

Canada - United States
Inter-Parliamentary Group
Canadian Section



Groupe interparlementaire
Canada - États-Unis
Section canadienne

**Report of the Canadian Parliamentary Delegation
respecting its participation at the 69th Annual Meeting
of the Council of State Government's
Southern Legislative Conference (SLC)**

Canada-United States Inter-Parliamentary Group

**Savannah, Georgia, United States of America
18-22 July 2015**

Report

DELEGATION MEMBERS AND STAFF

From 18–22 July 2015, Senator David Wells, Vice-Chair led a delegation from the Canadian Section of the Canada–United States Inter-Parliamentary Group (IPG) to the 69th Annual Meeting of the Council of State Government’s Southern Legislative Conference (SLC) in Savannah, Georgia. The other members of the delegation were Senators Jane Cordy and Céline Hervieux-Payette, P.C. and Ms. Libby Davies, M.P. The delegation was accompanied by Ms. June Dewetering, the Canadian Section’s Senior Advisor.

THE EVENT

Founded in 1947, the SLC includes state legislators from 15 southern U.S. states (see the Appendix). Its mission is to foster and encourage intergovernmental cooperation among member states.

At the 69th annual meeting, each of the SLC’s six committees – Agriculture & Rural Development; Economic Development, Transportation & Cultural Affairs; Education; Energy & Environment; Fiscal Affairs & Government Operations; and Human Services & Public Safety – met. As well, plenary sessions were held and a food packaging community service project occurred.

DELEGATION OBJECTIVES FOR THE EVENT

Members of the IPG’s Canadian Section have been attending the annual meetings of the SLC since 2005. Their interactions with state legislators and others enable Canadian members of the IPG to achieve better the aims of finding points of convergence in respective national policies, initiating dialogue on points of divergence, encouraging exchanges of information and promoting better understanding on shared issues of concern. Moreover, the meetings provide the IPG’s Canadian Section with an important means by which to provide input to, and gather information about, state-level issues that affect Canada. It is anticipated that the Canadian Section’s attendance at the SLC’s meetings will continue.

At this event, the delegates conveyed to state legislators the nature, magnitude and importance of the relationship between Canada and the U.S. South, collectively and in respect of individual states. They also identified areas of new and existing cooperation and collaboration.

ACTIVITIES DURING THE EVENT

At the 69th annual meeting, the plenary sessions were:

- Pathways to Prosperity: SLC State Efforts to Promote a 21st Century Workforce
- Opening Plenary Session: Saxby Chambliss, former member of the U.S. Senate and the House of Representatives, and Pete Correll, Atlanta Equity
- Closing Plenary Session: Vince Dooley, formerly with the University of Georgia.

The committee sessions were:

- Agriculture & Rural Development:
 - Attracting New and Beginning Farmers
 - Advancing the Food Chain
 - Use and Regulation of Unmanned Aircraft Systems.
- Economic Development, Transportation & Cultural Affairs:
 - Transportation in the SLC States
 - Public Private Partnerships: Lessons from Florida
 - Logistics and Supply Chain Efforts
 - Georgia's Efforts to Promote the Motion Picture Industry.
- Education:
 - Implications of Adolescent Brain Development on Education Policy
 - Career and Technical Education
 - Youth Development and Entrepreneurship.
- Energy & Environment:
 - Net Metering
 - Nuclear Generation in SLC States
 - Drought, Water Conservation Initiatives
 - Briefing from the DOE.
- Fiscal Affairs & Government Operations:
 - Public Pension Environment: Trends from the States
 - How and Why Do the Rating Agencies Arrive at Different Conclusions?
 - Comparative Data Reports.

- Human Services & Public Safety:
 - Juvenile Justice Reform in the SLC States
 - Medicaid Service Delivery: Health Home Model
 - Specialty Courts in the SLC States.

This report summarizes the presentations made during the plenary and selected committee sessions.

ATTRACTING NEW AND BEGINNING FARMERS

Senator Kent Leonhardt, *West Virginia State Senate*

- Food safety and food security are important, non-partisan issues.
- Reducing the distance from the agricultural producer to the consumer will result in a shorter food chain, healthier food and greater food security.
- The state of West Virginia consumes 15 times more agricultural products than it produces.
- The state of West Virginia has more veterans per capita than any other U.S. state; the state's Veterans to Agriculture initiative is designed to help veterans and it contributes to veterans' healing.

Fred Harrison, Jr., *U.S. Department of Agriculture*

- Before there was culture, there was agriculture.
- There is "money to be made" in agriculture in the United States, and land is available for purchase.

PATHWAYS TO PROSPERITY: SLC STATE EFFORTS TO PROMOTE A 21ST CENTURY WORKFORCE

Jackie Rohosky, *Quick Start*

- A well-trained and highly skilled workforce attracts companies, especially when that training is aligned with the specific needs of the business.
- Successful businesses "drive" job creation, and having the right people with the right skills at the right time helps to ensure success.

Ted Townsend III, *Tennessee Department of Economic and Community Development*

- Governments are responsible for creating an environment that gives businesses the confidence to create jobs.
- To make great products, businesses need great people.
- As businesses need educated workers, increasing the rates of educational attainment should be a priority.

- Investments must occur today for the workforce that will be needed tomorrow, and businesses must be part of relevant discussions.

Jay Neely III, *Gulfstream Aerospace Corporation*

- Workforce development and economic development are the “lifeblood” of communities.
- When “done correctly,” workforce development efforts can change – and even save – lives; such efforts give people the skills that they need to get a good job.
- Workforce development needs a comprehensive approach and the correct partners.
- Workforce development requires the engagement of students and post-secondary educational institutions, among other stakeholders.
- Periodically, the skills of existing employees need to change.

JUVENILE JUSTICE REFORM IN THE SLC STATES

Ruth Rosenthal, *The Pew Charitable Trusts*

- One goal of a number of states is improving the returns on investments in, and spending on, public safety.
- Since 1997, the juvenile justice commitment rate in the United States has fallen rapidly.
- For almost all juveniles, investments in community-based “solutions” have better returns in terms of public safety than do out-of-home placements, which are costlier.
- Regarding juvenile justice reform, goals sometimes include the following:
 - protect public safety;
 - reduce costs;
 - sustain reforms through appropriate investments; and
 - ensure proper oversight and data collection.

Honorable Steven Teske, *Clayton County Juvenile Court*

- In relation to juvenile justice, effective solutions for at-risk populations are required.
- Evidence-based juvenile justice practices and programs are needed.
- Juvenile justice reforms should be examined to see if they are having the desired effects; if not, additional changes should be made.

Senator Whitney Westerfield, *Kentucky State Senate*

- When low-level offenders are incarcerated, they are sometimes “mentored” by those who have committed worse crimes.
- For juveniles, community-based “solutions” are more successful and less costly than “solutions” that involve a detention facility.
- Policies should not be developed “in the dark”; instead, they should be informed by data.

MEDICAID SERVICE DELIVERY: HEALTH HOME MODEL

Michael Varadian, *Providence Service Corporation*

- The health home model is an innovative service delivery model that helps those who access health care frequently by addressing their behavioural and physical health issues.
- The health home model involves comprehensive and coordinated care, health promotion efforts, individual and family support services, and referrals to community and social services.

Daniel Landon, *Missouri Hospital Association*

- Mentally ill individuals who are in public care lose 25 years of life expectancy, largely because of poorly managed medical conditions.
- Health care costs can be reduced by identifying the individuals who generate the costs, and then managing those individuals.
- As not all populations are equally amenable to the health home model, it should be targeted to the right people: those with physical and mental illnesses that are not minor.
- The savings that result from the health home model are largely the result of reduced hospital stays.
- Good data are needed to make the best decisions.

Tom Wroth, *Community Care of North Carolina*

- Use of the health home model can lead to lower health care costs.
- Integrated and strong primary physical and mental health services are critical to the success of the health home model.
- As 5% of the Medicaid population is responsible for 50% of the costs, data analytics should be used to identify members of this population, with appropriate actions then taken to realize significant returns on spending.
- Efforts should be directed to preventing unnecessary hospitalizations, partially through identifying those at the highest risk of readmission.

PUBLIC PENSION ENVIRONMENT: TRENDS FROM THE STATES

Senator Daniel Bliss, *Illinois State Senate*

- In 2010, 80% of U.S. working households had retirement savings that were less than the amount of their annual income, and – based on their retirement account assets – 92% of working households fell short of their retirement savings target for their age and income.
- The estimated retirement savings gap in the United States exceeds \$16 trillion; the gap is significant, and actions must be taken now, as they take time to yield results.
- More than 50% of the private-sector workforce in the United States is expected to have social security as their only source of retirement income; the program was not designed to be the sole source of retirement income.
- In 2011, about 50% of private-sector employees in the United States had access to workplace retirement benefits, the lowest percentage since 1979.
- The state of Illinois' Secure Choice Savings Program has the following characteristics:
 - Enrolment is automatic, although employees can opt out.
 - Employees' accounts are portable.
 - The employee contribution rate is 3%, although employees can increase or reduce their contribution rate; employers do not contribute, and they also do not administer the program.
 - Contributions are pooled and invested, and funds are held outside of the state's treasury.
- Some states, including California and Oregon, are implementing a retirement savings plan that is similar to Illinois' Secure Choice Savings Program.
- There has been a shift away from defined benefit occupational pension plans to defined contribution occupational pension plans.

Paula Sanford, *University of Georgia*

- In relation to occupational pension plans, experts provide the following advice:
 - Make the annual required contribution or the actuarially determined employer contribution.
 - Employ a consistent, long-term approach to investing.
 - Use realistic actuarial assumptions.
 - Regularly update demographic tables.
 - Create partnerships between the legislative and executive branches in relation to pension issues.

- In the United States, the most common reforms to pension plans include the following:
 - increasing employee contributions;
 - increasing employer contributions;
 - reducing or eliminating cost-of-living adjustment clauses; and
 - implementing different pension parameters for new employees, such as a higher retirement age, longer vesting periods and a lower benefit multiplier.
- Increasingly, pension plans are viewed as a shared responsibility.

HOW AND WHY DO THE RATINGS AGENCIES ARRIVE AT DIFFERENT CONCLUSIONS?

Alan Schankel, *Janney Montgomery Scott LLC*

- Rating agencies include Standard & Poor's Rating Services and Moody's Investors Service, which are the largest, and Fitch Ratings and Kroll Bond Ratings, which are relatively newer.
- Moody's Investors Service's state rating framework includes the following four elements:
 - the state's economy, which considers per capita income, industrial diversity and employment volatility;
 - the state's governance, which considers budget development and management practices, financial best practices, financial flexibility and constitutional constraints;
 - the state's financial strength, which considers revenue diversity, volatility and growth, fund balances as a percentage of revenue, and cash management and liquidity; and
 - debt and pensions, which considers debt as a percentage of revenue and unfunded pension liabilities as a percentage of revenue.
- Standard & Poor's Rating Services uses a state rating framework that is similar to that used by Moody's Investors Service; in each case, the rating framework generates a score that may be adjusted for a variety of factors.
- Large institutional investors rely primarily on internal research, while retail investors focus more on ratings.

OPENING PLENARY SESSION

Saxby Chambliss, *Former Member of the U.S. Senate and House of Representatives*

- In Washington, D.C., “compromise” is viewed negatively.
- U.S. history is filled with instances of compromise, and compromise is needed.
- No one party or person has a patent on good ideas.

Pete Correll, *Atlanta Equity*

- Unlike politicians, business people are unaccustomed to decisions not being made.
- Politicians make a difference in the lives of people every day.
- It is possible for businesses and governments to work well together to achieve goals.

CAREER AND TECHNICAL EDUCATION

Gretchen Corbin, *Technical College System of Georgia*

- Educational institutions should work with employers to ensure that students acquire the skills that are needed by employers.
- Graduates are needed for America’s workforce.
- For businesses, workforce development is the most important issue.

YOUTH DEVELOPMENT AND ENTREPRENEURSHIP

Elizabeth Gaines, *The Forum for Youth Investment*

- At its best, schools fill only a portion of youth “developmental space,” and they do not meet all developmental needs.
- Communities can support youth by promoting youth participation and engaging youth as problem solvers.
- Children and youth outcomes should include the following:
 - physical and emotional health and safety;
 - social and civic connectedness; and
 - academic and vocational productivity.
- A “tangled” set of educational, health, social, child and family, and mental health services exists.
- Actions should be taken to do the following:
 - improve and coordinate programs, resources and supports across systems and settings;

- engage youth and families in ongoing opportunities for leadership and participation; and
- increase public, political and bureaucratic demand for improved outcomes for children and youth.

Thomas Gold, *Network for Teaching Entrepreneurship*

- In the United States, there has been a decline in entrepreneurship and entrepreneurial activity.
- In 2014, for the first time in three decades, the percentage of U.S. firms closing down exceeded the percentage of firms beginning operations.
- In 2011, 52% of U.S. employers reported difficulty in finding the right “talent”; there was an oversupply of available workers and an undersupply of workers who had the skills that were needed.
- The U.S. workplace is changing, with – in 2012 – 33% of employers reporting that they wanted workers with entrepreneurial experience.
- With “entrepreneurship education,” academic institutions focus on the development of specific skills, knowledge and “mindsets” related to business creation, such as the development of a business plan; such education is common at the university level, and is growing in prevalence in elementary and high schools.
- Entrepreneurship education can be delivered in a classroom setting or on line; project-based “learning by doing” helps to connect learning to the “real world,” and coaching or mentoring by local businesspeople is relatively common.
- The “entrepreneurial mindset” has eight areas, or domains; they are:
 - initiative and self-direction –
 - set goals and establish action plans to accomplish those goals
 - manage time effectively
 - adjust plans to make progress and fulfill the goals that have been set
 - flexibility and adaptability –
 - understand how to incorporate feedback effectively
 - learn from setbacks
 - reflect critically on learning experiences and processes
 - communication and collaboration –
 - articulate thoughts and ideas effectively
 - work effectively in groups
 - respect team members and alternative points of view

- creativity and innovation –
 - use creative thinking exercises
 - find creative solutions, and evaluate and refine ideas
 - view failure as an opportunity to learn
- critical thinking and problem solving –
 - analyze and evaluate different points of view
 - synthesize information and arguments from a variety of sources
 - interpret information and draw conclusions
- future orientation –
 - prioritize long-term success in the face of short-term sacrifices
 - plan for a time horizon that is longer than one year
- opportunity recognition –
 - identify problems as opportunities
 - identify “windows of opportunity”
 - assess business ideas to identify opportunities
- comfort with risk –
 - understand the difference between risk and reward
 - learn how to calculate risk
 - differentiate between short-term and long-term risks
 - push personal limits to achieve a desired goal.
- Actions that policy makers can take in relation to entrepreneurship education include the following:
 - Establish state education standards for entrepreneurship that are clear and high, and that provide a path to certification.
 - Emphasize the development of an entrepreneurial mindset that is aligned with efforts to develop non-cognitive skills in youth.
 - Engage in rigorous research on the implementation and impact of entrepreneurship programs and other experiential programs.

LOGISTICS AND SUPPLY CHAIN EFFORTS

Page Siplon, *TeamOne Logistics*

- The logistics ecosystem is changing.
- Supply chains are evolving as manufacturing evolves.
- For supply chains, the priorities are: faster; better; less expensively; and more reliable.
- At the end of 2013, there were more mobile devices on the planet than there were humans.
- About 10% of the total sales revenue of any business is spent on logistics; of that amount, 50% is allocated to transportation.
- In the United States, investments in the infrastructure that is required to move freight around the country are inadequate.

USE AND REGULATION OF UNMANNED AIRCRAFT SYSTEMS

Mark Dombroff, *Dentons US LLP*

- In the agricultural sector, unmanned aircraft systems are used for such purposes as field and crop management.
- The U.S. Federal Aviation Administration has, and is working on, rules and regulations in relation to the operation of unmanned aircraft systems, and the focus is safety; a certificate of authorization is required in order to operate a drone.
- States' ability to legislate what occurs in airspace is limited to specific areas, including privacy and the use of drones by law enforcement agencies.

Senator Bret Allain, *Louisiana State Senate*

- Drones are one of the most useful technological developments in agriculture; for example, they can be used to check plant health, crop growth, etc. in fields, and can facilitate more precise application of pesticides, identification of pest infestations and detection of drainage issues.
- A farmer should be able to use drones on his/her own land and above his/her own crops.
- Unmanned aircraft systems have significant potential in the agricultural sector.

Ben Worley, *AgriSource Data*

- Unmanned aircraft systems are comprised of several components, and multiple components make up the flight and navigation process.
- The goal of most unmanned aircraft systems is to create “actionable information,” a task that requires the conversion of significant quantities of raw data into a useful format.

- It is important to capture “actionable information” and to turn data into “something useful.”
- As there is no universal classification of unmanned aircraft systems, size and capability are the most common classification methods; thus, weight, length of operation, range and altitude are used for classification purposes.
- Most unmanned aerial vehicles are one of two styles:
 - fixed wing, which are often used in agricultural, forestry, pipeline and power line applications; and
 - multi-rotor, which are often used in public safety, cell tower, movie filming and building inspection applications.
- With commercial applications, unmanned aerial vehicles and unmanned aircraft systems are being used with a view to improved safety, reduced costs and enhanced efficiency; in particular, benefits are thought to exist in the following sectors, among others:
 - agriculture – increase production, reduce costs and encourage sustainability;
 - oil and gas – improve safety, reduce downtime and prevent environmental damage;
 - development – reduce costs, enhance planning and enforcement, and improve infrastructure;
 - logistics – enhance the speed of delivery, improve tracking, reduce costs and increase safety;
 - utilities – increase efficiency, improve reliability and save lives; and
 - public safety – improve effectiveness, enhance safety and reduce costs.
- Public conversations about unmanned aircraft systems are dominated primarily by two areas of concern: privacy and safety.
- Regarding privacy concerns in relation to unmanned aircraft systems, there are legitimate concerns about the following:
 - the right to airspace navigation versus the rights of property owners;
 - unregulated and uncontrolled hobbyist activities; and
 - inadvertent privacy infringement.
- In relation to privacy concerns about unmanned aircraft systems, the following points should be noted:
 - Privacy laws currently exist.
 - Unmanned aircraft systems are merely tools that carry a sensor.
 - Commercial companies have no reason to spy on individuals and, in fact, have many reasons not to do so.

- Regarding security concerns in relation to unmanned aircraft systems, there are mitigating actions that can be taken, including the following:
 - “sense and avoid” technology;
 - operating standards;
 - communication procedures;
 - insurance requirements; and
 - federal regulations.
- Some legitimate concerns in relation to unmanned aircraft systems include the following:
 - flights near roadways;
 - mid-air collisions with manned aircraft; and
 - impeding emergency response aircraft.

CLOSING PLENARY

Vince Dooley, *Formerly with the University of Georgia*

- People should prepare themselves to take advantage of opportunities that may arise.
- It takes a great deal of unspectacular preparation to get spectacular results.
- Proper preparation prevents poor performance.
- People should have the courage to succeed; they should dream, trust themselves and test their limits.

Respectfully submitted,

Hon. Janis G. Johnson,
Senator, Co-Chair
Canada-United States
Inter-Parliamentary Group

Gord Brown, M.P.
Co-Chair
Canada-United States
Inter-Parliamentary Group

Appendix

U.S. STATES IN THE SOUTHERN LEGISLATIVE CONFERENCE

Alabama

North Carolina

Arkansas

Oklahoma

Florida

South Carolina

Georgia

Tennessee

Kentucky

Texas

Louisiana

Virginia

Mississippi

West Virginia

Missouri

Travel Costs

ASSOCIATION	Canada-United States Inter-Parliamentary Group
ACTIVITY	69th Annual Meeting of the Council of State Government's Southern Legislative Conference (SLC)
DESTINATION	Savannah, Georgia, United States of America
DATES	18-22 July 2015
DELEGATION	
SENATE	Hon. David Wells, Senator Hon. Jane Cordy, Senator Hon. Céline Hervieux-Payette, Senator
HOUSE OF COMMONS	Ms. Libby Davies, M.P.
STAFF	Ms. June Dewetering, Senior Advisor
TRANSPORTATION	\$ 6,659.94
ACCOMMODATION	\$ 5,442.13
HOSPITALITY	\$ 0.00
PER DIEMS	\$ 1,129.97
OFFICIAL GIFTS	\$ 0.00
MISCELLANEOUS / REGISTRATION FEES	\$ 2,193.03
TOTAL	\$15,425.07