10 percent of the vote. Trump also secured just 4 percent in Washington, DC. Clinton, meanwhile, took home 85 percent of the vote in San Francisco, 75 percent in Denver, 74 percent in Chicago, and 71 percent in the highly urbanized Los Angeles metro area. Overall, Trump received three million fewer votes than Clinton, and his Electoral

Figure 1. 2016 Presidential Election Results by Metro and Population



Source: Martin Prosperity Institute.

College victory depended on fewer than 100,000 votes in just three states. But he colored the map red.³

Back in 2003, the social commentator Bill Bishop and I coauthored an op-ed for the *Washington Post* on the shift in American politics, culture, and economics.⁴ (Bishop later expanded our thinking into his book *The Big Sort*.⁵) For most of the 20th century, we wrote, American politics had been divided along geographic lines between the North and South, cities and rural areas, and so on. But we detected a change around the turn of the millennium as politics became more shaped by local geography and, as a result, more polarized. The political middle ground, we wrote, had evaporated not only from city to city but from neighborhood to neighborhood as well.

This “big sort” has become even bigger as the spatial divisions between classes and locations have worsened in America. The motor of our new economy is what I call a “clustering force,” wherein the concentration of talented people in cities has overtaken natural resources and large corporations as the key drivers of America’s economic progress.

The extent to which economic activity has become clustered in the world’s cities and metropolitan areas is staggering. Today, the world’s 50 largest metro areas house just 7 percent of the earth’s population but generate 40 percent of its economic activity. Another 40 mega-regions—including the Boston–New York–Washington corridor and the Bay Area’s San Francisco–Palo Alto–San Jose nexus—contribute to around two-thirds of the world’s economic output and more than 85 percent of its innovation, but just 18 percent of its population. What’s more, just two neighborhoods in downtown San Francisco attracted billions of dollars in venture capital investment last year—more than any one nation, except the United States.⁶

But, for all its economic power, this clustering force is Janus-faced: Along with innovation and productivity, it also carves deep divides in our society, politics, and ultimately, our economy and nation. While Blue America has an advantage in terms of pure density and population, Red America has an advantage in the political geography of the Electoral College and Congress. It is also more affordable, which could become

a more decisive factor in where people choose to live moving forward.

This geography has had devastating political consequences on the national level, where—as New York University’s Jonathan Haidt puts it—America has turned into a dysfunctional “vetocracy.” “Because we have a vetocracy, it’s easy to stop things,” Haidt told me at an event in February. “We are evenly divided, and the passions keep rising. The anger and resentment and hostility has been going up steadily since the ’90s and spiking up in the last year or two. It just seems fairly hopeless that we are going to somehow come to understand each other and work together.”⁷

Is vetocracy the best we can hope for, or might there be another way?

Power to the Mayors?

The late Benjamin Barber was one of our sharpest and most prescient political thinkers. In his classic 1992 essay in the *Atlantic*, “Jihad vs. McWorld,” he anticipated both the immiserating effects of corporate globalism and the rise of backlash populism.⁸ His subsequent book, *If Mayors Ruled the World*, and final book, *Cool Cities*, proposed solutions to this backlash with the understanding that global cities were our last great hope for progressive and democratic governance.⁹ Today, Barber’s Global Parliament of Mayors, which he founded in 2016, promotes collective urban decision-making across national borders, addressing critical issues such as climate change, refugee crises, pandemic disease, inequality, and terrorism.¹⁰

In my final conversation with Barber before his death last spring, he told me that cities were not just the locus of civil resistance in the Trump era, but an institutional counterbalance to national authority. “There is an institutional and constitutional haven for resistance, defined by cities, which have resources, money, citizens, and the power to do something,” he said, adding: “It’s the confrontation of power with power—of national power with urban power.”¹¹

I then asked him what would happen if Trump followed through on his original pledge to withhold federal subsidies from sanctuary cities. This time, Barber

proposed a truly radical idea: “If that happens, cities ought to begin to withhold their taxes.”¹²

In a satirical letter to the “Red-State Trump Voter,” the historian and novelist Kevin Baker offered a similarly radical proposal: a “bluexit,” or “conscious uncoupling” of America’s red and blue states. “From now on we’ll treat the animating ideal on which the United States was founded—out of many, one—as dead and buried,” he wrote. “We’ll turn our back on the federal government in every way we can, just like you’ve been urging everyone to do for years, and devote our hard-earned resources to building up our own cities and states. We’ll turn Blue America into a world-class incubator for progressive programs and policies, a laboratory for a guaranteed income and a high-speed rail system and free public universities. We’ll focus on getting our own house in order, while yours falls into disrepair and ruin.”¹³

This may seem like an extremist vision, but fascinatingly enough, similar arguments for a devolution of power are being made on the right. In his book *The Fractured Republic*, *National Review*’s Yuval Levin chronicled the need for “subsidiarity,” or the basic notion—which incidentally originated with the Catholic Church—that political, social, and economic issues are best handled at the local level. In Levin’s view, local empowerment enables a synthesis between two seemingly opposed but mutually reinforcing elements of American economic and political life: On the one hand, there is “the familial, social, cultural, and economic stability made possible by . . . unity and order.” On the other, there is the “dynamism made possible by greater individualism, diversity, and competition.”¹⁴

The Devolution Revolution

Empowering states and localities has clear economic benefits. More than two decades ago, the economist Alice Rivlin made a powerful case for devolving education, housing, transportation, social services, and economic development programs from the national government to the states, whose leaders, she said, are closest to the conditions on the ground.¹⁵ Today, as

conservative state governments increasingly clash with progressive cities, a strong case can be made for devolving these institutions even further. This is supported by a massive amount of research from the Organisation for Economic Co-operation and Development, which shows that decentralized local government is more powerful and efficient than centralized control.¹⁶ As large corporations realized long ago, permitting work groups on factory floors to make their own decisions results in huge productivity gains.¹⁷

While top-down national governance tends to impose one set of choices on all of us, localism respects our differences and allows people to choose the kinds of communities that reflect their values. It is also more democratic, according to detailed studies from political scientist Jenna Bednar, the foremost authority on federalism and our federalist system.¹⁸

When it comes to local politics, there is generally a greater willingness to reach across the aisle in the name of pragmatism. Often, when I travel across the country, I have trouble determining whether the mayors and local leaders I meet are Republicans, Democrats, or independents. Instead, their policies reflect what they feel is best for their cities and most capable of meeting local residents’ needs. This leads me to believe that a broad, bipartisan movement of mayors is not only possible but also likely to attract many supporters in Washington.

Although the idea of allowing red and blue cities to enact their own separate policies will be difficult for many to grasp, history has shown that cities can move America forward in ways that the nation-state cannot. For decades, much of America’s social progress has occurred on the local level, with cities guaranteeing various rights for women, minorities, and other disadvantaged groups long before they were ratified by the federal government. Cities have also pioneered more utilitarian progress by making changes to modern sewage and health and safety standards.¹⁹

Of course, some issues are simply too large to be solved by municipal governments alone. In the case of transit and transportation—which span entire regions—cities and suburbs can join together to form a larger network, while groups of metropolitan areas can combine to form mega-regions. Similarly, housing

investments can be publicly funded or made possible through public-private partnerships that cater to local demand.

Still, some continue to argue that devolution could worsen our existing urban divides by prompting large employers to relocate from red to blue cities with more diverse pools of talent and innovation. This criticism misses the mark. Rather than contributing to the spikiness of our nation's geography, devolution can actually encourage competition for talent and investment as cities endeavor to build stronger local economies.

To a certain extent, the disparate priorities of red and blue cities can even serve to complement one another. While large, dense, more progressive cities tend to have higher wages, productivity, and innovation rates alongside higher housing costs and steeper taxes, smaller, more sprawling metro areas in the Sunbelt and Rust Belt have just the opposite: lower wages and productivity alongside lower housing costs and increased home ownership. By combining their resources, red and blue cities can generate more widespread inclusivity, thereby eliminating the uneven geography of today's innovation and economic growth.

The final criticism of devolution is that it can replicate the very problem it intends to solve by placing too much power in the hands of mayors and local leaders. Perhaps the classic example is former Toronto Mayor Rob Ford, whose anti-urban agenda and Trump-like vendetta against downtown liberals and elites resulted in a seriously dysfunctional municipal government. But, unlike Donald Trump, Rob Ford did not have access to the nuclear codes.

At a time when trust in the federal government has reached a historic low, local government has emerged

as a grounding political force. Today, between two-thirds and three-quarters of Americans express trust in their local government, compared to 55 to 65 percent for state governments and around a fifth to a third for the federal government, according to surveys by Pew and Gallup.²⁰ By securing this level of confidence from their electorates, local governments are uniquely poised to transcend our partisan divides.

At the end of the day, the city—not the nation-state—continues to serve as our most powerful source of innovation, economic growth, and social progress. This does not change with a Trump victory. What changes is the way we approach the issues plaguing today's cities and metro areas.

One savvy student of mine recognized this in the early 1990s, when so many business and policy pundits were touting the superiority of Japanese and Korean economic and industrial policies. “That sort of industrial policy works great when you make the right call,” he told me, “but when you don’t, it fails.” He added: “In the US, you have hundreds if not thousands of local economic policies.” Indeed, our political system was meant to account for failures such as the ones we are now experiencing on the national level.

As daunting as the future of cities under a Trump presidency may seem, it presents a tremendous opportunity to rethink the role of both local and national government. For too long, cities have relied on the federal government to make sweeping changes to America's economy and infrastructure. It is now time to broaden the scope of their influence by giving cities the power to tackle segregation, inequality, and unaffordability from the ground up. If history has proved anything, it is that our nation flourishes with cities at the helm.

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Millocalists? The Real Story Behind Millennials and the New Localism

Anne Snyder

Localism is more than a political movement. For many, particularly millennials, it also expresses deep-seated cultural values that appeal to their aspirations and hungers. But, insofar as politics reflects deeper forces twitching in the social fabric—this last election was no less emblematic, as it sent shock waves through the elite power centers—more and more young people are choosing to live at a scale they can see and touch, grounded in a place and committed to its people.

You can find scenes of this budding localism everywhere. I type this while sitting in an outdoor café in Eastern Market, Washington, DC, where Amish farmers are selling mums and explaining the purity of their agricultural process, aging hippies strum Neil Young, and Korean immigrants from nearby Fairfax, Virginia, set up their grocery stalls. The weather is beautiful, and the neighborhood quaint, its humane accessibility a striking departure from the tempest of political intractability just seven blocks away.

Zoom out from this portrait, and the US Department of Agriculture says you will find 8,600 tableaus just like it in cities and towns across the country.¹ Farmers markets have exploded in the past decade, attracting urbanists and agrarians, singletons, and young families.² Evoking nostalgia, authenticity, the relationality of traditional trade, and some throwback to a village vibe, these markets pay homage to a localist vision that has yet to take root in the sweat and sacrifice of the tonier consumers browsing their wares.

But what you sense in these farmers markets is an expression of a generation that, contrary to caricature, longs for a sense of empowered contribution, meaningful community, and yes, sacrifice, too. The upper tier of millennials—those between ages 26 and 34—graduated to the tune of “Save the World!” only to find themselves starved for a sense of tangible impact in the spheres they can more immediately see and touch.

We tweet our way to a personal brand or cultural position, only to watch our thoughts dissolve, escaping into the ether of a billion other quips. We spend our 20s trying to get closer to a vocation we can throw ourselves into for the long haul, only to feel like the whole process is an endless game of hopscotch. Marriage has become something “to expect in the mail at about age 35,” as one college student put it, and the reliable commitments we long for from others—in friendship especially—seem perplexingly elusive, even as we are scared to make commitments of our own.

How Our National Politics May Accelerate Localism

If there was a doubt that national politics could change anything for the better, the election of Donald Trump ripped off what remained of a mask of civic unity. Underneath was a hornet’s nest of resentments and disenchantment with the American Project, fierce suspicions of the “other,” and a whole lot of

structural sclerosis. Suddenly, the generation that had carried the first black president into office, on wings of cherubim and messianic hopes, found themselves experiencing a country more unhappy than when he began. “Woke” may be a word anointed by progressives to describe being awakened to structural racism, but in a very real sense, millennials post-November 9 have also been “woke” to the impotence of national politics.

Yet if millennials have failed to change the national story, they are chipping away at a similar arc in hundreds of towns and cities, both large and small. The manifestations of local investment are endless: Folklore Films in Houston tells better stories about Houston to Houston.³ The American Underground in Durham incubates businesses and creatives in one sprawling space for cross-pollination and a more tangible sense of community at work.⁴ The Anselm Society is trying to reinvigorate Colorado Spring’s artistic imagination and intellect through public forums that attract storytellers, poets, musicians, and public thinkers.⁵ Private and civic investors in Indianapolis, Pittsburgh, and St. Louis are connecting universities, companies, entrepreneurs, and business incubators, turning their cities into global centers of cutting-edge technology.⁶ Warehouses across the country are being repurposed, vast rectangles of storage now serving as dynamic and diverse makers’ commons. All of this local investment is organic, and it is encouraging a new configuration of American culture to the grassroots level.

Why Millennials Are Going Local

In many ways millennials were the perfect generation to take up the localism baton. We were the generation that grew up during 9/11 and the Iraq War, with unpredictable forces of terrorism swirling amid a breathless industry of global altruism. A distrust of the abstract was born. We were the generation constantly told by our commencement speakers that we would change the world. A hunger for “impact” kindled that quickly grew disenchanting with large-scale revolution. We were the generation that felt betrayed by religious

institutions, big government, big banks, and an establishment whose faces did not reflect the diversity in our own circles. And all this happened as we came of age alongside the internet, with the attenuating information deluge, relational disembodiment, and an increasingly distracted, programmed humanity.

Localism, of course, has a long history extending from Edmund Burke to Wendell Berry and Saul Alinsky to E. F. Schumacher. Schumacher’s *Small Is Beautiful* was published in 1973, but it might as well be a bumper sticker today.

Millennials have reacted against the impersonal machines of a corporate age, voting with their feet toward companies and organizations that offer a tangible sense of impact, “meaningfulness,” and an opening for their originality to express itself. While many may have surrendered to the fact that we now live in an economic, social, and artistic market that exalts and rewards only a few superstars, there has also been a growing awareness that one need not devalue the modest and the proximate to be a worthwhile contributor. Burke’s notion of loving our own little platoon is back, sometimes by choice, sometimes by last resort.

An even more venerable concept originated in Catholic social thought—subsidiarity, which encourages a decision to be made at the lowest, smallest, and least centralized capable authority. Localism is its secular descendant, supporting local production and consumption of goods, local control of government, and local history, culture, and identity. It tends to be nostalgic in tone, preferring boutique and personal to the corporate globalization that succeeded only in making all things soulless and the same.

Since the middle of the George W. Bush administration, we have seen growing disillusionment with central planning and governance by “experts.” From Iraq to Obamacare, the entitlement crisis to the housing bubble, Americans have grown weary of rational planning from the top, disgusted, too, with the presumption that pedigreed elites know best.

It is not ideology that attracts millennials. Surveys reveal that they are increasingly turned off to large institutions but are much more friendly to local control, small business, and self-organized community

groups. According to the Harvard Institute of Politics, 88 percent of millennials do not trust what the press at large says, preferring to go through their own networks for trusted news sources. Eighty-six percent express distrust in Wall Street, and 74 percent sometimes or never trust the government to do the right thing.⁷ Thirty-five percent of millennials say they are unaffiliated with any religious group, compared with 23 percent of Generation X.⁸ And despite being the most connected, privacy-eschewing generation in human history, according to Pew Research, only 19 percent of millennials say that most people can be trusted, compared with 40 percent of baby boomers.⁹ They trust their smartphones, and through them their “friends,” and through them a random and often unpredictable assortment of media and crowd-sourced opinion.

Millennials tend toward the progressive when it comes to their social values and aesthetic preferences, but they reject bureaucrats and “experts” as effective creators of solutions. Instead, as Morley Winograd and Michael Hais suggest, millennials are “pragmatic idealists” who believe deeply in causes that can be addressed with concrete, scalable, and often entrepreneurial action, measured with hard data.¹⁰

The millennial founder of Colorado’s Anselm Society, Brian Brown, in a prescient 2011 essay in the *New Atlantis*, pointed to efforts in cities as diverse as Boston; Colorado Springs; Rochester, New York; and St. Petersburg, Florida—including the development of neighborhood councils and efforts to make communities more socially friendly and self-sufficient.¹¹ “The move toward localism is driven by expediency more than ideology,” suggests Brown. “Cities, businesses, and other organizations are instituting place-centered practices not because of identification with a movement or theory, but because they are finding that a more organic approach just plain works better. Doing things the ‘messy’ way often proves more effective in the long run.”¹²

“Messy” may be as core to the millennial ethos as “authentic.” Where the boomers favored corporate, fast-food-like approaches to business and problem-solving, millennials have grown up in a world of constant complexity, contradictory truths, and one too many national debacles caused by overconfident

idealism, both left and right. “Messy” strikes a more honest chord, and while not always the most efficient, millennials believe it promises greater efficacy in the long run. It refuses the luxury of abstraction; it wrestles with all the reality.

The Search for Community

According to the Pew Research Center, only 32 percent of millennials say America is the greatest country on earth, compared with 50 percent of boomers.¹³ Millennials are not just isolated from the country, but from each other as well. Loneliness has gone viral, with 86 percent of millennials reporting feeling lonely and depressed in 2011.¹⁴ While millennials value parenthood and marriage as much as older generations, only 21 percent are currently married, compared to 50 percent of their parents’ generation at the same life stage.

What we have is a mass of floaters, young adults detached from meaningful institutions that grant identity and a healthy pathway to *sort out* one’s identity.

“One of the most popular words in the millennial generation is ‘community,’” says Brown in a promotional video for the Anselm Society. “And one of the top reasons for that is that most of us have never had it. It is very easy to *not* have community. It is very easy to not have the kinds of stories and songs and experiences that actually pull a community together, that can actually create a new normal. The phrase we’ve heard over and over [from millennials interested in what Denver’s Anselm Society is creating] is, ‘I thought I was the only one.’ ‘I thought I was alone.’”¹⁵

Millennials have a friendship problem, despite amassing hundreds by the same title on Facebook. There is a craving for some semblance of a village again, where you might know and be known. White millennials in particular have a nostalgia they do not know how to name nor channel. When I have asked peers to name a particularly formative hero in their lives, most will mention a grandparent. The Greatest Generation inspires us more than boomers, though we prefer to pick and choose from mid-century social and moral norms.

Millennials are more suspicious of politics than any preceding generation, believing strongly that our problems are beyond political solutions. Insofar as politics has credibility, it tends to be local. A recent poll sponsored by Allstate and *National Journal* found that less than a third of millennials favor federal solutions over locally based ones, and more profoundly, they prefer community-based approaches, period.¹⁶ A 2014 Pew survey found that 50 percent of millennials considered themselves political independents, compared to 39 percent of Generation X and 37 percent of baby boomers.¹⁷

“It’s more civil society than politics,” says Brown, reflecting on his experience in Colorado Springs. “I don’t know that many millennials who are involved in local politics beyond the voting level. [By contrast,] I know many millennials who are starting coffee shops, starting non-profits.”¹⁸

This shift to localism often stems first from necessity. Cities such as DC, New York City, and San Francisco were cosmopolitan hotspots of opportunity for the young and hungry just six years ago, but they are now too expensive, with rent outpacing pay. Instead, according to research from the Urban Land Institute, millennials are moving to places such as Memphis, Pittsburgh, Richmond, Riverside–San Bernardino, and Virginia Beach, where there is visible space for reinvention and thinner membranes for newcomers to penetrate.¹⁹

“One of the biggest changes I’ve seen among young people in D.C. lately,” says Karlyn Bowman, a longtime fellow at the American Enterprise Institute, “is that instead of plotting out a path that includes graduate school and then a return to some position in government or at a think tank, people want to get a little experience from this perch and then go home. To take what they’ve learned here, and serve the communities that they know.”²⁰

Some are going home where their roots are. J. D. Vance, who wrote the bestselling book *Hillbilly Elegy*, wrote an editorial for the *New York Times* in March 2017 that was widely circulated among millennials, particularly those in their later 20s and early 30s. For millennials such as Vance, the choice between achievement and serving one’s country is increasingly a stark one. He writes:

The more difficult truth is that people naturally trust the people they know . . . more than strangers who work for faraway institutions. And when we’re surrounded by polarized, ideologically homogeneous crowds, whether online or off, it becomes easier to believe bizarre things about them. This problem runs in both directions: I’ve heard ugly words uttered about “flyover country” and some of its inhabitants from well-educated, generally well-meaning people. . . .

It’s jarring to live in a world where every person feels his life will only get better when you came from a world where many rightfully believe that things have become worse. And I’ve suspected that this optimism blinds many in Silicon Valley to the real struggles in other parts of the country. So I decided to move home, to Ohio.²¹

He is not alone. More and more millennials who have “made it” through elite hoops are leaving the rat race for lives that feel a little more containable. Net domestic migration to the New York City metro area is down by 900,000 people since 2010.²² Economist and writer Jed Kolko says that population growth in big cities has been shrinking for five consecutive years.²³ Where historically coveted landing pads such as Los Angeles, New York, and Washington, DC, say, “Come and find yourself,” these inland millennial magnets offer something deeper: “Come and commit yourself.”

Britt Riner moved home to Sarasota, Florida, with her husband in 2015 after getting an M.B.A. from Stanford and living in Washington, DC. They had all the right energy, excitement, and a desire to dig in and get involved. “We really needed a break from the Organization Kid way of doing life,” says Riner. “Leaving [the East Coast] felt like we were heading off the grid. I didn’t feel the same pressure to run the rat race that everyone else was running. I was able to go a bit slower, and push myself to go farther. I naturally have ambition. . . . I don’t need to see other hamsters spinning their wheels, too.”²⁴

But the reality was that returning home “was harder before it was sweeter.”

“Some people are impressed with your background,” says Riner, “eager to have you regard their

town as worthy of their life. But there are others who are threatened by it. I had a tough time breaking into the job market. People in Sarasota didn't exactly understand what a product manager was. While folks were impressed with 'Duke' and 'Stanford' on my resume, it ended there. Never before had my greatest accomplishments been my vulnerabilities and barriers. My pride raged inside, 'Don't you all know how smart I am? What I'm capable of?' I grappled with the fact that my husband had a place in my home town, but I didn't. I was lost in a sea of familiarity."

Her homecoming path was eased through a surprising vehicle: the Junior League. "Here in Sarasota, they may not know what a product manager is," says Riner. "But they know what a Junior League president is."

Because she held Junior League membership in three other cities, the Sarasota chapter welcomed her with open arms. They connected her with opportunities to serve the city, educated her on the key issues facing Sarasota, and coached her in motherhood as she had her first child.

"They recommended an OB-GYN to me who I now work with at a crisis pregnancy center. It's so cool that the man who helped bring my children into the world is helping women with unplanned pregnancies. I can assure you that in D.C. I'd have never experienced that kind of interconnectivity," says Riner.

For a generation whose moral instincts revolve around notions of "impact," the tangibility of localism, of seeing your fingerprints and the ripple effects, is appealing. And even though millennials helped create our hyper-connected age, they may be hitting a tipping point where weaning off virtual reality presents itself as the only way to find fulfillment, to regain some control over one's own life. There is a growing craving for life to be lived off-line, for human contact to be enjoyed with real handshakes, real meals around real tables, and real care for neighbors, knowing that in a pinch that neighbor will watch out for you in turn.

Millennials and the Future of Localism

How large and widely accepted this trend is remains complicated and not entirely known. Several key

factors suggest some underlying reasons to think the trend may accelerate.

For one thing, millennials generally move less than earlier generations did.²⁵ Despite all the talk of this being a noncommittal group, millennials change jobs less frequently than people in other generations.²⁶ A study of 25,000 millennials in 22 countries by Jennifer J. Deal and Alec Levenson found that at least 40 percent expect to stay with their current employer for nine years or more. Forty-four percent said they would be happy to spend the rest of their career at their current organization.²⁷

Millennials prefer to curate experiences rather than accumulate material possessions. Insofar as they do consume, they like knowing the source of their purchases. The growth of websites like Etsy is largely due to millennials (who are 57 percent more likely than other groups to visit the e-commerce portal), drawn to handmade and vintage craft items and engaging in tailored, personal exchanges with the artisan.²⁸

So far much of what we see among the educated class might be called cultural localism. It is the belief that a number of human goods—personalism, a sense of belonging, tangible responsibility, and more—are partially or entirely inaccessible to human beings who live in overly commercialized, corporatized, and efficiency-prizing environments. Cultural localism is the easiest to identify, and it is also what is most attractive to millennials, at least those with agency to choose where they live and how they want to lead life there.

There are at least two other brands of localism—ethical and political. Ethical localism discourages offering one's allegiance to ideas or institutions that transcend one's particular locality, while political localism believes that the best decisions are made at the smallest degree of scale. While the latter tends to appeal to millennials in business and in civic action, so far there is not a lot of evidence that they feel enthused about politics in any form, period.

Technology, so responsible for various forms of alienation, can also be a localist tool. According to the Poynter Institute, nearly three-quarters of Americans say they follow local news closely most of the time, up from 57 percent in 2008.²⁹ Coupon collectives

such as Groupon and Living Social entice us to shop where we live. Foursquare and Neighborhood invite us to explore our immediate surroundings, as dating apps and Yelp match preferred goods to present coordinates.

Despite the ferocity of the present political moment and how it may point to localism as our best hope for repair, the future of localism is anything but clear. On the one hand it has the potential to become an animating and possibly even healing paradigm for a country cynical about national leadership and despairing of reconciliation brother to sister, neighbor to neighbor. On the other hand, localism could just as easily become yet one more force of polarization and estrangement, encouraging people to sink further into their silos and associate only with those just like them. What are the prospects for a nation that is healthy locally but sick nationally?

“I think localism is the religion for millennials today,” says Brown. “I think it’s fundamentally a religious impulse. It’s either tapping into a religion you already belong to, or it’s taking the place of a religion that you don’t have. Localism offers a way for people to orient their entire lives around a place. It’s liturgies and routines and relationships and so on.”³⁰

If what he suggests is true, there is a need to frame the boundaries and be clear on telos. Millennials tend to see just in front—it is a product of youth and the dazzling immediacy of the technology that shaped us and the checklists that raised us. But insofar as we can locate our starvation for community and tangible contribution as arrows pointing toward the need to rebuild not just places but a covenantal sense toward country, history, and creed, localism could become the spark for a revived communitarianism and a much healthier citizenry. This is the hope, and this is the need.

Notes

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Government and Localism: What Americans Think

Samuel J. Abrams, Karlyn Bowman, and Eleanor O’Neil

For more than 80 years, public opinion pollsters have been taking America’s pulse. Pollsters have focused almost exclusively on national issues in terms of governance. Occasionally, they have asked people about their state and local governments and their local communities, but most questions have been about the contours of national opinion. There are few questions on Americans’ opinions of the principles or practice of federalism, but there are hundreds of questions on views of the government in Washington, which provide some context for a discussion of localism.

The Evolution of Attitudes

Americans’ views about government have evolved as the nation has changed. In a 1939 survey, when the Roper Organization and *Fortune* asked people whether the government should do different things, 96 percent said the government should provide an army and navy. That was followed by 69 percent who believed government should provide for all people who have no other means of subsistence, 61 percent who said government should be responsible for seeing to it that everyone who wants to work has a job, and 49 percent who felt the government should regulate all public utilities. Pluralities or majorities opposed government involvement in all the other areas Roper inquired about, including making all decisions between capital and labor (45 percent said government should not be involved), providing police and fire departments

(52 percent), redistributing wealth by heavily taxing the rich (54 percent), controlling the price of farm products by controlling production (62 percent), taking over all private colleges and institutions for higher learning (75 percent), and making every adult male spend at least two years in the Army (76 percent).¹

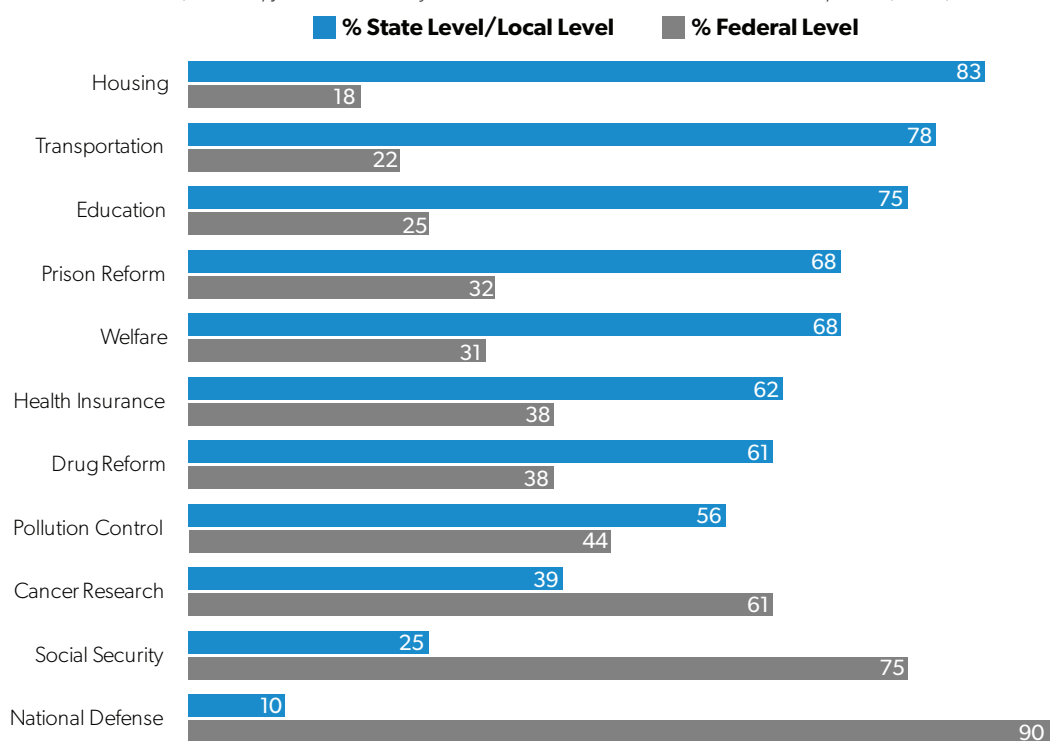
Providing an adequate national defense and protecting and defending the country from foreign threats top the lists of essential federal government responsibilities. Americans have also given clear primacy to Washington to handle areas such as providing for the care of the elderly and the poor. In the 1960s and 1970s, Americans began to support a more expansive federal role in health and safety, in areas such as protecting the environment and protecting consumers from unsafe products.

In an online poll conducted in 2013 by YouGov for the Cato Institute, solid majorities supported federal primacy in national defense (90 percent), Social Security (75 percent), and cancer research (61 percent). Forty-four percent gave the federal government the major role in pollution control, 38 percent in drug reform, 38 percent in health insurance, 32 percent in prison reform, 31 percent in welfare, 25 percent in education, 22 percent in transportation, and 18 percent in housing (Figure 1).

In surveys taken in the 1940s and 1950s, Americans did not seem overly concerned about the scope, power, or performance of the federal government. In a 1941 Gallup question, 32 percent agreed there was too much power in the hands of the government in

Figure 1. Federal Primacy vs. Other Levels of Government

Q: For each item on this list, tell me if you think the major decisions about it should be made at the federal, state, or local level.



Source: John Samples and Emily Ekins, "Public Attitudes Toward Federalism: The Public's Preference for Renewed Federalism," Cato Institute, September 23, 2014, https://object.cato.org/sites/cato.org/files/pubs/pdf/pa759_web.pdf.

Washington.² (Today, in a slightly different Gallup question, 55 percent say the federal government has too much power, 36 percent say it has about the right amount of power, and 7 percent say it has too little power).³ In the 1941 Gallup question, far more people thought the rich, corporations, and labor unions had too much power than gave that response about Washington. In a question asked for the first time in 1959, more people told Gallup that big labor (41 percent) would pose the greatest threat to the country in the future than felt that way about big business (15 percent) or big government (14 percent).

But as the federal government's role grew, so, too, did concerns about it. In 1965, for the first time in the Gallup question, more people worried most about the threat big government posed (35 percent) than worried about big labor (29 percent) or big business (17 percent). In December 2016, 67 percent named big government as the biggest threat, 26 percent said big business, and 5 percent said big labor.⁴

People appear to want the federal government to do a lot. However, as the government in Washington now has myriad responsibilities, the public finds much to criticize. This may give a boost to support for state and local efforts to solve problems.

Gallup recently updated one of the few questions in the polling archive that sheds light on the public's understanding of federalism. In 1936, 56 percent said they favored the theory of government that concentrated power in the federal government and 44 percent in state government. In 1981, 45 years later, people preferred state government over Washington, by 56 to 28 percent. In 2016, those responses were 55 and 37 percent, respectively.⁵

Federal Government: Trust and Performance

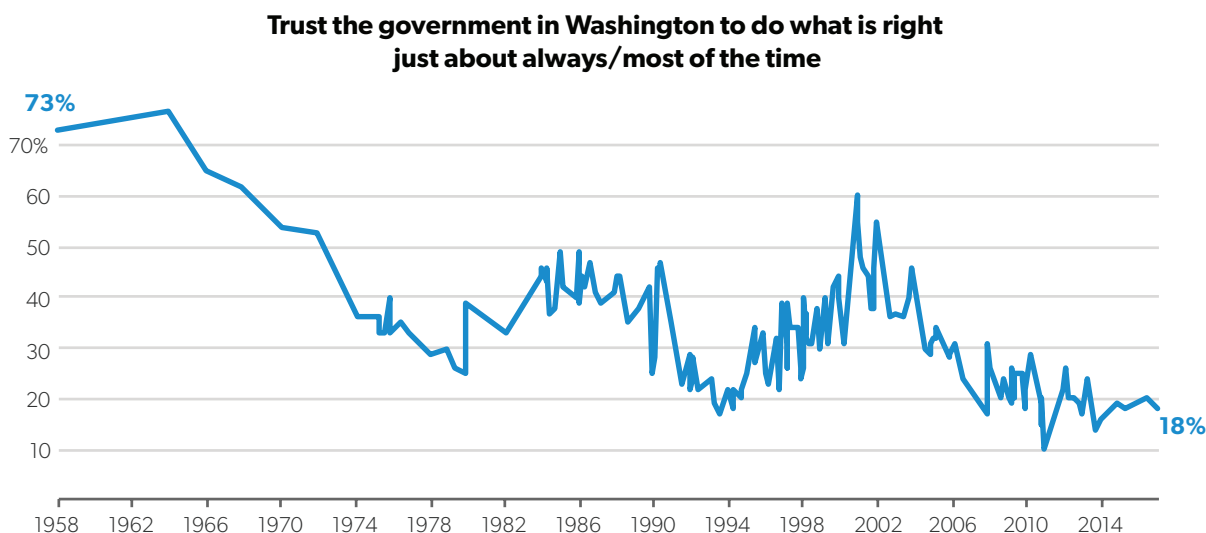
Trust in the government in Washington has dropped sharply since the 1960s. The declining numbers have

ticked up during only three periods: in the mid-1980s, when it was “morning in America,” a phrase Ronald Reagan’s campaign used during his reelection campaign in 1984; then again at the turn of this century,

when the economy was humming along; and briefly after 9/11, when patriotism and feelings of unity were strong (Figure 2).

Figure 2. Declining Trust in Washington

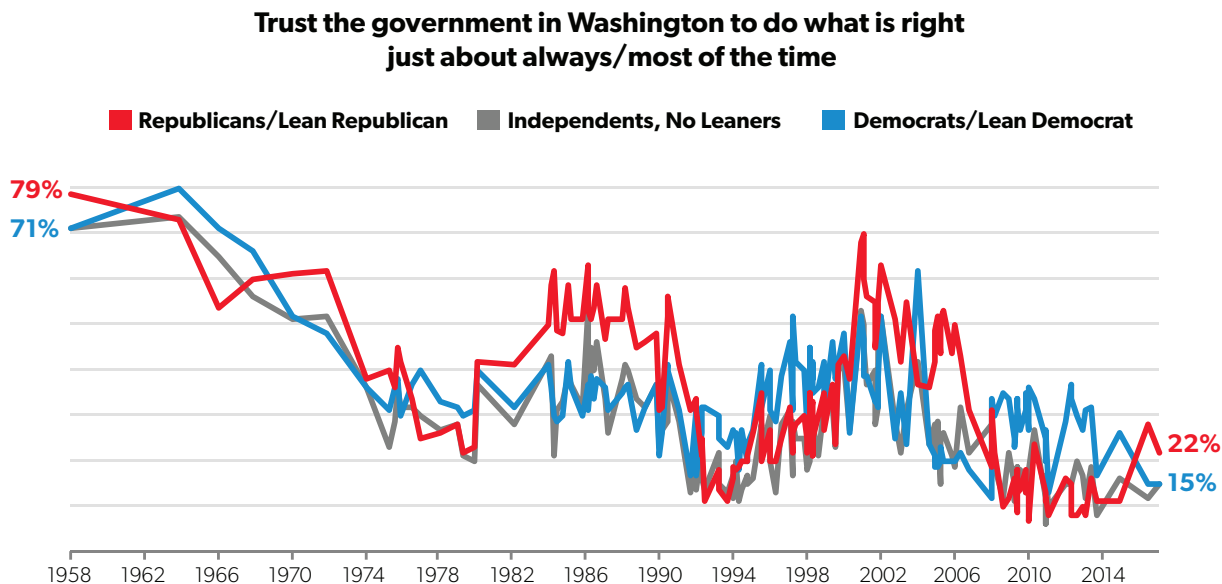
Q: How much of the time do you think you can trust the government in Washington to do what is right? Just about always, most of the time, or only some of the time?



Source: Pew Research Center, “Public Trust in Government: 1958–2017,” May 3, 2017, <http://www.people-press.org/2017/05/03/public-trust-in-government-1958-2017/>.

Figure 3. Partisan Views of Trust in Washington

Q: How much of the time do you think you can trust the government in Washington to do what is right? Just about always, most of the time, or only some of the time?



Source: Pew Research Center, “Public Trust in Government: 1958–2017,” May 3, 2017, <http://www.people-press.org/2017/05/03/public-trust-in-government-1958-2017/>.

Today, public trust in government in Washington is near a historic low. Partisans' level of trust fluctuates somewhat in conjunction with shifts in political control, becoming higher when their own party is in power, but trust has declined among Republicans, Democrats, and independents, as Figure 3 shows.

Several pollsters measure trust in the three branches of government, and as Figure 4 shows, trust in the legislative branch is especially low. Recent polls put Congress' approval rating below 20 percent. In a different question from Gallup's 2017 confidence in institutions battery, only 12 percent had a great deal or quite a lot of confidence in Congress, compared to 41 percent when Gallup first asked this question in its confidence battery in 1986. Congress has ranked lowest in institutional confidence since 2010.⁶

Concern about Washington runs deeper than overall levels of trust in it. People think the government is run by a few big interests looking out for themselves and not for the benefit of all people. In the 1964 American National Election Study (ANES), 64 percent said

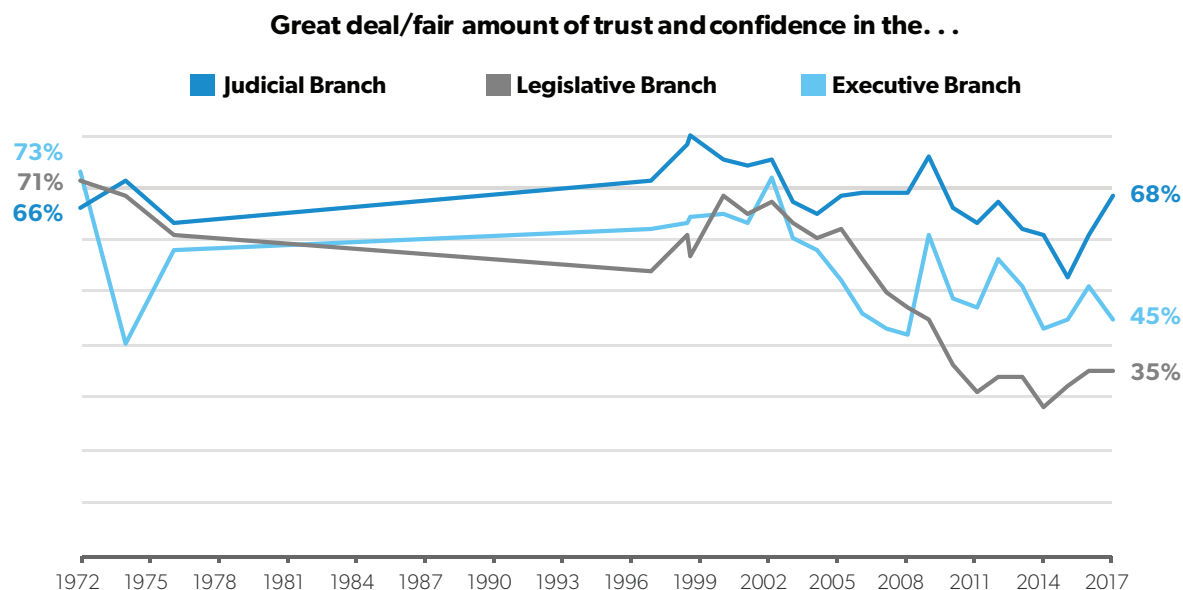
government was run for the benefit of all. In the 2016 survey, only 17 percent gave that response, while 82 percent said it was run by a few big interests. A majority of voters have given the latter response in ANES surveys since 1972 (Figure 5).

Republicans and Democrats differ on this question, usually depending on which party is in power in Washington, but both groups' views have become more negative overall (Figure 6). In two Pew questions from 2011 and 2012, more than six in 10 believed the federal government controls too much of our daily lives.⁷ In a similar question asked by the Public Religion Research Institute in 2016, 67 percent said they completely or mostly agreed that the federal government has far too much influence in our daily lives.⁸

In a question asked by CBS and the *New York Times* in 1998, 87 percent said the government in Washington could have a positive impact on people's lives. Only 31 percent said it was having a positive impact on people's lives.⁹

Figure 4. Confidence in the Three Branches of Government

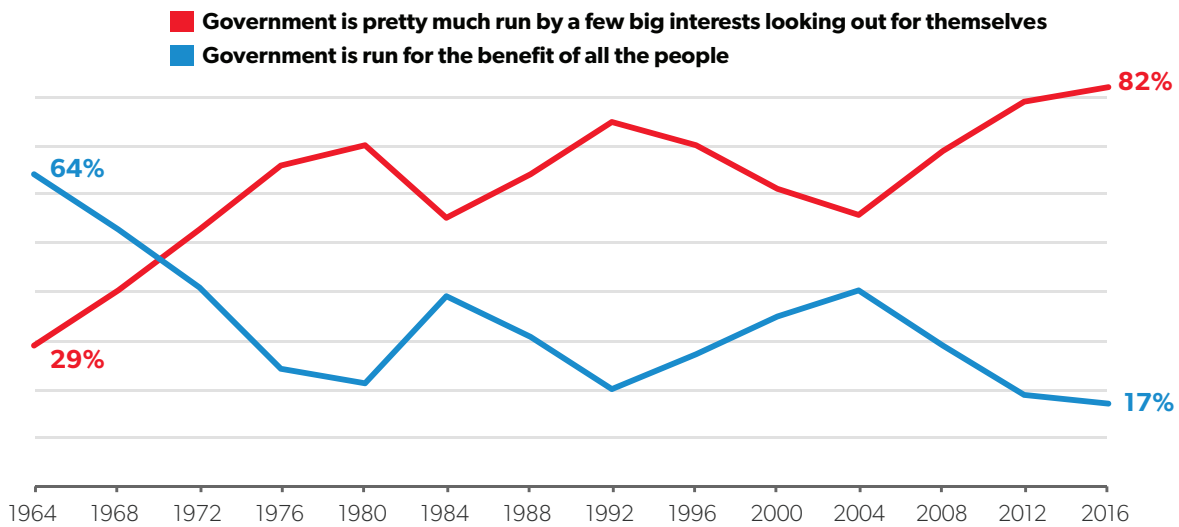
Q: As you know, our federal government is made up of three branches: an executive branch, headed by the president; a judicial branch, headed by the U.S. Supreme Court; and a legislative branch, made up of the U.S. Senate and House of Representatives. First, let me ask you how much trust and confidence you have at this time in the executive branch headed by the president, the judicial branch headed by the U.S. Supreme Court, and the legislative branch, consisting of the U.S. Senate and House of Representatives—a great deal, a fair amount, not very much or none at all?



Source: Gallup Organization, "Trust in Government," <http://news.gallup.com/poll/5392/Trust-Government.aspx>.

Figure 5. Government and Big Interests

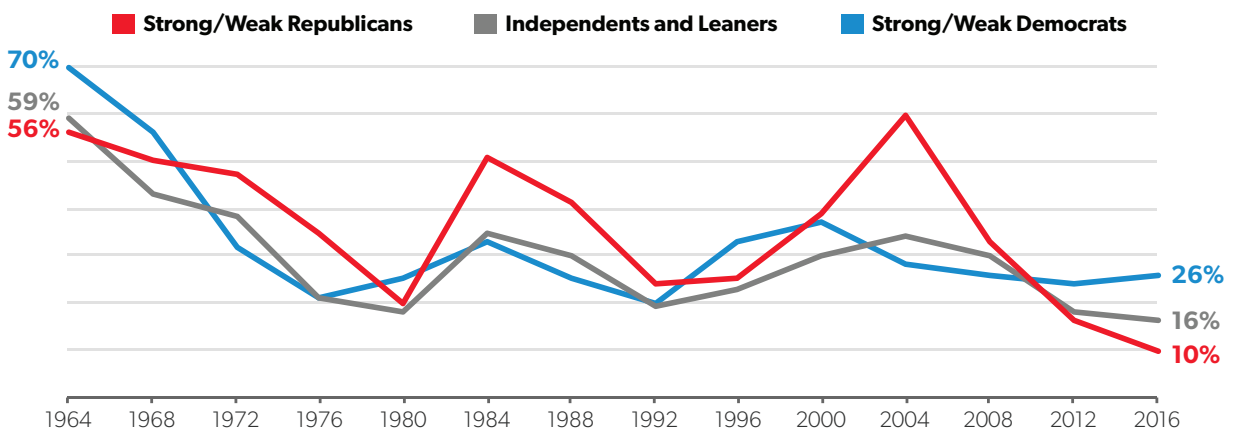
Q: Would you say the government is pretty much run by a few big interests looking out for themselves or that it is run for the benefit of all the people?



Source: Authors' calculations based on American National Election Studies, http://www.electionstudies.org/studypages/download/datacenter_all_NoData.php.

Figure 6. Percentage Who Say Government Is Run for the Benefit of All the People

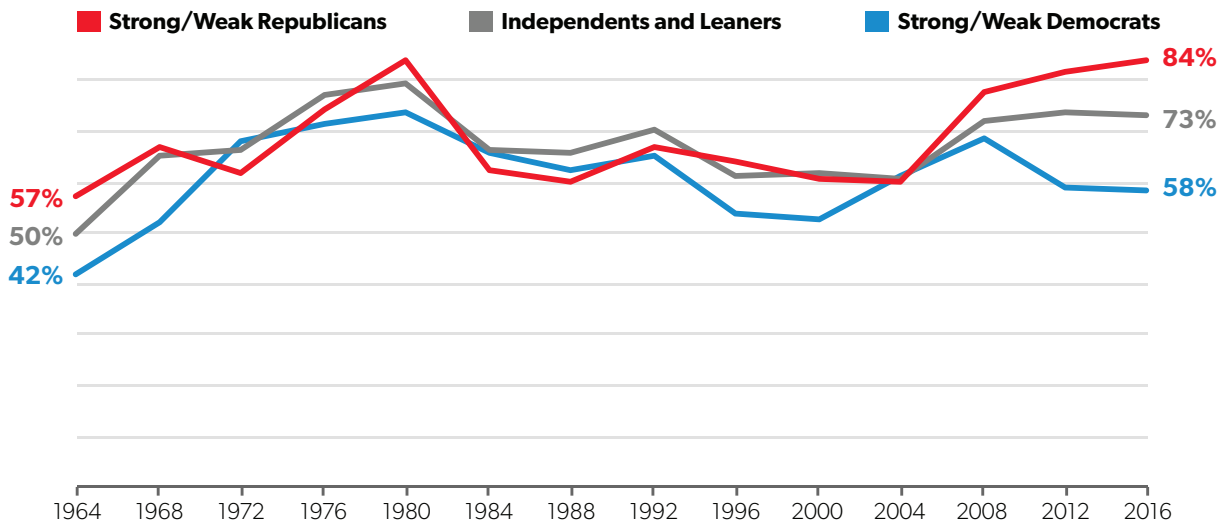
Q: Would you say the government is pretty much run by a few big interests looking out for themselves or that it is run for the benefit of all the people?



Source: Authors' calculations based on American National Election Studies, http://www.electionstudies.org/studypages/download/datacenter_all_NoData.php.

Figure 7. Percentage Who Say People in Government Waste a Lot of Tax Money

Q: Do you think that people in government waste a lot of the money we pay in taxes, waste some of it, or don't waste very much of it?



Source: American National Election Studies, http://www.electionstudies.org/study pages/download/datacenter_all_NoData.php.

In addition, people believe Washington is wasteful and inefficient. In Gallup's latest question from 2014, people said that 51 cents of every tax dollar (mean response) collected by Washington was wasted. By comparison, people thought their state government wasted 42 cents of every tax dollar and their local government 37 cents (mean responses).¹⁰ In the ANES data, Republicans usually believe the federal government wastes more money than Democrats believe it does, and the gap has grown in recent years, but both parties see considerable waste at the national level (Figure 7).

There is a certain utility in distrust, as our founders knew. It keeps people on their toes. But intensified by record partisan divisions, the deep levels of mistrust today are worrying.

In December 2017, when Gallup asked Americans to name the most important problem facing the country, the top response—volunteered by 22 percent—was government dysfunction.¹¹ Gallup has been tracking responses to this question since 1939, and in recent years, many people have spontaneously volunteered problems associated with government. In 2013, during the government shutdown in Washington,

more people volunteered this response (33 percent) than at any time in the history of Gallup's polling. The previous high was in 1974 during the Watergate crisis, when 26 percent named government as the top problem.¹²

In a November summary release on a recent series of articles detailing Americans' views on the performance of government, Gallup's editors wrote that "the federal government has the least positive image of any business or industry sector measured." They noted that Americans' frustration with government "is focused on Washington, D.C."¹³

State and Local Government Strengths

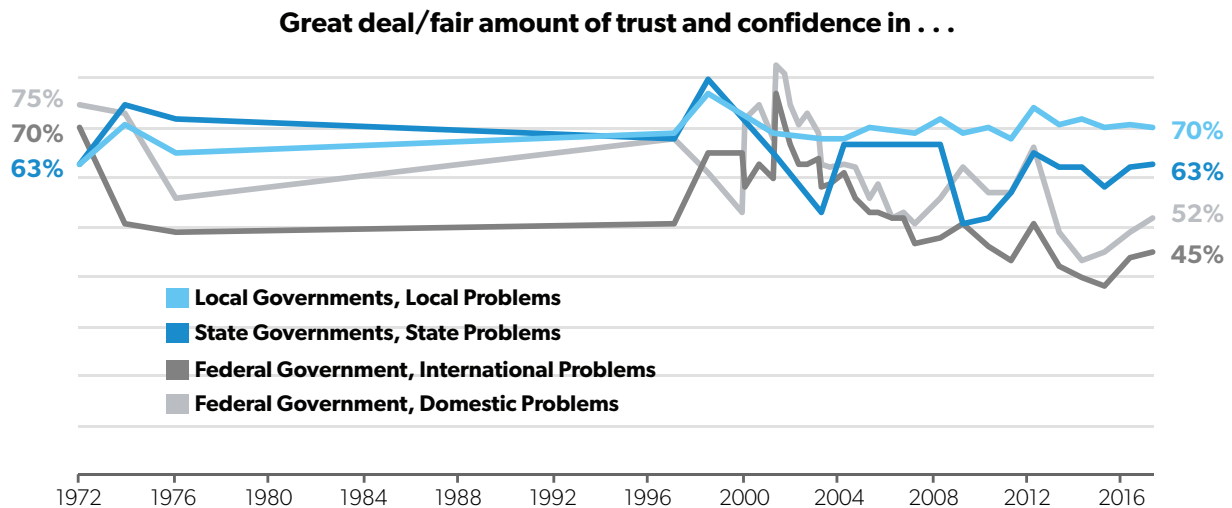
We do not have a lot of historical attitudinal data on views of state and local government. The Roper Center archive of individual survey questions from major pollsters includes only about 250 questions asked between 1935 and 1950 using the words "local" or "community." The hodgepodge includes many questions about the availability of jobs and taxes, but it is

Figure 8. Trust in Different Levels of Government

Q: Now I'd like to ask you several questions about our governmental system. First, how much trust and confidence do you have in our federal government in Washington when it comes to handling [international problems/domestic problems]—a great deal, a fair amount, not very much or none at all?

Q: How much trust and confidence do you have in the government of the state where you live when it comes to handling state problems—a great deal, a fair amount, not very much or none at all?

Q: And how much trust and confidence do you have in the local governments in the area where you live when it comes to handling local problems—a great deal, a fair amount, not very much or none at all?



Source: Gallup Organization, "Trust in Government," <http://news.gallup.com/poll/5392/Trust-Government.aspx>.

hard to discern other themes. In a handful of the earliest questions, more people thought states and localities should handle relief than felt Washington should. From 1950 to 1980, there are many more questions using those words, but once again, there is no overarching theme.¹⁴

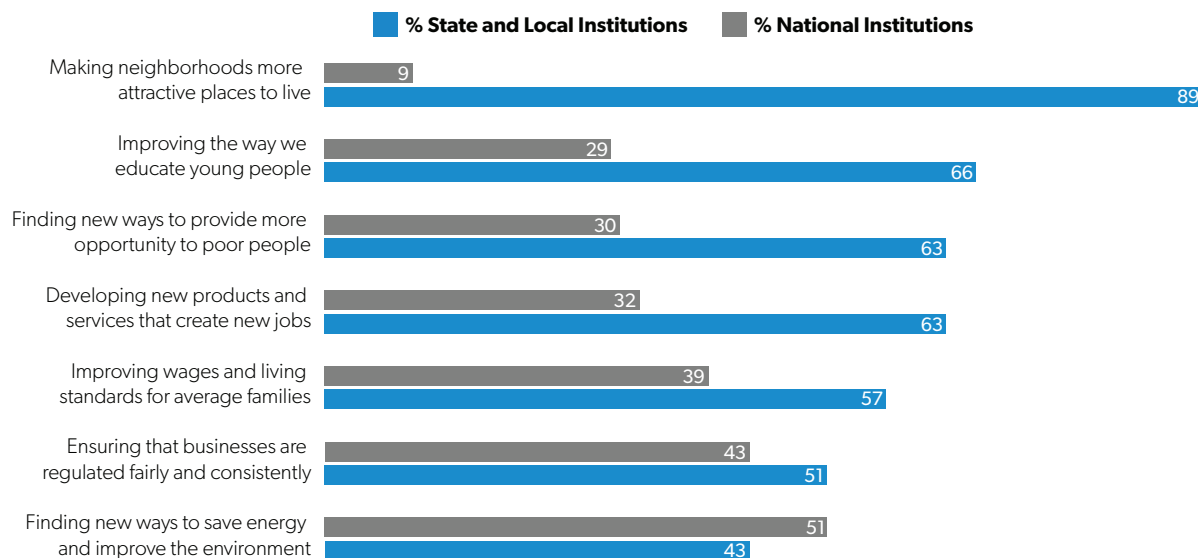
Gallup began looking at trust in state and local government in the early 1970s. As Figure 8 shows, trust in local government has remained higher and is more stable in recent years than trust in state government or the federal government. In September 2017, 70 percent had a great deal or fair amount of trust in their local government on a four-point scale to handle local problems. Sixty-three percent had that level of trust in state governments to handle state problems. Fifty-two percent in 2017 said they had a great deal or fair amount of trust in the federal government to handle international problems, and 45 percent trusted it to handle domestic problems.

As the nation has been riven by deep partisan polarization, partisans are united in having high trust in local government. Partisan divisions on trust in state government tend to be more volatile. Republican and Democratic responses usually move in tandem, but in recent years, Republicans (who, it should be pointed out, control 33 governorships, 35 state senates, and 32 state houses) have higher trust in state government.¹⁵

Data collected in a series of polls by Allstate and the *National Journal* show that the public is much more positive about progress being made today at the state and local level than at the national level. In February 2015, 64 percent said there was more progress being made at the state and local level on major challenges facing the country, while 26 percent said more progress was being made at the national level. In June 2016, the responses for state and local level decreased (to 56 percent), but still only 24 percent said the national level.¹⁶

Figure 9. State and Local vs. National Institutions on Specific Issues

Q: And, on some specific issues and situations, which of the following do you think would do a better job . . . ?



Note: The full question was: "And, on some specific issues and situations, which of the following do you think would do a better job, national institutions like I just described or state and local institutions?" A previous question described "state and local institutions like government, businesses, and volunteer or community organizations" and "national institutions like the federal government, national businesses, and major non-profit organizations."

Source: Allstate and *National Journal*, "Americans' Local Experiences: Heartland Monitor Poll XXII," February 2015, <http://heartlandmonitor.com/americans-local-experiences/>.

In the 2015 Allstate/*National Journal* collaboration (Figure 9), people were more positive about state and local institutions (described in an earlier question in the poll as "state and local institutions like government, business, and volunteer or community organizations") doing a better job than national institutions (again described in a previous question as "the federal government, national business, and major non-profit organizations") in areas such as making neighborhoods more attractive places to live, improving the way we educate young people, finding new ways to provide more opportunity for young people, developing new products and services that create new jobs, and improving wages and living standards for the average family. Opinion was more closely divided about ensuring that businesses are regulated fairly and consistently. Finally, those surveyed believed national institutions would do a better job finding new ways to save energy and improve the environment.

Americans on Their Communities Versus Their Country

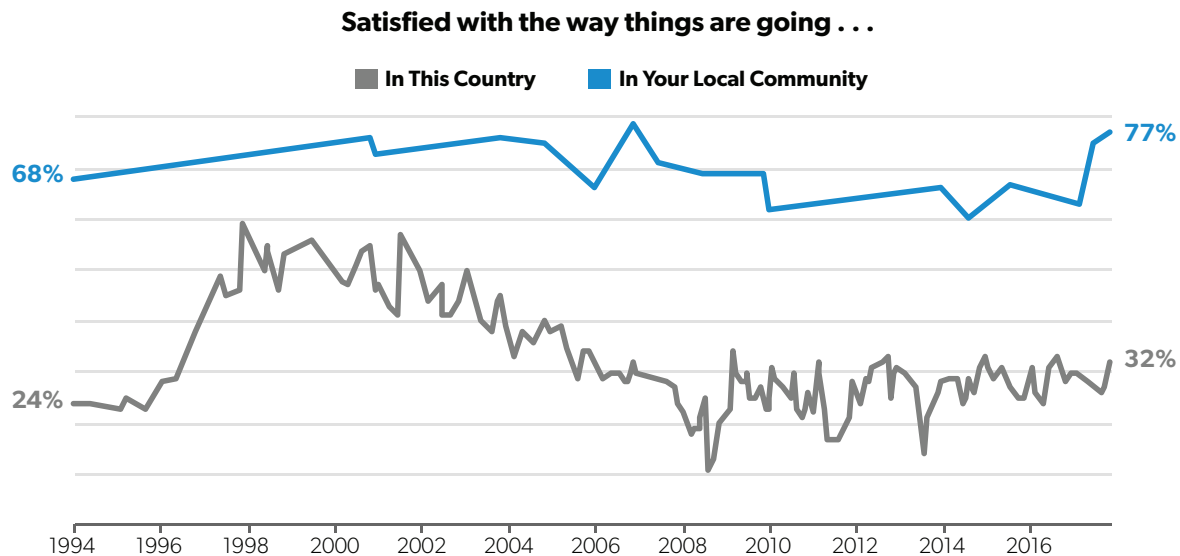
A familiar property of public opinion should be acknowledged here. In most polls, people are more positive about the things that are closest to them. Although the question is not asked regularly, the public opinion soundings we have suggest that Americans are highly satisfied with the way things are going in their local community. Views on the way things are going in the country are much more volatile but consistently more negative than views about local community. In a January 2018 Pew survey, 32 percent said they were satisfied with the way things were going in the country, compared to 77 percent who said that about their local community in a January Gallup survey (Figure 10).

In an April 2017 Associated Press/NORC question, 26 percent rated public schools in the United States generally as excellent or good, compared to 45 percent who rated their local schools that way.¹⁷ When asked about the quality of health care in the United

Figure 10. Satisfaction with Your Community and the Country

Q: All in all, are you satisfied or dissatisfied with the way things are going in your local community today?

Q: All in all, are you satisfied or dissatisfied with the way things are going in this country today?



Source: For satisfaction with the way things are going in this country, Pew Research Center, <http://assets.pewresearch.org/wp-content/uploads/sites/5/2018/01/18162808/1-18-2018-Political-report-topline-for-release-FOR-STITCH.pdf>. For community satisfaction, Pew Research Center, <http://assets.pewresearch.org/wp-content/uploads/sites/5/2017/10/31115612/10-24-2017-typology-toplines-for-release.pdf>; and Gallup Organization, <http://news.gallup.com/poll/225413/highest-gop-satisfaction-direction-2007.aspx>.

States by Quinnipiac University in 2007, 56 percent of registered voters said it was excellent or good. When asked about the quality of health care in their community, 70 percent gave that response.¹⁸ In a 2016 Quinnipiac question, 60 percent of registered voters said they approved of the way the police in the United States are doing their job; 81 percent gave that response about the police in their communities.¹⁹

And in a familiar finding in the polls, people are more positive about their member of Congress than they are about all members of Congress. In a February 2017 CBS News survey, 22 percent said they approved of the way Congress was handling its job, compared to 49 percent who approved of the way the representative from their district was handling his or her job.²⁰ In a September 2017 CNN survey, 22 percent said most members of Congress deserved to be reelected, compared to 44 percent who said that about the representative in their congressional district.²¹ Similarly,

25 percent told Pew pollsters in a January 2018 survey they would like to see most members of Congress reelected in the next election, while 48 percent said they would like to see their representative reelected.²² So there may simply be a kind of natural impulse to view things closer to home more positively.

Surveys cannot tell us whether Americans' high trust in local and state government relative to federal government reflects a preference for decentralized government or whether it is just part of this broader positivity toward things at the local level. Neither do the polls explain why Americans take a rosier view of things closer to them. Regardless, the polls suggest that Americans might be more likely to believe that local efforts to solve problems—as opposed to national efforts—can be successful.

The positive evaluations of local government and local community do not necessarily mean that people view prospects for young people in their communities

positively. Sixty-four percent of those surveyed by Allstate/*National Journal* in May 2015 said that when it came to their career and family life, it would be best to stay in the community where they currently lived for a long time, but in a February 2015 question about where they would advise young people to settle down for the best future opportunities, people were divided 42 to 44 percent about whether it would be better for young people to settle down in their local area or move to a different part of this country (Figure 11).

Conclusion

Given the dearth of surveys on localism, we began our assignment for this volume by looking at available data on attitudes toward the federal government and how those have evolved over time. While dissatisfaction with Washington is not new, current levels of discontent are especially high, and they are twinned with corrosive partisan polarization. The limited number of questions asked over time show that trust in local

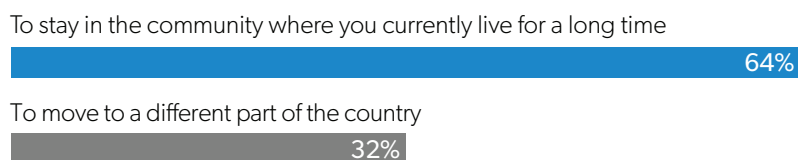
government is higher than trust in state and national government, and it has been less volatile. People are also more positive about progress being made at the state and local level than at the national level. In many areas, they believe local government is performing well. As a general matter, people are generally more positive about things closest to them, including local government.

We feel confident about all these points, but available data cannot answer why people have these feelings. Nor do currently available surveys tell us which state and local government policies are viewed most positively. Nor are we able to compare attitudes in different local communities or views across state lines. We also do not know if the partisan polarization that infects Washington would affect the ability of localities to address local concerns.

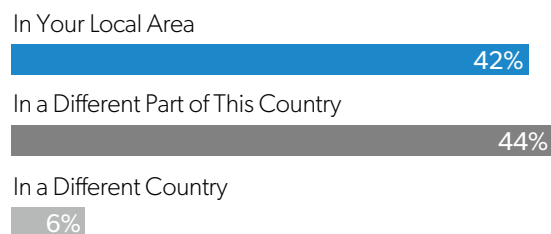
We believe in the value of well-conceived surveys. It is important that more work be done to understand how and why people feel positively about their own communities and whether greater localism can be a much-needed tonic for society.

Figure 11. Better to Stay or Go?

When it comes to your career and family life, do you think it would be better . . . ?



Thinking about young people in your local area, where would you advise them to settle down for the best future opportunities?



Source: Allstate and *National Journal*, "Getting Started: Heartland Monitor Poll XXIII," May 2015, <http://heartlandmonitor.com/getting-started/>; and Allstate and *National Journal*, "Americans' Local Experiences: Heartland Monitor Poll XXII," February 2015, <http://heartlandmonitor.com/americans-local-experiences/>.

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