

The Best and Worst of Public Policy



Good public policy has the power to move America forward. The Best of Public Policy scours the country for the most promising local, state, and federal initiatives proposed or enacted in 2008.

THE BEST OF PUBLIC POLICY

Clearing the Air

Los Angeles has the busiest port in the nation. It supports a million jobs and a critical flow of cargo. But it's also a dirty place: it fouls the air throughout the region and contributes to global warming. Ships, cargo-handling equipment and freight trains all pollute, but the worst culprit is dirty diesel trucks. The problem, though, is that port truck drivers are independent owner-operators who are already in the poorhouse due to rising fuel and maintenance costs and low prices per ton hauled. Most don't even have health insurance. There's no way they can afford to upgrade to cleaner, greener trucks. So this year, the LA Harbor Commission mandated that trucking companies hire the drivers now exploited, giving drivers a chance to get employee benefits (and even unionize) and ensuring that port trucks are owned by folks who have the resources to retrofit or shift to cleaner vehicles. Although temporarily delayed by the Federal Maritime Commission, the program should get back on track shortly. The whole move is part of a larger Clean Air Action Plan that aims to cut overall port emissions 45 percent by 2012. For combining environmental and economic justice in a way that helps truck drivers and residents of the LA area to breathe free, Los Angeles' Clean Trucks Program finds a comfortable berth on our list of the best public policies of 2008.

Holding onto Homes

If you declare bankruptcy, the judge can modify the terms of the mortgage on your summer bungalow in Nantucket. But if, like most Americans, you have only one home and are at risk of losing it to foreclosure, there's nothing the courts can do. This problem should have been addressed yesterday: more than 3 million homes are expected to be in foreclosure by the end of 2008. The effects of these foreclosures have spread, devaluing nearby houses and eating away property tax

revenues. Legislation proposed by Senator Dick Durbin would have stopped the bleeding. The measure allowed bankruptcy judges to modify the terms of subprime mortgages made on a homeowner's primary residence, something they can already do for vacation homes, family farms, and commercial real estate. By letting judges reduce the principal owed to the current fair market value of the property, change payment schedules and lower interest rates, the bill would have helped homeowners afford their mortgage payments, preventing 600,000 foreclosures and preserving \$72.5 billion in wealth at no cost to the American taxpayer. Lenders, meanwhile, would continue to receive payments, often netting a greater return than they would through foreclosure. So why did the mortgage industry lobby so aggressively against the bill that they ultimately killed it? The Center for Responsible Lending points to a mismatch between the interests of investors who own the loan and servicers who handle payments (and have little interest in avoiding foreclosures). For leveling the playing field between folks who own one home and those who aren't even sure how many houses they have, the Helping Families Save Their Homes in Bankruptcy Act finds a permanent home on our list of the best policies of 2008.

Classification Crackdown

Everyone knows about former New York Governor Eliot Spitzer's shortcomings, but his prize policies get less ink. One highlight: Spitzer systematically cracked down on crooked businesses that cheated their employees—and the state. Here's the skinny: a lot of people get hired for jobs, but employers incorrectly list as many as 10 percent as independent contractors rather than employees. Misclassifying lets the bosses save a bundle by ignoring minimum wage requirements, overtime pay, worker's comp, and Social Security and Medicare taxes. Employees miss out on benefits, while the state and federal governments lose tax revenue. So Spitzer issued Executive Order 17, establishing a taskforce on employee misclassification to link city agencies that



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deal with taxation, enforcement and labor, pool their resources, and get a yearly report. Results? In a recent sweep, the task force found nearly \$19 million in unreported wages, \$3 million in underpayments to workers and \$1 million in unpaid taxes. And, the task force is around to stay. Governor Paterson recently continued Executive Order 17 with his own Executive Order—number 9 (now that's a potion we can welcome). By giving workers and the state a fair shake from the boss, the crackdown on misclassified employees earns a place on the best of 2008.

One More Chance

No one benefits when prison gates turn into revolving doors. Every year, almost 700,000 criminal offenders are released from prison to reenter civilian life. But two out of three of them will be rearrested within three years. So what is the criminal justice system doing to combat the sky-high rate of recidivism and the threat that it poses to public safety? In many cases, the answer is nothing at all. A third of the nation's correctional departments offer no transitional programs and those that do exist are often woefully inadequate in preparing and supporting ex-offenders for life outside the prison walls. The Second Chance Act, sponsored by Representative Danny Davis and Senator Joe Biden, signed into law in April, is a welcome change of course. The new law increases drug treatment support systems and provides access to educational and job training programs for ex-offenders. The law also creates incentive programs for employers who hire former offenders. For helping the men and women leaving our prisons return to their communities as law abiding and self-sufficient citizens, The Second Chance Act improves public safety for everyone and joins our list of the best policies of 2008.

Healthy San Francisco

Everyone gets to see a doctor. Not just an overworked E.R. staffer who will see you after a five hour wait when you're facing a medical crisis, but a primary physician who can provide routine preventive care as well as

treatment when you get sick. That's the ideal at least, and San Francisco is moving towards it more swiftly than any place else in country. Uninsured city residents can enroll in the Healthy San Francisco program for a sliding-scale fee based on income. Once enrolled, participants pick a "medical home" from any of the 27 participating public and non-profit health clinics throughout the city. Participants still don't have insurance that will follow them throughout the country and the world, but they do have regular access to health care at home by the Bay. Yet that's just part of the program. The other component, in effect for the first time in 2008, requires that all city employers with more than 20 workers contribute at least \$1.17 per hour worked per employee to pay for health care. Employers can put the cash toward private insurance. They can contribute it towards the city clinic system. Or they can set up health care accounts. But they can't avoid making some provision for their employees' health. Employer groups sued to stop the plan, but lost in court. As of October, nearly 31,000 San Francisco residents—out of an estimated 73,000 who were uninsured—get to see a doctor whenever they need to. For an innovative approach to expanding health coverage, Healthy San Francisco gets a hale and hearty place on our best of 2008 list.

What to Expect When You're Expecting Family Leave

What do Liberia, Papua New Guinea, Swaziland, and the United States have in common? They and we belong to the small community of nations without a law guaranteeing some form of paid time off work for new parents. The Family Leave Insurance Act introduced by Representative Pete Stark looks to change all of that. The bill establishes an insurance fund to cover up to twelve weeks of paid leave per year for employees to care for a new child or a seriously ill family member, or to recuperate from a serious health condition of their own. Leave could also be used for emergencies that arise from a military deployment. The

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fund would be financed by employer and employee contributions equal to 0.2 percent of annual earnings; businesses with fewer than 20 workers could opt out of the program or choose to make a smaller contribution. Lower-income workers would receive their full paycheck while on leave; others would get a reduced portion of their usual earnings. Unfortunately, the bill never came to a vote in 2008. Still, for ensuring Americans can spend time with their families when it matters most, without losing a paycheck to do it, we welcome the arrival of Family Leave Insurance Act onto the best of 2008 list.

When Infrastructure Attacks!


Preventable floods... collapsing bridges... breached levies... How many cataclysmic events does it take before we realize that neglecting the nation's public infrastructure costs lives? The American Society of Civil Engineers' latest Report Card for America's Infrastructure gave the nation a "D" average, and estimates that \$1.6 trillion needs to be invested into infrastructure related projects by 2010 just to get the country back on track for acceptable maintenance. This abysmal status quo is not only responsible for catastrophic loss of life and property, but also for commuters using 5.7 billion gallons of gas and spending 46 hours a year stuck in traffic. Senators Chris Dodd and Chuck Hagel are taking steps to help improve this state of affairs by introducing the National Infrastructure Bank Act. The proposed National Infrastructure Bank will help states and localities to launch infrastructure improvement projects with a federal price tag of \$75 million or more which would usually fall by the wayside due to prohibitive costs. While the bill never came to a vote in 2008, the need continues to grow. By protecting American lives, the environment, public health and the economy through stronger infrastructure, this bill fills a critical gap in our list of the best policies of 2008.

Taming Toxic Toys

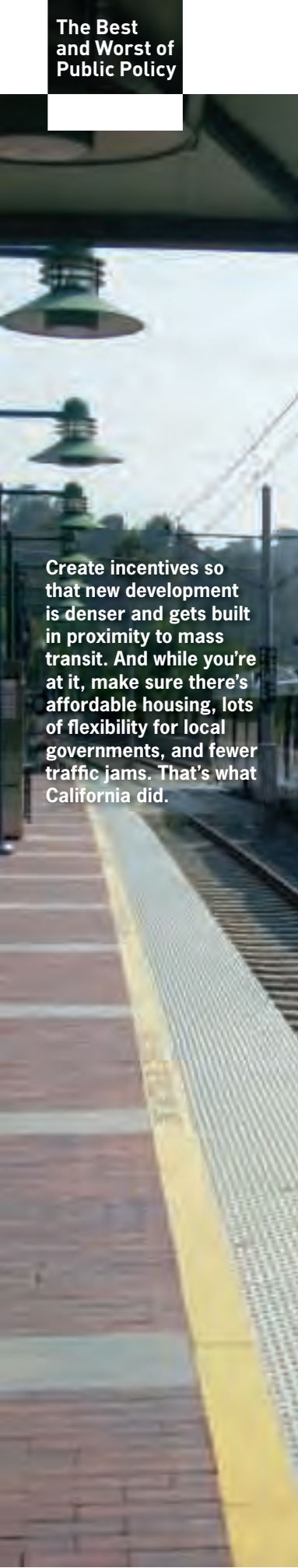
Whether a toy car or an action hero, who can forget their first beloved toy? We played late into the night and awoke early to find comfort and imagination in these plastic gems. We never worried whether we would suffer because of our imagination. But the presence of dangerous toxic ingredients in our childhood treasures (like lead, cadmium, and plastic softening agents called phthalates) allowed toy companies' profit to come before our kids. Not anymore. This year the state of Washington pushed back against toy manufacturers by passing the Children's Safe Products Act. Washington now holds the strongest standards in the country, banning toxic chemicals in toys and children's products sold in the state. While Governor Gregoire made some concessions, particularly for educational toys with internal electronics, she still showed the kind of courage we should expect from our leaders. By passing the Act, Washington also blazed a path for similar federal legislation (the Consumer Product Safety Improvement Act was signed into law in August). Now standards are higher nationwide, and the nation's kids are better off. Because we shouldn't have to think about long term brain damage when playing house, the Children's Safe Products Act gets lots of play on our list of the best of 2008.

A New GI Bill for New Veterans

The original GI bill of 1944 changed the American landscape: it stimulated the economy and fortified the middle class by providing education and home loans to veterans of WWII. Like that act, the "New GI Bill," introduced by Senator Jim Webb, offers critical educational assistance to this generation's veterans. The bill fully covers college tuition up to the cost of the most expensive in-state public school. And a monthly living stipend is supplied so that no veteran needs to choose between school and keeping a roof over his or her head. But don't think that this bill sailed into law through peaceful seas. Both President Bush and



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Senator John McCain vehemently opposed it, claiming that it would decrease re-enlistment. In fact, the battle was so fierce that the new GI Bill had to be included in a war spending measure to assure passage—even though its cost for ten years is equivalent to just about one week of the Iraq war effort overall. The “Post 9/11 Veterans Educational Assistance Act” goes into effect immediately and is sure to cultivate a new cadre of dedicated students and future leaders. Because education for veterans is a sound investment in the future, and the least we owe the men and women who volunteered to serve our country, we salute the New GI Bill as one of the best of 2008.

California Cuts the Sprawl

So you want to be green and drive less. But if you live in one of California's sprawling subdivisions, there's not much you can do: public transportation isn't available, you may live far from where you work and shop, and even sidewalks and bike lanes are nonexistent. Multiply that situation by millions, and you've got an exponential increase in car travel statewide and a tremendous obstacle to the Golden State's ambitious goals for cutting global warming pollution. The solution? Create incentives so that new development is denser and gets built in proximity to mass transit. And while you're at it, make sure there's affordable housing, lots of flexibility for local governments, and fewer traffic jams. That's what California did. On September 30, Governor Arnold Schwarzenegger signed a bill with the uninspiring name of SB 375, creating unprecedented links between zoning, transportation, and housing regulations and subsidies to overhaul land use planning throughout the state. The legislation was supported by an unlikely bipartisan coalition of real estate developers, affordable housing advocates, and environmentalists. If all works well, the state will see more sustainable neighborhoods and shorter commutes over time. For showing the nation how to “grow green” on a massive scale, California's law is zoned for a prime spot on our best of 2008 list.

THE WORST OF PUBLIC POLICY

Bad Boss? Deport the Workers

You wouldn't want to work for the folks who ran the Agriprocessors meatpacking plant in Postville, Iowa. According to employees, they hired kids as young as 13 to work dangerous jobs, ignored overtime laws, physically abused employees, neglected safety, and turned a blind eye to sexual harassment. When workers tried to organize to improve conditions, the bosses busted up the union. But when the law finally stepped in, it wasn't the bosses who faced criminal charges. It was the employees. On May 12, immigration authorities (known as ICE) arrested 389 undocumented immigrants working at the plant, holding many of them in a building used to exhibit cattle. The bosses, at first, got a free pass from the feds (although state labor authorities stepped in later). ICE has traditionally refrained from enforcement actions in workplaces where labor standards were being investigated by other government agencies. After all, fear of a raid could make immigrants and their co-workers all the more reluctant to speak out about illegal conditions that affect all employees. That's still the rule on paper, but the Postville action and other recent raids seem to suggest a new de facto policy. These days, bosses with labor trouble can call the feds and just might find ICE willing to cart some troublesome employees away—and intimidate the rest. For turning immigration enforcement into a tool of labor suppression, the ICE raids rank among the worst of 2008.

Rocket Fueled Water

Although energy drinks are on the rise, nobody would guess that rocket fuel might be found in their tap water. For most of us, quenching thirst doesn't mean we want to blast off. But perchlorate, a chemical found in rocket fuel (like the fuel that propels the space shuttle) and missiles (like those tested by the Department of Defense) has been found in tap

water in at least 35 states. Perchlorate interferes with the thyroid, particularly in infants and pregnant mothers, which can lead to irreversible brain damage and developmental risks. So, it's pretty clear what we should do. But here's the rub. Cleaning up perchlorate could cost billions of dollars—money that the Pentagon has other plans for. So, after the EPA's "preliminary regulatory determination" on perchlorate found that up to 16.6 million Americans are exposed to the chemical, the Bush administration redacted the document, taking out references to scientific studies that found "irreversible damage" and potential "loss of IQ," and even changing the method for measuring the chemical to downplay its prevalence. In October, the EPA announced that perchlorate will stay unregulated. Scary stuff. For putting incendiaries over infants, this action shoots to the top of the worst of 2008.

The Paulson Doctrine

There's plenty to criticize in the Wall Street bailout package signed into law, but here are the two biggies: it provides hundreds of billions in taxpayer dollars to the same irresponsible lenders that got us into this mess, and it doesn't require that any action be taken to help struggling homeowners, which would address the root of the crisis. But it's a heck of an improvement over the original plan proposed by Treasury Secretary Hank Paulson. Paulson demanded the authority to spend \$700 billion in public money as he saw fit, buying assets from any U.S. company. What's more, he wanted complete discretion and immunity from review of his decisions by any court or government agency. Paulson famously summed up his proposal in just three pages, but he could have done it in two words: trust me. The reality? Even when Congress added more accountability measures, provided the funds on an installment plan, and mandated that the taxpayers get a stake in the institutions benefiting from their largesse, the public—and many of our elected representatives—still didn't trust Paulson or President Bush. And for good reason. Even as

Bush insisted that there "was no Plan B" for the economy, the Federal Reserve and other agencies were busy pursuing more effective measures. The bailout that was ultimately passed may be a rotten deal, but the original Paulson Plan is unquestionably one of the worst of 2008.

Disenfranchised Nuns

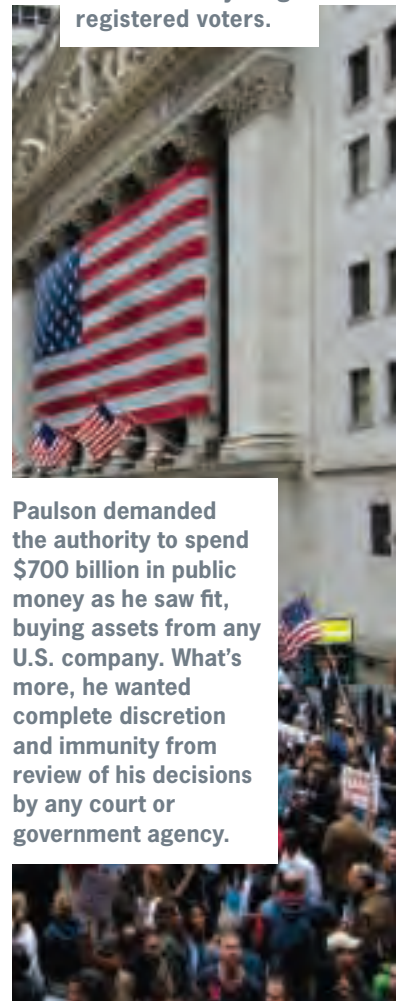
There has never been a documented case of voter impersonation in the State of Indiana, but that didn't stop the state government from taking drastic steps to prevent it. The state passed one of the nation's most restrictive voter identification laws back in 2005: every voter was required to produce a government-issued photo identification card in order to cast a ballot. This April, the U.S. Supreme Court upheld the law, dismissing concerns that tens of thousands of voters could be disenfranchised. And in the 2008 Indiana primaries, the consequences of the law became apparent. In South Bend, a dozen elderly nuns were turned away from the polls. The sisters didn't drive, so they lacked drivers' licenses, the most commonly used form of voter identification. But nuns aren't the only Hoosiers who lack the needed credentials. A 2007 study found more than one in five African Americans registered to vote in Indiana didn't have up-to-date photo ID, nor did 22 percent of the state's young registered voters. Higher income individuals were more likely to have ID cards than poor folks. For disenfranchising voters, clergy and laity alike, we have no difficulty identifying Indiana's voter ID law as one of the worst policies of 2008.

Bad Deal with Colombia

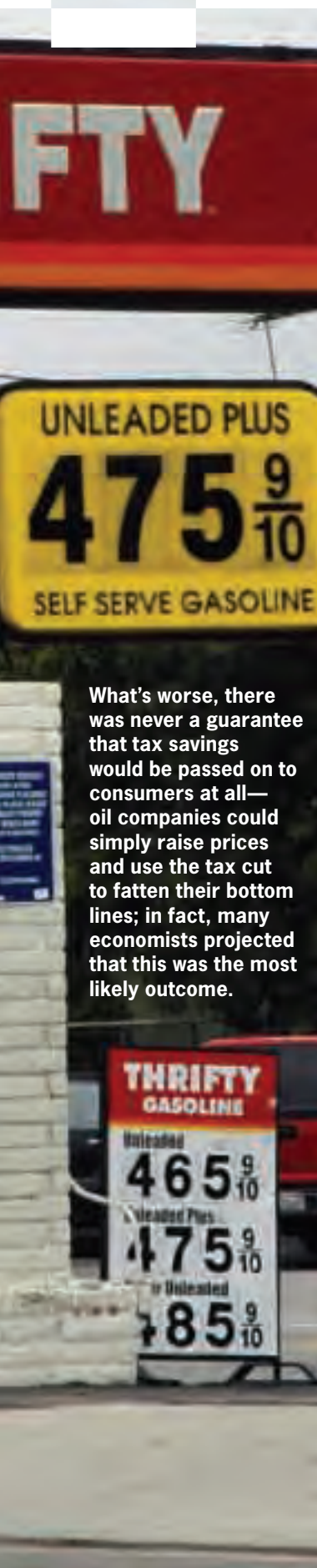
In Colombia, over 2,500 union members and organizers have been murdered since 1986—including 41 in the first eight months of 2008 alone. Most of the killers were never brought to justice. So why are we planning a new trade deal that will steer U.S. business toward this nation? When President Bush signed the agreement in April, he insisted it would help U.S. security while bringing



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economic gains to both countries. But the benefits for most Americans are hard to see. The track record of NAFTA-style trade pacts doesn't inspire much confidence: while they may promote economic growth, the gains flow overwhelmingly to corporate coffers while middle-class workers may lose jobs and see their wages decline. The situation is even worse in a nation that turns a blind eye to anti-union violence. In essence, this pact would increase opportunities to outsource U.S. jobs to a place where wages are kept low because working people literally fear for their lives if they stand up for their internationally recognized rights on the job. There is one piece of good news: the deal won't go into effect without approval from Congress. As of press time, that wasn't forthcoming. For flouting human rights and labor rights in pursuit of the right to more easily move money over borders, the proposed Colombia trade agreement is hereby ratified as one of the worst policies of the year.

Gas Tax Cuts Run on Empty

During the heat of summer 2008, as a nation of drivers groaned under the burden of \$4.00 gasoline, politicians saw an opportunity for some hot air. What the nation needed, insisted officials and candidates alike, was a summer-long gas tax "holiday." Unfortunately, the proposal itself was a vacation from reality. The federal gas tax is just 18.4 cents a gallon, so suspending it would save most drivers no more than \$10 a month. What's worse, there was never a guarantee that tax savings would be passed on to consumers at all—oil companies could simply raise prices and use the tax cut to fatten their bottom lines; in fact, many economists projected that this was the most likely outcome. Meanwhile, the lost revenue—a projected \$9 billion over the course of the summer—would have been a blow to the federal Highway Trust Fund, which finances road repairs and generally keeps the nation's transportation systems running. It turns out to be a good thing the trust fund didn't lose that money: even with the gas tax revenue, the highways needed an extra \$8

billion from the federal Treasury to avoid going broke. The summer's gas pain was real, but this solution was a phony—and one of the worst public policies of 2008.

Rhode Island Runs with Scissors

In bad economic times, when budgets run short, states have to make difficult choices. Some raise taxes and fees; others take out the scissors and cut spending. Some borrow; others sell off state property and lay off public employees. Many do a combination of all of the above. But few react to a budget shortfall as poorly as Rhode Island did in 2008. The Ocean State's most recent budget cut services to the poor, the sick, children and the elderly. State health care cuts will raise medical costs for 7,800 poor families and eliminate coverage completely for 1,000 low-income parents. Hundreds of kids will be kicked out of early education programs. College students are losing scholarships and facing higher tuition. Affordable housing funds are diminished. \$10 million to local municipalities to aid the elderly, support veterans and fund police has dried up. The state transit system may have to cut service by 20 percent, despite increased demand. The state stopped funding for repairing deficient bridges. When food banks and homeless shelters are on the chopping block, it's time to think about raising more revenue, but Rhode Island legislators ignored calls to reverse recently enacted tax breaks for the state's wealthy residents. Governor Donald Carcieri even boasted about his accomplishment: "we have worked together to reduce spending and balance the budget without raising taxes." For harsh service cutbacks to those who rely on state support the most, Rhode Island's budget massacre is among the worst of 2008.

Breathing While Latino

Meet Joe Arpaio, Sheriff of Maricopa County, Arizona. He calls himself "the toughest sheriff in America," and that reputation has gotten him re-elected in this conservative region since 1992. But the crimes he's most

interested in aren't murders, rapes, burglaries or assaults: they are violations of immigration law. And many of the county's Latino residents—regardless of their immigration status—appear to be targets. So says the Mexican American Legal Defense and Educational Fund (MALDEF), which sued Arpaio this July for racial profiling. At issue are the sheriff's broad "crime suppression" sweeps through Latino neighborhoods and locations where day laborers seek employment. According to MALDEF, residents who appear to be Latino are stopped on the slightest pretext—a broken taillight, perhaps, or walking outside the crosswalk—or for no reason at all, and interrogated about their immigration status. And a stop may be enough to detain citizens and legal residents for hours while their immigration status is verified. What a way to spend an afternoon! The sweeps have spread fear and mistrust of law enforcement through the county's Latino communities, but there's little evidence they have affected criminal activity. For discriminatory policing that has nothing to do with public safety, Arpaio's biased crime sweeps are among the worst of 2008.

Georgia Uncovered

One in five Georgia residents under age 65 lacks health insurance, and most of the uninsured live in poverty. So one might expect that the state's new health care policy—expected to cost \$223 million by 2013—would address this population. Unfortunately, state lawmakers had a different beneficiary in mind: the insurance industry. The new law, signed by Governor Sonny Perdue in May, cuts taxes for individuals and small businesses that buy high-deductible health plans and the insurance companies that sell them. According to the nonpartisan Center on Budget and Policy Priorities, 67 percent of the benefits will go to the insurers. CBPP also finds that the policy is unlikely to reduce the number of uninsured Georgians. But it is likely to shift some people with other health care coverage into high-deductible plans. So what's the prognosis for those that make the switch? A higher bill for their medical care. High-deductible health

plans move costs from employers, who may previously have paid for comprehensive health care benefits, to employees, who must now pay high health care deductibles out-of-pocket. Studies suggest cash-strapped patients tend to skimp on needed care as a result. For generous public subsidies to lousy insurance plans, Georgia's new health insurance law is a prescription for poor health and one of the worst of 2008.

No Warrants? No Problem!

For years, telecommunications companies spied on Americans without warrants. At the behest of the Bush Administration, the companies illegally monitored citizens' private e-mail correspondence, phone calls, password-protected internet activity, and other personal communications. The surveillance violated Americans' Fourth Amendment right against unwarranted searches and seizures, the Foreign Intelligence Surveillance Act (FISA) and the contractual rights of private customers who signed privacy agreements with these companies. But in July 2008, Congress announced that it was all good. A new law reauthorizing domestic surveillance authority included provisions granting retroactive immunity from lawsuits to telecommunications companies that illegally cooperated with the Bush Administration. In short, the telecoms could never be held accountable for their actions. National security experts were at a loss to explain why the Bush Administration had to dodge flexible surveillance laws to gather intelligence in the first place—or how granting impunity to private companies would make the public safer. But Bush insisted, and ultimately Congress caved. The result sets a dangerous standard for public and private power that victimizes ordinary Americans—and never has to answer for it. For undermining the rule of law and setting a perilous precedent, there's no need for a wiretap to find out that this is one of the worst policies of 2008.

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