Student-Drafted Policy for Local Change at the George Washington University
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Defense and Diplomacy
National Park Service
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About the GW Roosevelt Institute

George Washington University chapter of the Roosevelt Institute, where student-led progressive public policy meets the power of community advocacy.

The GWU chapter of the Roosevelt Institute is a student policy organization that engages new generations in a unique form of progressive activism that empowers young people as leaders and promotes their ideas for change.

"The Roosevelt Institute connects the fruits of that research to the policy process, delivering sound, progressive proposals to community organizations, advocacy groups, and policymakers.

Members conduct policy research on the pressing political issues facing our world, from environmental protection to equality under the law to trade and taxes. The Roosevelt Institute connects the fruits of that research to the policy process, delivering sound, progressive proposals to policymakers and advocacy groups at all levels of government. The second part of our model is community engagement and activism. Members will work to better our DC community through taking part in progressive actions.

The opportunities for real change and progressive activism are especially ripe at GW, where our location in the nation's capital and in one of the most metropolitan cities in the nation puts us in a unique and important position for ideas and action.
Dear Readers,

As students in our nation's capital, our campus community takes full advantage of the enlightening policy discussions, political opportunities, and social movements that make Washington, DC what it is. But far too often there are not enough young people on the bylines, on the panels, or at the microphones.

The GW Roosevelt Institute, and the larger campus network, was founded to make the voices of students heard. Our model merges student-drafted policy research with grassroots advocacy to make change happen. We seek policy change at the local level, and this year's Rethinking Communities initiative challenges to think how our university can have a stronger social impact on the city we call home.

And thus, we present the first edition of Omnibus, an annual publication of student ideas from the George Washington University. The phrase “Omnibus” means “for all,” just as our organization’s namesakes, President Franklin D. Roosevelt and First Lady Eleanor Roosevelt, dedicated their lives to creating a more prosperous and fair society. We hope this identity will challenge future GW Roosevelt Institute members to think how local policy change can create a more fair society where all, with hard work, have the chance to succeed.

In this inaugural edition, we are privileged to have strong policy proposals developed by our members and campus allies. We begin with our Rethinking Communities section, a key feature of this upcoming year’s focus as we explore how GW can act as an anchor institution in the wider DC community. We present the Bank on DC policy proposal, our feature campaign of the year to encourage university investment in a community development bank in the District, while Frank Fritz also proposes the key policy objective of Fossil Free GW: endowment divestment from dirty fuels. Secondly, our Defense and Diplomacy section include memos from Brett Weinstein on solving intelligence failures and Mihir K hubchandani on fixing incentives for the microinsurance sector. Thirdly, our Economic Development section features Adar Schneider's proposal for senior grocery delivery. John Noland and Jacob Burman's crowdsourcing platform for community investment, and Josh Serchen and myself’s federal index for university spending on community development. In our fourth section, Shannon Quinn argues for changes in to universal pre-
kindergarten proposals. In the Energy and Environment section, Kinjo Kiema argues for farm-to-school legislation in Fairfax County, Francisco Alvarez-Higareda for improvements to smart grid systems, and Eric Wolfert for creating a carbon tax to fund poverty-fighting programs. Finally, in our Healthcare section, Adar Schneider proposes expanding access to fresh foods, John Weber seeks expanding Spanish speakers in the medical field, Justin Lewis argues for a Singapore model of healthcare in the U.S., and Senya Merchant outlines an overhaul of healthcare system in the District of Columbia. All of our authors should be incredibly proud of our work and our Advocacy team looks forward to working with them to help make these proposals a reality.

I want to thank the many individuals who made this effort possible. As mentioned, many thanks to the many writers who chose to donate their time and writings to our effort; we are proud to highlight your voices in the first edition of our journal. Thanks to our former President, Yasemin Ayarci, who restarted our chapter and challenged us to both think and act locally. It has also been a privilege to work with an incredible group of Policy and Advocacy Directors this year, including Erin Agnew (Defense and Diplomacy), Kim Chan (Energy and Environment), Frank Fritz (Health Care), Jack Noland (Economic Development), Shannon Quinn (Education), and Rachel Whitbeck (Equal Justice). Thanks to the Roosevelt Institute Campus Network and its regional team for policy training and resources that allowed the publishing of this journal to happen. Finally, thank you to our Layout Director, Erin Agnew, for her tireless work to put this program together.

Here’s to the first edition of Omnibus and the future students that will continue making their voices heard – for all.

Regards,

Zach Komes
Policy Director
GW Roosevelt Institute
"Rethinking Communities aims to utilize and expand the role of Anchor Institutions by recognizing them as key community change drivers, and by strengthening a mutually beneficial relationship with the community. In doing so we seek to inspire all parties involved with greater self-determination, agency, and equity, and hold universities accountable to the broad range of people they provide for and engage with."

David Meni
Vice President
Fossil Free GW:

Why the George Washington University Should End All Investments With the Fossil Fuel Industry.

Frank Fritz
Healthcare Director

Preview: George Washington University students want their school to join the global movement against climate by disinvesting the institution’s $1.3 billion endowment from the 200 largest oil, coal, and natural gas firms. This would be a rejection of profits that come at the expense of the planet (and the future GW alumni who will inherit it) and a step forward for a school that has made sustainability one of its key goals.

History: Divestment or disinvestment, (sometimes used alongside economic boycott and sanctions, or BDS) is a strategy used by political organizers to rally supporters against a target by encouraging individuals and institutions to sell off any and all stock in corporations associated with the target in question. The most famous and well regarded Divestment campaign in the United States took place between 1977 and 1989 on college campuses and local governments in opposition to the apartheid regime. The campaign saw billions of dollars divested from companies that did business in South Africa, leading Nelson Mandela to state that the $3.1 billion divestment by the University of California in 1990 was a critical moment in toppling the apartheid regime. Divestment has once again been launched to prominence on college campuses in the US and around the world. Bill McKibben, founder of the environmental group “350.org” is one of the leading activists in organizing the divestment effort. Many have endorsed this tactic including South African Archbishop Desmond Tutu, an ally of Nelson Mandela, President Obama, who began his political career organizing for South African Divestment. Divestment from Fossil Fuels has grown even faster than other campaigns, as Eleven Colleges and Universities have already divested from Fossil Fuels, along with several cities across the country, including San Francisco CA, Portland OR, Seattle WA, Madison WI, Ann Arbor MI, Providence RI, Amherst MA, and Cambridge MA. The District of Columbia has legislation pending regarding whether or not it should divest its pension fund from Fossil Fuel companies, as it had from South African and Sudan (the latter in response to the Darfur conflict).

Policy Description and Analysis: Concerned GW students formed Fossil Free GW in order to bring the Fossil Fuel divestment movement to campus. They drafted a five point proposal to bring before the student body at large, and then school administration. First, the school must issue an immediate moratorium on investments in the 200 largest fossil fuel companies.
Second, within three months, it should disclose its investments in the industry. Third, the school should divest from the “Filthy Fifteen”, the top 15 worldwide coal, oil, and gas companies, by proven carbon reserves. Fourth, the administration should make a 5 year plan to sell off all remaining shares of fossil fuel companies. Fifth and finally, George Washington University should draft a plan to sustainably invest in the green economy.

Divestment has two goals: to stigmatize the extractive industries at the consumer level and rally popular and political support. If respected academic institutions and local and state governments declare the fossil fuel industry to be an illegitimate investment, it will weaken the force which the companies can exert over public institutions. The fossil fuel industry offers a political target against which environmental organizers can rally public support. Divestment seeks to build awareness and organization to critical mass against climate change, which will bring about the systemic reforms need by intuitions of power and force the issues to the top of the agenda for the Federal government.

Next Steps: Fossil Free GW seeks to bring the divestment movement to Foggy Bottom. We first are seeking 2,500 signatures from the student body against Fossil Fuel divestment. The petition can be found and signed at bit.ly/fossilfreegw. We will then seek a student referendum in favor of divestment, after which we will formally submit our request to the administration to divest its endowment. All students are welcome to join our campaign this fall, coordinating committee meetings are open to the public.

Bank on D C:

GW Investment in Community Development
Banks Can Revitalize DC.

Zach Komes
Policy Director

Preview: As an institution that seeks to promote civic engagement with the local community, George Washington University should invest at least $250,000 of its $224 million in cash or equivalent holdings in community development banks in Washington, D.C.

History: Despite being our nation’s capital, the D District of Columbia remains one of the nation’s poorest and most divided cities. One in five residents lives below the poverty line, with several neighborhoods in the District having high concentrations of unemployment and economic challenges.¹ A strong contributor to the lack of community investment in low-income neighborhoods is the lack of access to financial capital. 24.1% of D.C. residents live in “under-banked” areas, compared with the national average of 7.7%.² Traditional financial service institutions reduce risk by seeking borrowers that have stable collateral, such as homes, automobiles, savings, businesses, and financial assets, that can be acquired if borrowers default. Many low-income families, without financial assets, have difficulty getting the lending needed to start small businesses, purchase a home, and send their children to college. Nonprofit organizations in similarly distressed communities also have difficulty finding sources of revenue for affordable housing projects, community facilities, and other programs that mainstream financial institutions deem risky and without large fiscal returns.

Community Development Banks (CDBs) help fulfill the capital accessibility gap that remains unmet by mainstream financial institutions. To be certified as Community Development Financial Institutions by the Department of Treasury, CDBs must demonstrate that at least 60% of their total lending and other services benefit low-income communities. In 2012, these financial institutions provided $17.8 billion in loans across the country, CDBs also locate their branches in economically distressed communities nearly four more often than standard banks.³ In 2012, City First Bank of D.C. and Industrial Bank, the two CDBs serving the Washington, D.C area, provided $396.8 million in critical financing for the redevelopment of low-income communities in the District’s poorest neighborhoods.

With increased attention to the importance of impact investing since the Great Recession, colleges and universities across the country have begun to recognize their roles as “anchor institutions” that can support the revitalization of low-income communities. According to the 2010 College Sustainability Report Card, 14% of American colleges and universities currently support community development funds in their portfolios, either through cash or endowment investments.⁴ Several GW peer institutions, including Duke University,
Georgetown University, and Tufts University, have all supported local development banks to promote their missions for social responsibility. In fact, Georgetown University provided part of the initial $9.4 million seed capital that created City First Bank, demonstrating the potential benefits that a GW investment in community development banks that serve low-income communities could provide.

**Policy Description and Analysis:** The George Washington University’s mission statement states that its primary institutional purpose is to “dedicate itself to further human well-being.” Consistent with this core responsibility, GW places a strong focus on finding ways to support the surrounding Washington, DC community. With an active Center for Civic Engagement and Public Service, two university-wide annual Days of Service, legal clinics, and hundreds of student organizations that participate in community service every year, social responsibility is strong value among our campus community. Administrators recognize that we, as a university, can do even more to help alleviate the many complex economic challenges facing DC residents, including as one of the thirteen goals in the university’s Vision 2021 Strategic Plan as the expansion of “GW’s role as a model institutional citizen for the greater Washington, DC area.”

Our university can help fulfill the key tenant of this element of its vision for the future by investing at least $250,000 in cash or cash equivalent holdings into one of the District’s community development banks. With $224 million in cash and cash equivalent assets, shifting a small percentage of this portfolio would have a dramatic influence on community development in the District.

These liquid investments will not only support creating social returns for our local DC community, but deposits in local CDBs provide similar financial returns as mainstream banks. In comparison with other depository institutions, CD B's generally have comparable and often times higher interest rates due to lower costs and focus on mission.
Both community development banks in DC have the same or higher annual percentage yields as most large Washington Area banks.

Like traditional banks, CD Bs are regulated by the Federal Reserve and the Federal Deposit Insurance Corporation, which provides up to $250,000 in deposit insurance by the federal government for each deposit. In addition, diversifying the university's banks of deposit can help insulate the risk of a large impact from a potential shock affecting the national banking industry. These reasons show that the university does not have to sacrifice financial return or risk to support community development.

Supporting community investment can also publicly demonstrate the university's commitment to community development. Stakeholders such as prospective students, alumni, the DC government, surrounding residents, and the higher education community would see that social impact is a high priority for GW's investment decisions. In addition, as GW considers participating in the Sustainability Tracking, Assessment, and Rating System (STARS), points are provided for investing in CD Bs. A higher ranking on STARS will solidify the university's commitment to sustainability. As the university prepares to launch its $1 billion fundraising campaign, many potential donors will appreciate that the university's short and long-term investments are supporting DC.

Finally, the deposit has the opportunity to include a service-learning component that can enhance the university’s academic offerings to students. Banks could offer field trips for classes, presentations on campus, or perhaps internships to help connect students to the investment the university has made.

Next Steps: In the coming months, the GW Roosevelt Institute will embark on a lobbying and advocacy campaign to persuade members of the administration, including the University Treasurer and GW Finance Division, to pursue a community development bank deposit. The campaign will seek unite members of the university community in support for the idea, showing how the deposit would be in the university's best interest. Interested students can stay updated through our organization’s website, Facebook page,

"Ours is a world of intense, ever-increasing economic inequality. As we move further into the twenty-first century, the single greatest issue guiding economic development must be to bridge this disparity, so that all may share in the bounty of modernity. This problem is multi-faceted, and I am proud to present some of the fresh policies and new ideas that are necessary to bring the change we need."

Jack Noland
Policy and Advocacy Center Director
Addressing Senior Hunger Through Grocery Delivery

Adar Schneider
Economic Development Center

Preview: One of the most pressing issues in our nation is growing food insecurity. It is defined as the inability to buy sufficient, nutritious food to live a basically healthy, active lifestyle at all times, and it affects one in five American households. Food insecurity often comes in the form of relying on others for food, making cheaper but less nutritious choices, and skipping meals or eating less.

In the United States, 8.8% of seniors faced food insecurity in 2012. The number of food-insecure seniors has doubled since 2001 and is continuing to rise. People are living longer, and as the cost of living rises in many ways, especially healthcare costs, seniors are having a harder time taking care of themselves than previous generations. Older Americans face challenges today that our country has not seen at this magnitude before. Nearly half of today’s retirees rely on Social Security as their sole income. For many who had been working their whole adult lives, being laid off at a later age due to economic downturn made it more difficult to find employment again, meaning a lower pension and retirement savings than they might have had.

Living in a food-insecure household has devastating effects on seniors. Those over the age of 60 who are food-insecure are 60% more likely to experience depression, 53% more likely to report a heart attack, and 52% more likely to report asthma. Malnourishment that could be prevented creates huge additional costs in health care and medicine later on. However, some of the preventative measures we have to protect against hunger are not being utilized well by seniors. Seniors are among the least likely to participate in entitlement programs such as the Supplemental Nutrition Assistance Program (SNAP), even if they meet eligibility requirements, because of misconceptions about the program or the stigma associated with receiving food stamps.

Food deserts are areas without accessible, affordable, fresh food. They are most concentrated in low-income urban neighborhoods and often are saturated with corner stores and fast food restaurants, but lack any full-service supermarkets. Often, people living in food deserts spend more on fresh food, because corner stores and restaurants are more expensive than large supermarkets. Food-insecure seniors are far more likely to live in urban areas and are a population deeply affected by this additional barrier of access. If there are no supermarkets in the area, seniors without assistance must order food in, purchase food from expensive and unhealthy corner stores, or face traveling to a different neighborhood and carrying groceries back from a supermarket.

The strongest indicator of food insecurity is a lack of financial resources, and, combined with a loss of mobility or independence, as is common with seniors, low-income seniors are a particularly vulnerable population. For seniors, a loss of mobility or onset of chronic illness can make purchasing and preparing food extremely difficult.
Low-income seniors are more likely to live in a food desert, which is an area that lacks a full-service grocery store, and therefore have an even harder time accessing food if they have limited mobility or transportation. As 10,000 baby boomers turn 65 every day for the next twenty years, addressing senior hunger is growing concern. A call to action is essential for the Senate Committee on Health, Education, Labor and Pensions to develop innovative policy solutions.

### Background

The Older Americans Act, originally enacted in 1965, addresses senior needs, such as limited mobility or full-time care facilities, and stipulates minimum standards for those programs to receive funding. It addresses nutrition in section C.

Programs that are funded through the Older Americans Act include the Commodity Supplemental Food Program (CSFP), the Senior Farmer’s Market Nutrition Program, and the federal Meals on Wheels delivery program. CSFP provides state agencies with food from USDA farmers, which are then distributed to young mothers and seniors. In Fiscal Year 2012, CSFP provided monthly shares of food to 576,000 seniors.

The Senior Farmer’s Market Nutrition Program (SFMNP) provides vouchers for use specifically at farmers’ markets for low-income seniors. Generally, seniors receive less than $30 per person through SFMNP per season. The federal meal delivery program is restricted to those who are homebound and unable to cook. All programs funded through the Older Americans Act require that seniors must have an income below 130% of the federal poverty line.

### Average Annual Premiums for Single and Family Coverage, 1999-2013

<table>
<thead>
<tr>
<th>Year</th>
<th>Single Coverage</th>
<th>Family Coverage</th>
</tr>
</thead>
<tbody>
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<td>1999</td>
<td>$2,196</td>
<td>$9,741</td>
</tr>
<tr>
<td>2000</td>
<td>$2,471*</td>
<td>$6,438*</td>
</tr>
<tr>
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<td>$2,668*</td>
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<td>2002</td>
<td>$3,083*</td>
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<td>2003</td>
<td>$3,183*</td>
<td>$9,131*</td>
</tr>
<tr>
<td>2004</td>
<td>$3,695*</td>
<td>$9,900*</td>
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<tr>
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<tr>
<td>2006</td>
<td>$4,324*</td>
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<tr>
<td>2013</td>
<td>$5,984*</td>
<td>$16,351*</td>
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</tbody>
</table>

* Estimate is statistically different from estimate for the previous year shown (p<.05).


Rising Healthcare costs are a contributing factor to food insecurity among seniors.
The Supplemental Nutrition Assistance Program (SNAP), formerly known as the Food Stamps program, is an entitlement program providing supplemental income that can only be used on food. Seniors and those with disabilities accounted for more than one quarter of households on SNAP in Fiscal Year (FY) 2010.13 In FY 2009, the average monthly benefit for seniors was $102.14 Because of the issue of limited mobility, one challenge for seniors in enrolling in SNAP is meeting the common requirement of visiting a SNAP office in-person. It has also been noted that seniors do not enroll in SNAP because they do not think they will receive much or because they face stigmas against it.15

While these programs reach millions of seniors every year, most seniors who are food-insecure have an income above 130% of the poverty line and therefore do not qualify for them.16 One of the greatest barriers to food access for seniors face is mobility. This can either be through an onset of illness or frailness or an inability to drive or otherwise carry groceries. Meals on Wheels Association of America is a national non-profit that addresses the issue of limited mobility in elderly populations by providing prepared meals to seniors at their homes through volunteers. They serve over one million meals each day and have over 5,000 local branches throughout the country.17

**Policy Description, Analysis, and Next Steps:** While the delivery program authorized through the Older Americans act and non-profit organizations such as Meals on Wheels both deliver pre-prepared meals to seniors, they still do not meet the needs of thousands of seniors who are food-insecure. Developing a policy that gets groceries delivered to seniors, instead of pre-prepared meals, will assist seniors who are not home-bound but are still food-insecure and have mobility limitations. Such a policy could be developed in several different directions:

- Offer vouchers to food-insecure seniors for groceries to be delivered through existing services, such as those offered by private grocery stores like Giant or Safeway chain stores. Alternatively, instead of vouchers to seniors, tax breaks could be given to stores willing to deliver at no cost to the senior.
- Use the existing Commodity Supplemental Food Program but appropriate funds to deliver directly to seniors’ homes.
- Expand local Community Supported Agriculture (CSA) programs to allow easier access to seniors. CSAs are shares purchased from a local farm that receive weekly or bi-weekly boxes of fresh produce, which are dropped off in neighborhood hubs.
- Delivering food to seniors’ homes is the most effective solution in addressing one of the root issues of senior hunger: physical access to food. It reduces hunger overall because instead of receiving a free meal delivered once a week, a senior could purchase a week’s worth of groceries and feed themselves for longer. It also has the potential to reach a high
number of people who are food-insecure but do not qualify for federal programs or are not enrolled in them. However, it also has relatively high costs associated with it, particularly for administration and transportation. Partnering with existing organizations and retailers that deliver to seniors can reduce these costs, especially by offering them tax incentives for participation.

Grocery delivery also addresses the issue of low- and moderate-income seniors living in food deserts. Living in a food desert can mean paying higher prices at corner stores and restaurants. By increasing access to supermarkets, seniors can purchase food more economically and reduce the amount they spend per meal. A grocery delivery program is most useful in urban areas because meal or grocery delivery in rural areas would be more costly and inefficient. While 78% of hungry seniors reside in urban areas, attention should still be given to those in rural areas.

This type of program would both improve supermarket business and would allow seniors to receive groceries that they choose themselves. One major barrier of access is that supermarkets generally only allow delivery from online orders, which may be difficult for many seniors. To address this barrier, delivery services could offer phone orders, mail orders, or other alternatives.

Combating the rising issue of senior hunger is imperative to our nation’s well-being. We care for seniors because they have contributed to our country, and when their private support from family is insufficient, the government must step in to help this vulnerable population maintain a dignified later stage in life. We do this through many programs that have been established for years, including Social Security and Medicare. Fighting against food insecurity and hunger among seniors is just as important as caring for their other basic needs, like healthcare and income. Congress must act now to prevent this issue from growing and to make real progress in our food system.

2. Gundersen, Craig and Dr. James P. Ziliak. “Spotlight on Senior Health; Adverse Health Outcomes of Food Insecure Older Americans: Executive Summary.” National Foundation to End Senior Hunger and Feeding America. 2014.
4. Gundersen, Craig and Dr. James P. Ziliak. “Spotlight on Senior Health; Adverse Health Outcomes of Food Insecure Older Americans: Executive Summary.” National Foundation to End Senior Hunger and Feeding America. 2014.
5. USDA. “Food Deserts” Agricultural Marketing Service.
8. Public Law 109-365 Section C.
12. "SNAP is effective and Efficient.” Center for Budget and Policy Priorities. 2013
13. "Spotlight on Senior Hunger: Seniors and SNAP.” Food Research and Action Center.
14. "Spotlight on Senior Hunger: Seniors and SNAP.” Food Research and Action Center.
15. Gundersen, Craig and Dr. James P. Ziliak. “Spotlight on Senior Health; Adverse Health Outcomes of Food Insecure Older Americans: Executive Summary.” National Foundation to End Senior Hunger and Feeding America. 2014.
Crowdsourcing for Civic Development: Community Investment for D.C. Improvement

Jacob Burman
Economic Development Center
and
John Noland
Economic Development Director

Preview: By building a crowdsourcing website, the D.C. government can create a forum for residents to both pledge support for and fund local parks and recreational projects. The local government will selectively match funds based on demand, affected populations, and levels of need. Should the project prove successful, this process for civic development could be expanded to other city departments.

History: Crowdsourcing for community development by itself is nothing new. Early examples of crowdsourcing range from Alexander Pope’s successful solicitation of donations from wealthy individuals to fund his efforts to translate The Iliad from Greek to English to Joseph Pulitzer’s effort to fund the building of the pedestal for the Statue of Liberty in 1885. Kickstarter was one of the first websites to employ crowdsourced funding for personal projects. Based on Kickstarter, Spacehive launched a website in England to crowdfund capital projects introduced by communities. These projects are established and developed by community members, approved by Spacehive, and funded by the Internet community. Additionally, it has been used to bolster funds for projects by local English governments that had been lacking necessary capital to complete. Spacehive has led to the democratization of civic projects, allowing community interests to take an active role in decision-making. Spacehive is also taking steps to become more integrated in its workings with different levels of government in England.

Policy Description and Analysis: The majority of the funding involved in implementation of community crowdsourcing will come from privately pledged money. People are free to propose and fund approved projects on the website, so the process will be largely self-sustaining. Government funding will be required to support website design, hosting and logistics, and we propose additional funding to support select projects. In order to stimulate development across D.C.’s wide range of living areas, this policy proposes to create a sliding scale, so that the three lowest-income city wards (currently 5, 7, and 8), will
receive 50 percent of allotted funds, the three next lowest (6, 4, 1) will be guaranteed 30 percent, and the top two wards (2, 3)^3 will be allocated 20 percent. Other expenses involved would include miscellaneous administrative costs. In the 2014 Mayor's Budget, the Park Policy and Programs Division is allotted $294,000 for Small Parks Programs and the Community Gardens Programs. To boost residents' say in civic development, an additional 25 percent of each program's budget (as currently allotted) will be available for spending on crowdsourcing, while the current levels of funding would allow the city to complete projects that are already in place. This will increase the total funding for Small Parks Programs and the Community Gardens Program by $88,500, for a total of $382,500. The funds will be appropriated as follows, with estimated

<table>
<thead>
<tr>
<th>LINE ITEM</th>
<th>AMOUNT (in dollars)</th>
<th>PERCENT OF TOTAL</th>
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<tbody>
<tr>
<td>Website Implementation/Administration</td>
<td>15,000^5</td>
<td>16.94</td>
</tr>
<tr>
<td>Lowest-Income Wards</td>
<td>36,750</td>
<td>41.53 (50 percent of development funds)</td>
</tr>
<tr>
<td>Middle-Income Wards</td>
<td>22,050</td>
<td>24.92 (30 percent of development funds)</td>
</tr>
<tr>
<td>Highest-Income Wards</td>
<td>14,700</td>
<td>16.61 (20 percent of development funds)</td>
</tr>
<tr>
<td>Total</td>
<td>88,500</td>
<td>100</td>
</tr>
</tbody>
</table>

Furthermore, projects funded through crowdsourcing will provide many positive externalities to their surrounding communities. Whether through gardens providing produce or developing a stronger sense of community and ownership of the surrounding areas, crowdsourcing will democratize urban development (with the above-mentioned support from the D.C. government). One of the largest benefits that crowdfunding offers is in additional funding to implement new, popular projects without an increase in city spending. Spacehive, for example, has raised over $1.63 million for a variety of projects across the United Kingdom.

**Stakeholders/Audience:** While this idea could be used within a number of different areas of government, this proposal focuses on specific departments within municipal government. We are using the D.C. Department of Parks and Recreation as a case study for this policy, which could be expanded to a number of other departments depending
on its success. The department and those within D.C. who utilize Parks and Recreation resources will benefit from this project as it would allow constituents to propose and fund projects to their liking and would ease the burden of funding from the department itself. Likewise, this process will help provide feedback to the district for its initiatives. These projects can also include supporting existing programs that the department offers, such as programs for children, teens, elderly, and the disabled.

**Next Steps:** Upon the approval and establishment of a website for this project we believe that the serious development for this project has already been done given the model we have with Spacehive, which is currently in place. We believe that to efficiently implement this policy, the Department of Parks and Recreation will have to establish the website, determine the floor at which city funding is put towards projects, develop a system to approve projects as they are proposed, and will need to advertise this program to the community. Spacehive can be used as a reference for all of these steps, ensuring smooth progress to functionality.

The administrators of the Small Parks and Community Gardens Programs are already trained in the analysis of potential sites. Therefore, they would be well suited to the verification

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**Talking Points:**

- **Crowdsourcing is an ever-growing, widely-popular means of raising money for any number of causes.**

- **Spacehive, a British crowdsourcing website for community development, provides a means for residents to support civic projects that they believe in.**

- **Such a website could be built in D.C. for parks programs, infrastructural development, and other civic projects.**

- **Harnessing community funding and support will increase public say in government spending and establish an officially-sanctioned means of building support for civic development and neighborhood improvement.**

- **While funding for small public parks and community gardens has increased recently, it is important to likewise increase community involvement and ownership in public works.**
Economic Development

process for the projects proposed on the website. Factors to be weighed include what function the projects serve, their benefit to the community, and whether project estimates are accurate. Spacehive requires users to submit cost estimates, which are then verified before fundraising can begin. If the user is unsure about certain aspects of their project, they can submit it as a “concept,” and work with the community to further develop it.

It will be especially important to determine the point at which the department would begin providing funds for projects, which would be after a certain dollar threshold to support larger, more ambitious projects. For instance, the threshold could be set so that projects with over $15,000 in pledged support would become eligible for supplementary government funds, within the budgetary parameters for each ward type. The senior managers and the Director of the Department of Parks and Recreation will be responsible for deciding which projects receive funding, and the amount they will be allotted, by vote.

As with any website, it will function only if it is used. The department and greater D.C. government would need to decide upon how to advertise the website, whether it be through social media, Metro advertisements, or other routes.

Perhaps the D.C. government could contact the executive team at Spacehive for guidance and support. Should this program be implemented effectively in the Department of Parks and Recreation, the crowdfunding process could be expanded to other possible city policy areas.

Key Facts:

• Kickstarter, one of the most successful and popular crowdfunding websites currently online, has had $898 million pledged and 57,597 successfully funded projects since 20096, showing that crowdsourcing is a viable and established means of fundraising for a number of projects.

• Spacehive currently features 236 projects, and has had more than £1 million ($1.63 million US) pledged since the site launched.

• Of the 13 community gardens in Washington, D.C., only one is located in the three lowest-income wards, with Wards 5 and 8 completely unrepresented, running counter to the ostensibly egalitarian and ameliorative motives behind the
program in the first place.

• A study by the Community Food Security Coalition’s North American Initiative on Urban Agriculture demonstrated that urban agriculture can provide a hefty boon to society in the form of better nutrition, food security and decreased food prices, which is critical in a city where the poverty rate, when accounting for cost of living expenses, stands at “almost 23 percent.”

   constituents to propose and fund projects to their liking and would ease the burden of funding from the department itself. Likewise, this process will help provide feedback to the district for its initiatives. These projects can also include supporting existing programs that the department offers, such as programs for children, teens, elderly, and the disabled.

5. This is an estimated amount to reflect the costs of implementing, hosting, and managing the website.
Incentivize University Community Investment Through Federal University Rankings:

The Department of Education's proposed college rating system should include a Community Investment Index that measures universities' role in spurring local economic development.

Zach Komes
Policy Director
and
Josh Serchen
Freshamn Representative

Preview: Colleges and universities are critical to the communities in which they reside. Universities purchase just over $400 billion in goods and services annually, or about 3 percent of total GDP. Moreover, these anchor institutions hold $406 billion in endowments. This spending power continues to be an untapped resource for community development in low-income areas. While the Department of Housing and Urban Development (HUD) has worked on a small-scale to encourage greater university investment, no further major government action has been taken.

Several universities have started community investment programs of their own. The University of Pennsylvania committed 12 percent of its procurement for local and minority-owned businesses, which totaled about $100 million in 2010. Other universities use their endowments to help local homeowners and enterprises, such as the University of Cincinnati, which invested 15 percent of its endowment in a community loan fund.

The federal government has not done enough to incentivize universities to broaden their impact on their surrounding neighborhoods. However, President Obama's recent proposal to link financial aid with a standardized rating system does present an opportunity to encourage investment. If the Department of Education (ED) included a Community Investment Index as a component of ranking, then colleges would finally be pressured to use their economic power to revitalize low-income communities.
**Analysis:** The Index would measure the university’s social impact in three areas: endowment investment, procurement of local goods and services, and business incubation. This rating would include the percentage of the university’s endowment invested in Community Development Financial Institutions (CDFIs), community banks and capital funds that provide assets to low-income communities. These innovative institutions also maximize their social impact by leveraging many sources of revenue; for every $1 invested in a CDFI, $7 flows to local community-led ventures. However, reductions in federal funding, dampened charitable giving, and higher costs necessitate the need for new revenue for the continued sustainability of CDFIs.

**Talking Points:**

- Local universities have strong potential to spur economic development in their community through their procurement and endowment, though many lack a strong incentive to do so.

- Successful community investment initiatives by the University of Pennsylvania and the University of Cincinnati demonstrate the power of university engagement with communities.

- Tying a Community Investment Index to federal financial aid funding will motivate other universities to maximize their financial resources to support local entrepreneurs and communities.

The Index should also measure the percentage of university procurement of goods and services from locally owned enterprises. Local purchasing creates a “multiplier effect” that maximizes economic impact. Some studies have found that for every $100 spent at local businesses, $73 remains in the immediate community. Finally, the indicator would measure the extent to which the university supports community entrepreneur incubation via technical assistance and startup capital funding for new business ventures.

ED should work closely with HUD to facilitate information sharing and greater collaboration between colleges. The specific costs for the effort would include a limited expansion of HUD for this purpose, as well as the costs of developing the precise mathematical calculation and collecting data from universities. The addition of this index would not dramatically increase the cost of President Obama’s proposal.
Economic Development

**Stakeholders/ Audience:** All Americans have a vested interest in this proposal. Universities will be motivated by self-interest to shift their current investment portfolios to more community investment in order to secure additional federal funding. The choice students have in selecting a college to attend will influence colleges to compete against each other to lead the rankings in order to attract more students, resulting in more attractive financial aid packages for students as universities invest more while competing to receive more favorable rates from the federal government. Local small businesses will have new access to capital from university-provided funding. Tying federal aid to new guidelines will require a change in federal law, so this proposal will have to endure a divided legislative process.

**Next Steps:** The likelihood of passage of President Obama's financial aid overhaul is minimal in the current political environment. However, ED will complete the ranking system by 2015, even if there is no congressional authorization that ties aid to this ranking. Results will be featured on ED’s College Scorecard website.

ED is primarily focused on the financial return on investment for students, and currently there is no public discussion about including a calculation of local economic returns in the ranking. To bring awareness to the Community Investment Index, a lobbying campaign will need to unite a large coalition of actors, including students, community organizations, and universities. Fiscal conservatives may be persuaded by the ranking system’s use of competition to maximize the effectiveness of federal spending.

"In August, 2013, the White House office of the Press Secretary called the President’s Plan to make College More Affordable a plan to 'engage states with a race to the top for higher education that has higher value and lower costs.'"
Government officials should appreciate the increased capital flows into their constituencies. Such an advocacy campaign should contend that it’s in universities’ best interests to financially empower their communities—investment in CDFIs will generate interest payments that provide new revenue streams, create positive publicity for the institution, and boost demand for the education they provide through an increase in local incomes.

**Key Facts:**

- For every $100 spent at local businesses, $73 will remain in the local economy.
- For every $1 invested in a CDFI, $7 flows to local community-led ventures.
- In 2012, universities held $406.1 billion in endowment assets and spent $400 billion on goods and services.

7. Ibid.
Modernizing the Maryland Tax System:

The Maryland General Assembly should authorize the establishment of a pre-populated personal tax return (PPTR) system for simple 1040 returns with the goal of reducing the state’s cost of processing returns, improving accuracy, and creating a straightforward service for Maryland taxpayers.

Brianna Starosciak and David Meni
Roosevelt Regional Campus Network

History: CPPT systems have been successfully implemented in the U.S. and abroad. Tax bureaus already have much of the information that taxpayers are asked to provide; by supplementing this with wage information from employers, tax bureaus can provide a pre-populated form, which taxpayers can then correct or accept. Similar programs have been implemented in Norway, Denmark, Finland, Sweden, Australia, Iceland, and the province of Quebec.1 All of these programs have reported lower administrative costs with the PPTR programs. In Belgium, for example, savings were estimated at $677 million due to reduced postage and management controls, less need for stocking space, and more transparency.2 In 2011, two bills were introduced in the U.S. Congress calling for the implementation of a PPTR program.3 Both bills died in committee, in large part due to lobbying efforts of Intuit and other tax-preparation companies.4 However, in 2004-2005 California implemented a program called ReadyReturn.5 In 2009, the California Franchise Tax board saved $360,000 with the ReadyReturn program, despite only having 160,000 participants.6

With an average cost of professionally filing a simple 1040 of around $30, eligible taxpayers end up spending as much as $60 million per year on tax preparation for the simplest of returns. A robust PPTR system could bring this number to zero.7

Analysis: While a PPTR in Maryland would start as a pilot to taxpayers with very simple returns, within 2-3 years the state could expand the program to a large proportion of the 2.8 million returns filed per year.8 A PPTR system like ReadyReturn can save the state tax bureau up to 89% of the cost of each return, which could result in $4 million or more in state savings, given full program buy-in from eligible taxpayers.9 Of critical importance to the program’s success would be a budget for advertising, which would increase buy-in and
therefore increase cost benefits. The ReadyReturn program in California has only seen 160,000 users out of over 1 million eligible, in large part because it relies on free advertising opportunities.\textsuperscript{10}

\textbf{Stakeholders/ Audience:} All People living in Maryland who take the standard deduction and do not itemize their taxes—approximately two-thirds of all taxpayers—would be eligible for this program.\textsuperscript{11} The Maryland state tax bureau, as well as state legislators that support this program would benefit from the additional service given to many taxpayers; many jurisdictions that have implemented a PPTR system have seen public perception of and satisfaction in government institutions increase.\textsuperscript{12} However, lobbying from tax-preparation companies could prove to be a hurdle. Intuit Inc. spent $1.25 million in California alone, trying to fight ReadyReturn.\textsuperscript{13} The California Legislature let the program expire, but did not block the CA Franchise Tax Board's 2006 reauthorization of ReadyReturn.\textsuperscript{14} The Maryland General Assembly has been open to tax reform initiatives such as iFile, an electronic return system that serves as an alternative to the “Free File” program—an IRS-Intuit partnership—in 22 states.\textsuperscript{15} Groups such as the Urban Institute and the Brookings Tax policy center have been strong advocates of PPTR systems. In addition, businesses will have to file wage information earlier than they are required to now.

\textbf{Talking Points:}

- Pre-prepared Tax Returns benefit both taxpayers and the state government by reducing compliance burdens and cutting overall costs.

- PPTR has bipartisan support, but has been opposed nationally by tax preparation companies.

- At least 8 other countries—as well as Quebec and California—have successfully introduced a pre-populated return system; nearly all taxpayers who use these systems are satisfied with them and continue to use them.

\textbf{Next Steps:} Several administrative costs should be analyzed before implementing PPTR in Maryland; returns would have to be sent out and processed earlier, and some supplementary information would have to be received from employers and other third
Due to Maryland’s iFile system, much of the modernization necessary to implement the PPTR system is already in place, though there may need to be some structural adjustments to the existing tax infrastructure. Next, a pilot program of around 30,000 - 50,000 should be implemented for 1-2 years; the pilot of ReadyReturn in California cost the state an initial investment of about $220,000, a number which may be lower because of Maryland’s pre-existing tax program infrastructure. After the pilot, the program could be expanded to all eligible taxpayers. The yearly maintenance cost of the expanded program can be kept constant at around $100,000 - $200,000, which is more than offset by the program’s savings. It is estimated that the CA ReadyReturn program could serve ten times more people if the web services had been used more extensively. Therefore, it is recommended that an additional budget be appropriated by the Maryland General Assembly for advertising the PPTR system after the program’s full rollout, the amount of which should be determined by the Maryland State Tax Bureau.

**Key Facts:**

- 2.8 million tax returns are filed per year in Maryland.
- PPTRs have been proven to save $2.25 per return.
- A PPTR has an error rate 10 times lower than normal returns.
- Time spent filing a tax return can be reduced by 80% with a PPTR.
- California’s ReadyReturn program has a satisfaction rate of 97%.

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10. Ibid 5
11. Ibid 18
19. California Franchise Tax Board, 3-4
20. Goolsbee, 17
21. Maryland State Data Center, 1
22. California Franchise Tax Board, 3-4
23. Goolsbee, 11
24. Ibid
25. Ibid
"The role of education in American society is paramount; it shapes the future of our country and as such should be treated as a top priority by those that have a stake in this future. Improvement of the education system inevitably means the improvement of our country as a whole. Innovative, progressive education policy is a necessity in ensuring prosperity and equality in the future."

Shannon Quinn
Policy and Advocacy Center Director
Universal Pre-K Efforts Should Learn from Head Start Mistakes:

Shannon Quinn
Education Director

In his most recent State of the Union Address, President Obama reaffirmed his commitment to expanding early childhood education, stating that, "Last year, I asked this Congress to help states make high-quality pre-K available to every 4-year-old. And as a parent as well as a president, I repeat that request tonight." Some cities, such as New York City, have recently begun efforts in tackling the challenge of expanding and ultimately universalizing Pre-K-kindergarten programs.

For years, research in early childhood education has shown that early exposure to education, especially among at-risk youth, reaps substantial benefit by both the individual and the community. However, implementing policy that capitalizes upon these benefits is the tricky part. Programs involving early childhood education that have sprung to life more often than not ignore research that is vital for successful implementation.

One of the most prominent long-term studies of the benefits of early childhood education, the HighScope Perry Preschool Project, surveys a group of individuals at various stages in their life through age 40. The annual study tracks participants placed in an early program versus a control group of individuals that were not. The findings from the study were significant. For example, the incidence of arrest in the Pre-K group was only 36% of participants, compared to the 55% of the non-program group. As shown in Figure 1, participants in the early education programs had higher IQs, were more likely to graduate from high school, and earned higher incomes as adults.
These studies show the strong promise of universal Pre-K programs. The problems lie within the existing traditional government-sponsored early education programs. Head Start and Early Head Start (EHS) both receive significant funding from the government to increase access of early education to low-income families; on January 17th, programs under the Head Start Act were allocated $8,598,095,000. This points to a continuous backing of a program that may not be living up to expectations.

Although there have been no long-term studies, like the Perry Project, done on Head Start, research on short-term effects show disappointing results. Figure 2 depicts the significant favorable impact on the child in differing areas of learning. The measurable impact that this program appears to have lasts barely longer than a year—in some cases, studied variables, such as spelling and oral comprehension, even fall short in the year that the child is enrolled in the program.

**Exhibit 3b. Summary of Cognitive Impacts for 3-Year-Olds by Year**

<table>
<thead>
<tr>
<th>Measure</th>
<th>Age 3 (Head Start Year)</th>
<th>Age 4</th>
<th>K</th>
<th>1st Grade</th>
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<tr>
<td>Color Identification</td>
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<td>Pre-Writing (McMaster Draw a Design)</td>
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<tr>
<td>Letter Naming</td>
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<tr>
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<tr>
<td>Receptive Vocabulary (PPVT)</td>
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<td>Letter-Word Identification (WJIII)</td>
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<tr>
<td>Spelling (WJIII)</td>
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<td>Oral Comprehension (WJIII)</td>
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<td>Basic Reading (WJIII)</td>
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<tr>
<td>Identificacion de letras y palabras</td>
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<td>Language and Literacy Ability</td>
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<tr>
<td>Math Ability</td>
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<tr>
<td>Social Studies and Science Ability</td>
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</tbody>
</table>

**KEY:**
- Blue cell indicates a significant favorable impact (p<0.10).
- Yellow cell indicates a significant unfavorable impact (p<0.10).
- Gray cell indicates the outcome is not applicable for that year.
- Black cell indicates no significant outcome.

Studies have shown the inefficiencies of both Head Start and Early Head Start programs. Where the Perry Preschool Project used verified scientific methods in teaching young children, Head Start programs often lack structured implementation that produces positively-measured outcomes. Evidence shows that the curricula used in EHS programs has no significant impact on poor children in skills such as reading or math by the time they reach Kindergarten.
Many of these programs do not rely on stable, trained leadership and teachers, an essential factor in the success of previous Pre-K research projects. Despite this necessity, the lack of coordination of funds, resources, and qualified teachers seriously inhibits the success of many Head Start programs. Although some modest short-term improvement has been seen, ample amount of evidence points to little impact in the long run. Despite these shortcomings, these programs are still propped up without any serious contemplation of improvements. This is troubling when coupled with the push of Head Start programs as one of the primary means expanding early childhood education.

If we are to change the state of our stagnant education in this country, we must look seriously at the outcome deficits of our existing funded programs with an eye towards strengthening them. A successful early education program will implement curricula that have been verified by research. Prioritizing the training and retaining strong teachers is key. Sweeping under the rug inefficiencies with the hopes that they’ll simply disappear will only keep a platform with much potential in the working stages. Constantly re-evaluating and critiquing the progress of education programs such as Head Start will allow new, innovative improvements to these programs critical to the success of our nation’s children.

Simply doling out money to programs that don’t have the highest impact possible will no longer cut it if we really want to make progress in education to get the projected returns on investment. Improvement should be made on coordination of allotted funds in order to more efficiently reach the areas that are in most desperate need of early education intervention. New or stronger initiatives will be refreshing in an arena where the same ideas—ideas that don’t seem to quite be getting the job done—resurface again and again.

"Our generation is faced with the consequences of longtime growing fossil fuel use and wasteful lifestyle habits. On the other hand, Millennials of this era have the unique 21st century creativity and brainpower to propose powerful policy solutions and tackle issues from the ground up. With that, I present to you our members' sustainable solutions for Energy and Environment issues."

Kimberly Chan
Policy and Advocacy Center Director
Farm-to-School Programs: Healthier Kids, Stronger Communities

By linking Fairfax County Public School cafeterias with local farms to provide fresh produce, we can provide more nutritious food to public school children, while strengthening local and regional food systems.

Kinjo Kiema
Freshman Representative

Key Facts:

• Fairfax County Public Schools (FCPS) has 184,000 students and is the largest school division in the state. ¹
• Over $30.7 million dollars would be brought back into Virginia’s economy if just $0.25 a day per student was used to purchase produce grown in Virginia. ²
• Farm-to-School programs are proven to increase consumption of fruits and vegetables from 0.99 to 1.3 servings a day on average, which is important in combating obesity and overweight issues that currently affect one-third of America's youth. ³

Background: In 1997, the USDA started connecting schools with local farms. Since then, the USDA has implemented several relevant policies; states and counties nationwide have created Farm-to-School programs. The extension of these policies includes the USDA awarding up to $5 million in grants a year to districts for these programs. In 2007, the Virginia General Assembly created a “Farm-to-School Task Force” to research the issue and in 2010, they designated the second week of November as “Farm-to-School Week” ⁴. Food and Nutrition Services (FNS) is the program within FCPS in charge of providing food to students. Neither FNS nor FCPS has policies requiring contracted companies to purchase from local farmers. The largest produce contractor in FCPS, Keany Produce, does purchase from neighboring states, but the region they purchase from extends all the way to New Jersey and Pennsylvania.

Analysis: Only 2% of children in the United States get the recommended amount of fruits and vegetables per day, but adding more fresh food could be a remedy ⁶. Additionally, connecting schools with local farms gives farmers a larger market and scope of economic opportunities. Findings from Farm-to-School programs in other states have demonstrated an average increase in income of 5% for individual farmers ⁷. Overall, engaging schools with local farms creates opportunities for meaningful investments that will lead to healthier students and a more vibrant local economy.
A statewide Farm-to-School policy would have to take into account the varying budgets of many different communities, while a more local one would be more precise. FCPS is a prime candidate for a Farm to School program. As the largest in-state school division with 184,000 students, it can positively influence the state as a whole. Over $30.7 million dollars would be brought back into Virginia's economy if just $0.25 a day per student was used to purchase produce grown in Virginia. Within the last two years, 29% of FCPS produce purchases have been considered “locally grown.” FCPS should establish a policy with specific guidelines on Virginian produce purchases, and should aim to purchase at least 50% of their fresh produce within these boundaries in the next 5 years.

**Next Steps:** Fairfax County School Board determines the regulations of FNS purchasing, making them key stakeholders in implementing a Farm-to-School policy. Many parties will benefit from this program. In recent years, concerned parents countywide formed an organization called Real Food for Kids, advocating for more fresh food in schools. Fifty-eight PTAs have passed their resolution calling for healthier food in FCPS kitchens, specifically an increase in fresh fruits and vegetables. This demonstrates the widespread support for fresher food in schools by Fairfax County parents.

FCPS students will greatly benefit from this program. In a study FCPS conducted this year, 61% of students did not view food served in their cafeterias as nutritious. Farm-to-School programs are proven to increase consumption of fruits and vegetables from 0.99 to 1.3 servings a day on average, which is particularly important because a third of children in the United States

**Talking Points:**

• Fairfax County Public Schools does not require contracted companies to purchase a certain percentage of fresh produce from Virginia farms.

• Farm-to-School programs enable schools to invest in their local community, while providing students with fresh and nutritious options.
are obese and overweight. More fresh, locally grown produce would appeal to students, while instilling improved eating habits and notions of nutrition.

Local farmers will play a key role in this movement as well. Purchasing produce from Virginia farms will increase farmers’ revenues while strengthening the regional food system.

The successful implementation of a Farm-to-School Program requires FCPS to determine what is considered “local.” The School Board will need to conduct an assessment of Virginia farmers’ capacity to provide 50% of fresh produce, and the change in marginal costs. Afterwards, the definition of “local” should be readjusted if necessary, followed by appropriate changes in the division’s contracts and policies. FCPS can also apply for a USDA Farm-to-School grant, similar to the ones other programs in VA have received, to cover costs. Goals for the amounts and types of local produce to be purchased need to be set. Community support needs to be built around the policy after it is proposed. A crucial part of this process will be building relationships with farmers to establish this program.

7. Ibid.
11. Fairfax County Public Schools. 2013. “Food and Nutrition Services Study for Fairfax County Public Schools.”
Upgrade to the Smart Grid: What Will It Take?

Challenges to long overdue implementation of the smart grid are less technological than they are due to political inertia and lack of vision for financing mechanisms. Yet for such a body of long-term public works projects, state and local bond finance represent a powerful but underutilized tool for future clean energy and energy efficiency investment.

Francisco Álvarez-Higareda
Energy and the Environment Center

Background: Turn several banks of fluorescent lights in a classroom with just a flick of a switch, dry laundry at will in a dryer, plug in a laptop – energy from the electrical grid penetrates every corner of American lives. Yet in part because we have long taken this critical infrastructure for granted, engineers urge that it is not the grid we need for the twenty-first century. Blackouts which leave us fumbling for flashlights and candles or worrying about frozen food remind us that ‘the grid’ is not always so reliable as risks are too tightly bound, leaving aging power lines serving entire regions susceptible to rogue tree branches or overheating. Indeed, the grid must get smarter. Although the precise definition of ‘smart’ varies from one engineer to the next, the general vision calls for computerized feedback systems allowing for a smart grid that is more automated and self-correcting – more resilient – and thus less prone to failure. It would be more tolerant of small-scale, variable power sources such as solar panels and wind turbines, in part because it would even out fluctuations by storing energy – perhaps in pressurized air chambers or in the batteries of parked electric cars plugged into the grid. Yet our outdated grid is also largely unequipped to handle greener kinds of power.

When students or bureaucrats anywhere in Foggy Bottom flip a switch, they tap into the PJM Interconnection. Comprising hundreds of producers and distributors serving 51 million people through 56,350 miles of high-voltage transmission lines, this regional electricity market has to keep a precise balance between generation and demand over its whole grid – every fraction of a second of every day. Indeed, every watt produced has to be used instantly given that electricity cannot be stored on a large scale with prevailing technology today, a technical limitation which is all the more bewildering given that about 40 percent of the energy used today is dedicated to generating electricity in the first place. Yet utilities generally lack enough instantaneous information on the flow of current through their lines – many of those lines do not carry any data – and the fundamental task of controlling that flow still depends primarily on human monitors and slow mechanical switches.

In control rooms throughout the grid, engineers constantly monitor the flow of electricity, trying to keep voltage and frequency steady and to avoid surges which could damage customers’ equipment and their own. Equipped with sensors to regulate and monitor production, transmission, and consumption of electricity, a smart grid would (at the very least) finally be able to determine when power lines malfunction, when homes lose power, when a substation is overloaded or overheated, and provide consumers real-time feedback for what electricity costs at different times of day through household ‘smart meters’.
Figure 1, LEFT: The engineering framework for the electric grid today. Electricity is generated (A) then sent over high-voltage transmission lines (B – think of those massive metal pylons across rural regions). Transmission towers carry the lines. At substations along the transmission system (D), voltage is lowered for distribution (via the familiar utility poles) to commercial, industrial, and residential customers. However, many of those lines do not carry any data, much less data specific to patterns in energy consumption. Given today’s system, how do engineers for a power company learn that individual users have lost power? When customers call over the phone.

Figure 2, RIGHT: There is still no single grid in the United States – there are three largely independent systems: the Eastern, Western, and Texas Interconnections, each comprising various regional grids subject to parameters set by states, utilities, and regulatory bodies. This fractured system complicates efficient flow of energy and impedes integration of renewable energy resources into the national energy base.
Policy Description and Analysis: Despite mounting consensus in favor of the need for a better, smarter, cleaner grid, Title XIII of the Energy Independence and Security Act of 2007 is the only major piece of federal legislation addressing modernization of US electric utility transmission and distribution systems. Although the expected benefits of a smart grid defined by the EISA are immense, the related costs are also sizable. According to Energy Power Research Institute (EPRI), the total costs of implementing the smart grid in the US as prescribed by the EISA ranges between $338 and $476 billion over twenty years. The most important investments must be done in updating distribution ($231-339 billion) and transmission ($82-90 billion) networks. As such, the prevailing difficulty in moving forward in smart grid investments is identifying funding mechanisms to overcome steep upfront costs. After all, the paramount goal of utility companies continues to be cheap electricity and utility executives tend to be conservative about embracing new business models. Not counting hydroelectric plants, only about three percent of American electricity comes from renewable energy, primarily because coal-fired electricity costs a few cents per kilowatt-hour, and renewables cost substantially more without establishing the economies of scale an updated grid would allow. Moreover, in a forthcoming market study for Energy Economics, authors Luciano de Castro and Joisa Dutra consider reliability the most valuable benefit associated with smart grids. However, given that it is not easy to translate this benefit into payments to cover high costs for a technology made available to all the people located in a given area, investing in the smart grid becomes a public goods dilemma. In such an environment, consumers have more potential for wind power than the Texas Interconnection can expend on its own. A proposed project called the Tres Amigas Superstation would allow Texas wind— and Arizona sunlight—to power Chicago or Los Angeles. The Eastern, Western, and Texas Interconnections would be joined together by a loop of five-gigawatt-capacity superconducting cable near Clovis, New Mexico, where the three interconnections already nearly touch.

Figures 3 (LEFT): To accommodate green energy, the grid needs not only more storage but more high-voltage power lines. There simply are not enough running between regions where it is easy to generate the energy and places where that energy is needed. Adoption of green energy—namely solar, wind, geothermal—would also be bolstered if there were more and larger connections between the country’s three quasi-independent grids. Western Texas for instance faces far
incentives to understate their true willingness to pay for the smart grid and thus lower the expected buy-in (revenues) towards smart grid upgrades. Clearly, such a catch-22 demands public policy leadership—backed by public funds.

Yet to say the least, smart grid investments from the federal level also face the uncertainty and public policy myopia confronting financing of renewable energy and energy efficiency projects. The $3.2 billion in block grants issued by the US Department of Energy under the 2009 American Reinvestment and Recovery Act to local governments to create jobs through ‘clean energy projects’ has almost entirely wound down, with nearly seventy percent of the 2009 level of federal clean energy policy support set to expire by 2014. It does not help that investment for developing the nascent clean energy sector has historically been tied to ebbs and flows of intermittent federal incentives such as the production tax credit and investment tax credit (2). Clearly then, with or without federal support, alternative lines of finance will be necessary to scale up the clean energy industry as it continues to face a period of inconsistent policy support, insufficient tax strategies, and the challenges posed by low natural gas prices. Yet in a recent Brookings publication, “Clean Energy Finance Through the Bond Market”, authors Lewis Milford et al argue that part of the answer may be hiding in plain sight: for nearly a century, the nation’s state and local infrastructure finance agencies have issued trillions of dollars’ worth of public finance bonds to fund construction of the nation’s roads, bridges, hospitals, and other critical infrastructure. More recently, states and regions have been experimenting with a series of creative financing strategies targeting clean energy projects. According to the authors, the bond finance community has accumulated significant experience in achieving scalability so the challenge remains in creating new models for clean energy bond finance in states and regions as well as establishing a new clean energy asset class which can easily be traded in capital markets (10). To that end, the authors offer the following recommendations for state and local bonding authorities:

• Establish mutually useful partnerships between development finance experts and clean energy officials at the state and local government levels

• Expand and scale up bond-financed clean energy projects using credit enhancement and other emerging tools to mitigate risk and through demonstration projects

• Improve availability of data and develop standardized documentation so that the risks and rewards of clean energy investments can be better understood

• Create a pipeline of rated and private placement deals, in effect a new clean energy asset class, to meet the demand by institutional investors for fixed-income clean energy securities

For discussion of how some states are repurposing their clean energy funds from a project finance model to build—ing a statewide clean energy industry, authors Lewis Milford et al, also offer an earlier report, “Leveraging State Clean Energy Funds for Economic Development”. In short, state and local bond finance represents a powerful but underutilized tool for future clean energy investment, at levels in the tens of billions of dollars over the next several years alone (2). The emerging trend of creation of ‘green’ banks may become part and parcel for implementing this financial instrument. State green banks leverage limited public-sector funds with private-sector capital to provide low-
cost and long-term loans to clean energy projects. First created in Connecticut, New York followed suit in 2013 with the launch of an ambitious $1 billion green bank while a few other states like California, Maryland, and Washington are now considering establishing their own. Establishing more green banks would require more entities to develop bonding authority or partner with existing public bond agencies in their states. Fortunately, such moves emerge at a time when international markets face growing institutional investor demand for ‘green’ bonds issued by multilateral development banks to finance a range of clean energy and environmental projects. Lewis Milford et al remain confident that “the demand is there by institutional investors for the right clean energy bond” (10). Moreover, the sale of the credit enhanced NYERDA/EFC bond to Wall Street specifically demonstrates that a properly structured clean energy bond can meet investor demand (10). That said, because the smart grid is not so much based on integration of ‘clean energy’ as it is on energy efficiency, state and regional agencies may need to make sure their definitions of ‘clean energy’ also encompasses energy efficiency to allow for funds to translate into smart grid investments. It should be noted that the ‘clean energy projects’ funded through the Energy Efficiency and Conservation Block Grant (EECBG) program by the US Department of Energy (under the 2009 American Reinvestment and Recovery Act), could include increasing renewable energy capacity, technical knowledge, and deployment of energy efficiency projects at the local level.

Next Steps: For students eager to develop smart grid technologies, opportunities for applied research are myriad. Lithium-ion batteries offer considerable long-term potential – especially those installed in electric or plug-in-hybrid cars. PJM is already sponsoring research at the University of Delaware into Grid-Integrated Vehicles (GIV). While plugged in, the cars draw energy from the grid to charge, but can also return (sell) electricity when PJM needs to keep the frequency of electricity stable. Many thousands of cars, the researchers envision, could someday function as a kind of collective battery for the entire grid. They would draw electricity while wind and solar plants are generating, and then feed some back when the wind lessens, night falls, or overcast days prevail. Joining by government and industry leaders, the University of Delaware research team has already celebrated an important milestone for their eV2g project, becoming an official resource of PJM Interconnection and demonstrating for the first time that electric vehicle-to-grid technology can sell electricity from electric vehicles (EVs) to the power grid.

While engineers and scientists do their part to refine smart grid technologies, challenges to long overdue implementation of the smart grid are arguably less technological than they are due to political inertia and lack of vision for financing mechanisms. Moreover, innovation requires a substantive degree of implementation in the first place to iron out unforeseen technological challenges beyond the lab. Students eager to develop smart grid and clean energy policy should consider research into pricing models for utility companies under various smart grid market scenarios or work for a local or regional clean energy agency. Despite the seeming lack of conversation at the federal level, activism-inclined students would be glad to see that at the grassroots level there is growing support among labor


unions and environmental groups concerned with fostering the ‘clean economy’. In fact, given the now-proverbial ‘Washington dysfunction’, the Blue Green Alliance – a broad coalition of some of the largest unions and environmental organizations across the United States and Canada – is quickly becoming a forum with considerable convening power and a visible platform for diverse, vocal advocates to call for expansion of renewable energy; energy efficiency; green retrofitting of public buildings; substitution of safer, cleaner chemicals; water infrastructure; recycling; sustainable agriculture; modern transportation systems; advanced manufacturing domestically; as well as smart electrical grids as sources of more long-term, skilled employment and the foundations for stable economic growth in the twenty-first century. Utilities executives may be a conservative bunch but one union group in the coalition, the Utility Workers of America – comprising 50,000 members working in the electric, gas, water, and nuclear industries across the United States – has demonstrated a keen interest in smart grid technologies, including through research into finance models for implementation. Moreover, state and local agencies across the country are making those difficult first steps toward implementation, be it through public-private partnerships or identifying financing mechanisms. It must be noted however that the process will necessarily be trial-and-error. Chicago, IL and Boulder, CO have pioneered public-private partnerships in recent years to implement smart meter technology and updated fiber optic communications cables, but unsurprisingly, both have faced political backlash in light of proposed utility rate hikes and considerable cost overruns, though underestimated forecasts have been cited.

All in all, discussion of the ‘smart grid’ may sometimes seem more like embellished marketing of futurists than a definite blue print, but at the very least, the smart grid consists of a dynamic, ubiquitous two-way communication system for greater feedback to every stakeholder on the electrical grid. Implementation of specific technologies may vary by regional grid but the smart grid would eventually entail changes to building codes to ingrain such updates while also raising larger questions of cybersecurity and privacy given the flow of data and whatever degree of automation is attained. However, no new technology or infrastructure is without its concerns or critics, and technology certainly outpaces policy. With the NIST Framework and Roadmap for the Smart Grid Interoperability Standards as a guide, states and regions need to construct strategies and – given the wide-reaching systematic nature and range of sometimes à la carte technological options presented by this technical challenge - set priorities for investment conducive to the smart grid and upgrading general capacity. These strategies must be able to remain relevant across successive administrations through support for state and regional clean energy agencies. Though the jury is still out about what role the federal government may play in facilitating investment for large-scale projects (ie, primarily on the transmission side through investments in high-voltage power lines), it is clear that implementation of the smart grid according to universal standards in communities across the country comprises a new, long-term phase in public works projects and demands public financing to overcome the steep costs which have dissuaded utilities companies and distributors so far. A twenty-first century clean economy demands a twenty-first century electric grid which in turn demands a long-term, sustained public commitment.

2. Ibid. 3. Ibid. 4. Ibid. 5. Ibid.
Simultaneously Combating Climate Change and Poverty

By placing a $20 per ton tax on CO2 emissions and using the revenue raised to expand the Earned Income Tax Credit (EITC), we can simultaneously address climate change and poverty among working Americans.

Eric Wolfert
Outreach Director

Background: Few informed observers doubt the existence of anthropogenic climate change or the risks it poses. The World Health Organization estimates that the warming seen since 1860, between 0.6-0.8 degrees Celsius, is already responsible for over 150,000 deaths worldwide per year¹, the results of more frequent extreme weather events and changing weather patterns that influence the patterns of transmission of water- and airborne diseases. Looking ahead, the Massachusetts Institute of Technology Joint Program on the Science and Policy of Climate Change issued a report in January 2009 stating that the world’s current CO2 emissions path would lead to 5.2 degrees Celsius warming by 2095.²

Policy Description and Analysis: The most accepted legislative action to combat climate change, a “cap-and-trade” law to limit CO2 emissions, leads to higher energy prices for consumers while generating no new tax revenue. This is why a $20 per ton tax on CO2 emissions is preferable. The new revenue could be used to increase the value of the Earned Income Tax Credit (EITC), a program that has proved to be one of our most successful at reducing the rate of poverty in the United States.

A $20 tax on a corporation for every ton of CO2 it emits into the atmosphere, rising 4% each year, would raise $150 billion in new revenue per year, according the Massachusetts Institute of Technology.³ However, the costs of the tax are likely to be passed onto consumers, which will be most harmful to those with low incomes. Due to this, the revenue should be used to expand the EITC, a refundable tax credit that supplements the earnings of low-income workers. Thus, this proposal would lead to a decrease in CO2 emissions while reallocating the significant revenue in a progressive way. Additionally, given the effects of CO2 pollution on human health, this would save lives and decrease health care costs.
Stakeholders: Climate change poses a huge risk to all citizens, particularly low-income ones. However, such citizens are also harmed in the short run by increased energy costs. This is precisely why the significant revenue generated from the tax should supplement the earnings of low-income Americans. The portion of the population most immediately harmed by a carbon tax would actually see their real incomes increase.

Key Facts: The EITC, combined with the similarly structured Child Tax Credit, amounted to a $60 billion outlay by the federal government in 2012, and lifted 9.4 million Americans out of poverty (including 4.9 million children). Additionally, a 1996 study found the EITC accounted for “54 per cent of the increase in the employment rate of single mothers from 1984 to 1996 and 33 per cent of the increase from 1992 to 1996.” The $20 per ton tax on CO2 emissions, rising 4% each year would likely lead to a 16% reduction in CO2 emissions over 2006 levels by mid-century.

Talking Points:

- This proposal decreases CO2 emissions that have been scientifically proven to cause harmful climate change and adverse effects on human health.
- Simultaneously, this proposal will reduce the poverty rate significantly through an expansion of the Earned Income Tax Credit, a program that supplements the earnings of low-income Americans.

Next Steps: While Republicans and many Democrats have not been ready to support environmental action, this proposal is simple economics. This proposal is taxing something the nation wants less of (CO2 emissions), while using the revenue to expand a popular anti-poverty program. Advocating for this proposal in such terms could enhance its chances of enactment.

2. J. Romm, M.I.T. doubles its 2095 warming projection to 10 degrees Fahrenheit— with 866 ppm and Arctic warming of 20 degrees Fahrenheit (Think Progress, 2009), 1.
"Over the years, our nation has made great strides toward equal justice, but the fight is not over. Moving forward, we must reach for greater inclusion and push to lift groups that have so far been under-served or flat out ignored. It is my sincere pleasure to present the following ideas to bring us closer to equality."

Rachel Whitbeck
Policy and Advocacy Center Director
Instant Runoff Voting: Allowing All Views to be Counted

Instant Runoff Voting (IRV) is a system of voting that allows individuals to rank their candidate choices. This allows individuals to vote for the candidate whose views they align with the most, rather than having votes for more niche candidates “wasted” in a traditional voting process, further democratizing our elections.

Jacob Burman
Equal Justice Center

Background: IRV has been used in national, state, and local elections as well as in numerous organizations and universities. These include countries like Australia and Ireland, cities such as London, Berkeley, Oakland and San Francisco, political party leadership elections in Canada and England, as well as many of the Universities of California, Stanford, Tufts, Harvard, and others.\(^1\),\(^2\),\(^3\) Further, GW’s student body approved a referendum to create an instant runoff system for student elections with “61 percent” voting in favor in 2011.\(^4\)

Policy Description and Analysis: IRV works in the following way: When individuals vote, they rank candidates based on their preferences. If one candidate does not receive a majority of first-preference votes, the candidate in last place is eliminated and those that selected that candidate as their number one vote have their vote defer to their number two choice. This process continues until one candidate has a majority. This process is more likely to give the winner a mandate and ensures that the views of the electorate are more accurately expressed through the voting process.

How can this strengthen the electorate as a whole? With IRV voting, individuals can cast their ballots without fear of wasting their ballot. Rather, if their choice is eliminated, their vote simply is transferred to their next choice, ensuring their views can be adequately expressed without fear of being lost. This gives individuals more of a drive to vote as they won’t feel like their vote, regardless of their view, is being cast in vain.
How can this help DC? We need not look past the recent DC Democratic mayoral nomination race to see the real implications. Muriel Bowser won the nomination with only 44.3% of the vote in a low-turnout election. Trailing behind Vincent Gray by fewer than 10,000 votes with the 18,000 votes being cast for other candidates, it is possible the 2014 Democratic nominee would be different. Whether it means Muriel Bowser would have gotten the nod or the third place contender Tommy Wells is hard to say. All that is clear is that we now have a Democratic nominee for mayor who did not receive a majority. Not only that, but with such a large field of candidates who drew votes away from one another, we saw upwards of 10% of votes cast essentially being wasted on candidates who were not competitive in the race. This is a good example of how first-past-the-post voting is inefficient, indecisive, and leads to less participation in elections on any scale. IRV streamlines the electoral process. Instead of wasting time and money by having primary elections and general elections, it allows individuals to simply go to the ballot box once to decide who will be elected.

Another key feature of IRV is its elimination of the spoiler effect associated with races more than two candidates in which some candidates have overlapping views which draw voters away from the two front-runners. We need not look farther than the 2000 election to see this occur. In 2000, Ralph Nader ran as the Green Party candidate and because of his ideological overlap with Gore, drew votes away from him. Given that the election came down to Florida, where Bush won by 537 votes and Nader drew in almost 98,000 voters, it’s clear to see how the spoiler effect can change elections. IRV removes this by allowing individuals to rank the candidates. In the case of Florida, given that most Nader voters would have probably voted

"In each round, your ballot counts for your favorite candidate who is still in the race”, the Center for Voting and Democracy reminds visitors to its educational resource, fairvote.org.

Compared to traditional runoff elections, IRV saves tax dollars, reduces money in politics and elects winners when turnout is highest. 5
for Gore as a second choice and given that there was no candidate who received over 50% of the vote, with IRV, Gore would have won Florida and therefore won the election. This highlights how IRV allows for elections that better represent the views of the electorate.

One criticism of IRV is its inferiority to proportional representation. Under proportional representation, representatives are elected not based on a winner-takes-all basis, but rather in proportion to the views expressed in an outcome of an election. While it is true that proportional representation offers a better representation of the electorate for multi-seat institutions such as a legislature, IRV can offer a good solution for individual executive offices. As such, these movements for election reform can co-exist. IRV can have a positive effect in executive political elections, and can lead to some benefit from the current paradigm in other elections as well, while being more palatable by the public in comparison to proportional representation - which would be a complete overhaul. By providing these benefits in elections of all kinds, it can lead to better discourse and lead to further progress in society toward proportional representation and other social change.

**Next Steps:** IRV can be implemented on college campuses, as well as municipal, state, and national elections in order to better gauge what the electorate wants. This policy, if implemented on campus and municipal levels can better allow individuals to voice their opinion on otherwise unutilized levels. Further, by implementing it on more local levels as such, it engrains the prospect in the citizenry and therefore leads to more representative government and more likelihood of change in higher levels of governance.

The Invisible Interns: Defining and Strengthening Millennial Labor

Pursue active enforcement of internship rights and eliminate the exemption of legal protection and compensation to interns in the public sector and non-profits, while redesigning internships as a tool to bolster higher education and the youth labor market.

David Meni
Vice President

History: The term “internship” in U.S. law exists only in a haze of half-definitions. Since the establishment of the Fair Labor Standards Act (FLSA) and the 1947 Supreme Court decision in Walling v. Terminal Co., the Department of Labor lays out six criteria under which an intern may remain unpaid.¹ These criteria include the fact that an internship may not replace an employee, must include training similar to an educational environment, and “may actually impede” the work of the employer.² These provisions have grown increasingly lax as companies utilize unpaid or underpaid interns to provide a near-limitless source of young labor, and—in some sectors like hospitality and entertainment—engage in a soft form of union-busting. The U.S. Wage and Hour Division (WHD, a division of the Department of Labor) has not received the proper resources to define legal internships and does not actively enforce breaches of the FLSA.

The biggest hole in the rights of interns is the one Congress gave itself in the Congressional Accountability Act of 1995, which exempts its interns from the protections of the FLSA.³ In the WHD’s supposedly strict criteria of an unpaid internship, there is fine print that notes that “unpaid internships in the public sector and for non-profit organizations, where the intern volunteers without expectation of compensation, are generally permissible.” Internships have also lost their potential to contribute to a young person’s chances of being hired. Currently, 37 percent of unpaid interns get hired as full-time employees, compared to 35.2 percent of those without an internship.⁴ Many universities actively encourage or require students to hold internships, with 84 percent of college graduates completing at least one.⁶ This is essentially a scheme that requires students to pay for employment opportunities, often at non-profit or public sector positions that provide little to no training or education, with the promise of “prestige” as the only compensation.

Policy Description and Analysis: Increasing the enforcement effectiveness of the Wage and Hour Division can be accomplished by appropriating more funding and staff. WHD is only appropriated $227,061 for Fiscal Year 2013, and has fewer than 1,000 employees nationwide, which only allows them to pursue very limited cases of
illegal internships.\textsuperscript{5} In addition, nowhere in the WHD Authorization and mission is there mention of internships; the Division has lagged far behind the growth of intern labor. By increasing enforcement and refining the legal definition of illegal unpaid internships, employees will recover anywhere up to $2 billion in unpaid wages to interns legally deserving of minimum wage.\textsuperscript{1}

By eliminating the public sector and non-profit internship exemption, more interns will fall under proper protections, and Congress can fix the intense hypocrisy of not paying its vast pool of interns, including over 20,000 that come to Washington, DC each summer.\textsuperscript{1} Efforts must be made to make internships more viable as a tool for education and be treated as a pipeline for full-time employment rather than a source of menial labor. A federal appropriation of $500 million to a program similar to Federal Work Study would allow 100,000 university students to pursue a program of realistic training and on-the-job education.\textsuperscript{6}

**Talking Points:**

- Most interns exist in a legal grey area, causing many to be exploited by their employers.
- Public sector and non-profit internships are exempt from all federal protections of unpaid interns.
- Enforcement of illegal internship programs lags far behind their growth, with many employers using interns to replace menial full-time positions.
- Internships are being used for the benefit of employers rather than as a training tool for the establishment of a healthy labor market.

**Next Steps:** In the short term, the Wage and Hour Division can and should make the active litigation of illegal unpaid internships a priority and halt the anemic enforcement of private employers that abuse the obscure definition of an internship. Universities, often massive conduits for internships, should implement stricter screening of the internship opportunities given to students, with priority given to positions that are either paid or provide
tangible educational experience. In the medium-to-long term, the federal government must be pressured to strike the FLSA exemption of interns in the public sector and non-profits; states may also pass such legislation. Congress can also increase the WHD’s minimal appropriations in the next federal budget to allow for a larger staff. On a more systemic level, programs should be initiated at a state and federal level to ensure the educational value of internships, increase the rate of internship hires, and treat internships as conduit of full-time employment.

**Key Facts:**

- The division of the Department of Labor in charge of enforcing illegal internships has less than 1,000 employees

- Unpaid intern wages comprise up to $2 billion nationwide

- Only 37% of unpaid interns are hired as full-time employees

- 84% of college graduates complete at least one internship

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"Four years removed from the landmark Health Care reform package, medicine and health continue to be at the forefront of public policy. For the first time, this nation has codified the necessity of insurance for all of its citizens, regardless of age, income, or ability. Yet, as the United States moves towards universal coverage, the onus of achieving universal access now must transition from the ideological abstract towards real public policies that can meet the challenges of an increasing diverse and aging population."

Frank Fritz
Policy and Advocacy Center Director
Prescribing Vegetables Instead of Insulin

Doctors should be able to prescribe produce to children at risk of health issues, which will increase access to fresh food for low-income families, boost revenue for small farms, and prevent high medical costs in the future.

Adar Schneider
Healthcare Center

With Michelle Obama’s initiative to end childhood obesity within a generation, our nation has work cut out for us. In 2012, more than a third of children and teens in the U.S. were overweight or obese.¹ The number of obese children has doubled over the past 30 years, and the number of teens affected has nearly quadrupled.²

Obesity has serious implications for children. The Center for Disease Control finds that “Obese adolescents are more likely to have pre-diabetes, a condition in which blood glucose levels indicate a high risk for development of diabetes.”³ Furthermore, children who are obese are likely to remain obese, and be at greater risk for heart disease, stroke, Type 2 diabetes, and cancer.

Countering obesity in children is not as simple as increasing nutrition education. In the US, obesity and poverty are closely linked. Fast food and packaged food tend to be significantly cheaper than fresh produce, whole grains, or lean proteins. Low-income neighborhoods are far less likely to have access to a full-service supermarket or to reasonably priced grocery stores.⁴ Children in low-income families are therefore at a massive disadvantage because they usually lack the same access to nutritious food as their counterparts.

Wholesome Wave is a non-profit organization that aims to improve nutrition for low-income people across the country. One of their recent programs, established in 2011, is called the Fruit and Vegetable Prescription Program (FVRx). Through this program, physicians can prescribe pounds of produce to low-income pregnant mothers or children who are overweight. Clients can then redeem these prescriptions at participating farmer’s markets. In conjunction with the prescriptions, clients on the FVRx program meet a nutritionist who assists them in meal planning and health education. Each month, the prescription is renewed, and a program will last from 4-6 months. Of the participants on the program in 2012, 82% were on Medicaid, 49% were part of a household on the Supplemental Nutrition Assistance Program (SNAP/Food Stamps), and 18% received Women Infants and Children benefits.⁵
Some of the successes of the program include changes in diet, shopping habits, and weight. In their 2012 report, Wholesome Waves found that 38% of children’s Body Mass Index had decreased between the first and last visit. Additionally, 90% of the patients reported eating more fruits and vegetables at the end of their program. 

Besides better health outcomes, the FVRx program was an important contributor to the success of farmer’s markets, where prescriptions could be redeemed. According to one market manager, “[FVRx] helped transform the Woonsocket market into one that was vibrant & economically viable for participating farmers.” The program increases demand for local businesses by giving purchasing power to low-income families who would not have access otherwise to the benefits of a farmer’s market. In 2012, FVRx brought in $120,000 across 26 markets, which both supported the local economy and promoted healthy eating habits.

The program is funded primarily through Wholesome Wave’s fundraising efforts; however, the successes of the pilot program should be utilized to expand the program under public health insurance. As healthcare costs continue to rise, taking action to prevent chronic health problems should be center on government agendas. The costs of prescribing fruits and vegetables to a low-income elementary school student today will be made up many times over by avoiding costs later to treat diabetes, heart disease, stroke or cancer. State health departments should consider implementing versions of this program as a useful intervention that combats childhood obesity, helps economic activity for small farms and businesses, and increases nutrition education for a family.

2. Ibid.
3. Ibid.
5. Ibid.
7. Kayla Ringelheim, (Market Manager), Testimonial to Wholesome Wave
9. Sonia Sekhar “Family Health Spending to Rise Rapidly.” Center for American Progress
Improving Language Resources for Spanish-speaking Patients

To improve health care for patients with limited English proficiency, state medical boards should establish stringent proficiency standards for practicing medicine in a second language, and Congress should allocate funds for medical school scholarships for Spanish speakers.

John Weber
Healthcare Center

The United States is home to a significant population of residents with limited English proficiency (LEP). Over 25 million Americans are not fluent in English, including 16.4 million whose primary language is Spanish. Language barriers pose major barriers to access to health care for LEP patients, who already suffer from high rates of poverty and uninsurance.

LEP patients’ inability to effectively communicate with their health care providers severely undermines the quality of care, potentially resulting in inaccurate diagnosis and inappropriate treatment. This language barrier can also have consequences. One in five Spanish-speaking Americans has delayed or refused needed medical care because of language issues with an English-speaking doctor.

This problem is further exacerbated by physicians who practice in a second language yet are not demonstrably proficient in the language. Health care providers tend to believe—or at least report—that they possess higher levels of language proficiency than is demonstrated by testing. Most alarmingly, pediatric residents have been found to provide care in Spanish regardless of their level of proficiency. The current dearth of Hispanics in the health care field is a major contributor to this lack of Spanish language resources. Only 4% of physicians, 3% of dentists, and 2% of nurses are Hispanic; depriving patients of improved quality of care. Hispanic health care providers are far more likely to accept uninsured patients and practice in underserved and Spanish-speaking areas. Additionally, Hispanics are uniquely capable of providing Spanish-speaking patients with culturally appropriate care.

The use of Spanish by non-proficient physicians has also harmed quality of care. Some health agencies, such as the Washington State Department of Social and Health Services, certify their bilingual employees and interpreters. Overall, however, health care providers’ use of a second language with patients is currently unregulated in the United States.

This language barrier can be addressed with a two-pronged policy solution. First, state medical boards should establish stringent language proficiency standards for physicians. In order to practice in a second language,
health care providers would sit for both written and spoken language tests. Certification could be modeled after the Department of State’s language proficiency categories, ranked 0-5. Only physicians who demonstrate proficiency at level 4 (full professional proficiency) or level 5 (native or bilingual proficiency) would be permitted to practice in that language. Second, legislators should fund medical school scholarships for Hispanic Spanish speakers in order to increase the proportion of native speakers in the health care field. Assuming an average private school tuition of $50,000, an appropriation of $50 million awarded through private organizations, such as the National Hispanic Health Foundation, would fund full-ride scholarships for 1,000 medical students each year. These funds could be drawn from the $9.5 billion in Medicare funding appropriated for graduate medical education. These scholarships should also stipulate that, following graduation, recipients practice for several years in underserved areas that lack Spanish language resources.

By diminishing language barriers, these proposed policies would benefit millions of American families by enabling access to better quality health care. Legislators will find a particularly strong base of support for this program in pro-immigration activists and Hispanic communities. However, it will be critical to gain the support of key stakeholders in the medical community, especially the American Medical Association and the Association of American Medical Colleges. Their endorsement of this type of policy would lend legitimacy and viability. Additionally, these organizations carry immense clout on Capitol Hill and with state medical boards.

**Talking Points:**

- Over 25 million Americans speak English less than “very well,” including 16.4 million whose primary language is Spanish.

-西班牙-speaking patients suffer from limited communication with their health care providers and ultimately receive lower quality care.

- The lack of a standardized system for language certification causes widespread instances of physicians practicing in languages in which they are not proficient.

- Over 25 million Americans speak English less than “very well,” including 16.4 million whose primary language is Spanish.

- Miscommunication between doctors and LEP patients would be reduced if state medical boards required language testing in order to practice medicine in a second language.

- $50 million in federal funds could pay for full-ride scholarships for 1,000 Spanish-speaking Hispanic medical school students each year.
Healthcare

In order to implement language proficiency standards, each state medical board will have to be lobbied to institute a new policy. Mobilizing organizations such as those mentioned above to put pressure on boards would likely be the most effective route for enacting language certification requirements. Allocating federal funds will require lobbying members of Congress with large Hispanic constituencies and members of the relevant House and Senate committees. In the past, Congress has attempted to address the issue of inadequate language services for LEP patients. In 2007, an unsuccessful bill to expand access to medical language services was introduced in the House and endorsed by the Congressional Black Caucus, the Hispanic Caucus, and the Asian Pacific American Caucus. Congressional Democrats would likely be receptive to funding these scholarships, while conservative House Republicans would almost certainly be opposed. However, considering the Republican Party’s recent desire to increase outreach to Hispanic communities, appeals to party leadership and moderate members of Congress may prove successful.

Challenges in Advancing Health Equity in Washington, D.C. for Mayor Vincent Gray

To address gaps in healthcare coverage in DC, Mayor Gray should mandate health disparities reporting as a requirement for providers to receive Medicaid financial incentives, and evaluate future policies against strict criteria.

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Over half a century ago, Martin Luther King said to the Medical Committee of Human Rights, “Of all the forms of inequality, injustice in health care is the most shocking and inhumane.”¹ To this day, the District Of Columbia (DC)'s communities remain plagued by the remnants of the social and economic barriers faced by the disadvantaged communities King spoke of in 1966.

Washington’s poor are some of the sickest in the country, have the shortest lives and are primarily made up of minority racial groups.² As a whole, residents of DC have among the highest rates of death due to diabetes, heart disease and colorectal cancer in the nation; these rates are notably higher for DC’s African American population compared to its non-minority population.³ Moreover, the difference between those who have access to high-quality and affordable care in DC and those who do not is, quite literally, black and white. These health disparities are described by the Centers for Disease Control and Prevention as “differences in health outcomes between groups that reflect social inequalities.”⁴ Surely, DC’s health inequity issue is drawn along racial and thus class lines, where African Americans and Hispanics lag behind their white counterparts in almost all key health indicators including life expectancy, chronic disease, risk factors and health insurance coverage.⁵

The largest life expectancy gap between African Americans and Caucasians in the nation can be found in the District, where the average life expectancy for a black male is 70 years and black female is 76 years in comparison to 76 years and 80 years for their male and female, white counterparts.⁶ Prevalence of chronic diseases and death by chronic diseases are close to 15% higher for African Americans and Hispanics in the District. In terms of health coverage, an average of 97% of Caucasians have health coverage compared to 90% of African Americans and 91% of Hispanics. In addition to life expectancy, chronic disease and coverage comparisons it is also notable to mention that 92% of all cases of HIV in the District are found in African American women.⁷
The above statistics affirm the idea that there exist social determinants of health, and thus the
divide between those who are able to access high quality, affordable care and those who
cannot is drawn on socioeconomic and racial lines. Social determinants of health, as defined
by the World Health Organization, are those circumstances or characteristics in which people
are born, grow up, live, work and age, as well as the systems put in place to deal with illness.
These circumstances are inherently shaped by a wider set of social, economic, political,
historical and environmental forces that have traditionally served to make the disadvantaged
even more disadvantaged when it comes to health access and outcomes. However complex
and deep-rooted these underlying forces might be, it is important to recognize that the
greater ill that these forces contribute to can be made amenable through deliberative policies
that support an equitable distribution of health through infrastructure adjustments.
With the recent passing of a historic piece of health reform legislation, policy makers and
thought leaders around the country are discussing, debating and asking whether a ‘right to
health’ exists. While such a right cannot be found in the U.S. Constitution, it can be argued,
that individuals have a moral, and thus, universal right to quality and affordable care. This
moral right stems from the values enshrined in the Universal Declaration of Human Rights,
which places an unquestionable burden on governments and intergovernmental organizations
to practice nondiscrimination and equal opportunity when working towards ensuring
population health and well-being. Surely, the right to health and its link to other social goals
cannot be left out of the equation when it comes to enhancing the well-being of communities.

This brief seeks to identify gaps in health service and outcomes within DC and propose a variety of policy
alternatives to ensure equitable access to quality healthcare services for all residents in the District.

**Background:** To understand the context of current health inequities amongst DC residents, it is
most useful to trace DC’s legislative history of health and social policies geared towards serving its
disadvantaged populations and identifying where these past programs and initiatives have both made
progress but fallen short in fully eliminating existing health disparities. Medicaid and DC’s Healthcare
Alliance Insurance Program for low-income residents have both traditionally played important roles in
expanding access to healthcare for underserved and low income residents. Currently, the Medicaid program
insures 33% of the resident population, those children and parents, disabled and elderly individuals who meet
income eligibility of under 200 percent of the Federal Poverty Level (FPL). In 2001, DC’s city council
established the DC Healthcare Alliance to provide coverage for those low-income residents that were not
eligible for Medicaid because they did not have private insurance or meet income guidelines. DC Healthcare
Alliance provides these patient populations access to a network of medical and dental providers yet provides
a smaller scope of comprehensive services compared to Medicaid coverage. DC Healthcare Alliance
currently covers and serves 9% of low-income District residents.
Georgetown University’s Institute for Health Care Research and Policy conducted a focus group study of Ward 7 and 8 residents, majority of whom are benefiting from low-income insurance plans, covered under either Medicaid or the Healthcare Alliance. The study culminated with the drafting of a report that highlighted the shortcomings of these low-income insurance programs. Below are the major issues requiring attention:

- Geographic access to providers remained limited to the more affluent District Wards
- Referral Policy was inconvenient for patients (required renewal for every specialist visit)
- Lack of a public education program to inform beneficiaries of how to navigate the health system

Fortunately, in 2012 D.C. took advantage of the Affordable Care Act (ACA) reforms at a much needed time and became one of the first “states” to agree to expand Medicaid eligibility to low-income adults without dependents earning up to 133% of the FPL. In addition to reducing disparities in coverage by allowing states to voluntarily agree to expanding Medicaid eligibility provisions, the law mandates increasing the range of care that can be delivered through community health centers, diversifying the healthcare workforce to include a larger pool of ‘culturally competent’ providers and requiring providers to report information on race, ethnicity and language of patients and enrollees when reporting on quality benchmarks for reimbursement purposes. Under this pretext the District is already seeing a positive increase in access, as 21% of previously uninsured racial minority individuals are now projected to be eligible for Medicaid.
Additionally, the ACA’s “Public Health and Prevention” vertical complements disparity-driven strategies to provide direct funding to support public health programs that reduce disparities in reproductive health among racial and ethnic minorities, who experience poorer birth outcomes and higher rates of sexually transmitted diseases than the general District population. As the high prevalence of HIV is somewhat of a unique problem to African Americans in DC, this type of programmatic funding is especially necessary in neutralizing HIV-heavy communities.

District residents are already experiencing the benefits of ACA initiatives as 12 Medical Homes DC capital projects are in some phase of establishment across nearly every ward of DC. These Medical Home projects receive 67% of their project cost funding from DC’s Department of Health and additional funding from the Federal HHS, payment and incentive systems that were established under ACA guidelines.

The current context of healthcare in the District of Columbia is one that is transitioning to a system where access to care is becoming easier for all residents, yet there remains much work to be done in enhancing the quality and affordability of care. Increased access will not do much to produce equitable health outcomes if patients are receiving the same standard of fragmented and subjective care that has long characterized the U.S. healthcare system. This now begs the question, how can policymakers and health administrators improve health outcomes for low-income residents and minority groups in order truly create a level of health equality among the District community? The following are a set of weighted criteria needed to find the best possible policy option for answering this policy question.

**Criteria for Policy:**

1. **Timeliness of Implementation (10%)**
   This criteria refers to the degree to which implementation of the policy alternative can be done as soon as possible. The timeline would include the following processes: thorough policy formation/speculation, public comment and implementation. This criteria is given a weighted importance of 10% out of the larger scope of criteria needed to be considered and tested against every policy alternative. Although the ability to implement a sound policy option to address the policy concern as soon as possible would be ideal, the quality of the policy in terms of effectiveness, administrative feasibility, and fiscal sustainability should not be compromised in order to meet timeliness criteria. In this sense, timeliness of implementation can be but on the back burner when in relation to the other criteria described herein.

2. **Scope of Impact & Effectiveness (50%)**
   The scope of impact criteria refers to the necessity for the policy alternative’s intended consequence to affect as many people of the target group as possible. Effectiveness relates to scope of impact in that the more people that are able to experience the fruitful benefits of the policy the more effective the policy is in meeting its objectives and goals. Surely, the goal of reducing widespread health inequity requires a policy option that touches a majority, if not more, of the population under concern. Scope of impact and effectiveness, thus, is at the
crux of policy evaluation. A sound and smart policy to address health inequality is only as
good as the amount of people that can be raised out of the dire statistics they now reside in,
to turn health inequality into health equality. Such a cultural and societal transition requires
that the policy touch and affect the masses.

3. Administrative Feasibility (15%)
Administrative feasibility is a policy criteria that requires the policy chosen to pragmatically
fall within existing or reasonably possible federal, state and local administrative capabilities.
Ideally, the policy option chosen would not require an altering existing administrative agencies
and infrastructure that would be tasked with implementation and maintenance. If a change in
administrative infrastructure is required by the policy, however, it would be best if the change
was within reasonable reach and would not disrupt in meeting the goals of the policy. Thus,
this policy criteria should be given a fair amount of attention and importance when evaluating
policy alternatives.

4. Fiscal Sustainability (25%)
Fiscal sustainability is an especially important policy criteria to consider in evaluation. This
criteria entails an assurance that the policy chosen will be one that is A) Fiscally possible
under current and future budgets B) Will be financially supported in the long-term by any and
all agencies needed to carry out the policy’s implementation. Fiscal sustainability requires a
designated and reliable source of funding, an assurance that this funding will continue as long
as is needed and will be prioritized in budget decisions. This policy criteria is given the second
highest rank of importance as the issue in question is one that requires a large-scale societal
shift and that includes a redistribution of resources for any sense of equality to emerge. Such
redistribution of resources requires a long-term financial obligation to fund those agencies
tasked with carrying out the policy chosen.

Policy Recommendation and Analysis: Currently under the ACA, providers receive much-needed and welcomed financial bonuses from Medicaid if they report on quality
benchmarks and the demographic information of their patient populations. This policy proposal would
require providers to go further in reporting on disparities in health outcomes among low-income and
minority patient groups in relation to non-minority patient populations. Such a policy would require
collecting massive amounts of clean data and recruiting individuals that really understand equity/disparities
to work for the provider organization specifically in the capacity of collecting, synthesizing and reporting on
demographic, socioeconomic and health outcome data. In some cases, this policy would also require
reworking an organization’s entire Electronic Medical Record (EMR) system and training staff to gather
patient information that has to do with their race and socioeconomic standing, information that does not
traditionally get self-reported or even requested by providers.
Evaluation of Policy:
Timeliness of Implementation (10%)
Implementing Medicaid financial incentives can be accomplished as soon as Congress makes the necessary budget decisions to make this possible. Implementing systems within provider organizations to carry-out thorough demographic, socioeconomic and disparity reporting may take much longer if appropriate EMR systems are not already in place - this is only really the case in rural hospitals. This policy can be implemented immediately and meets timeliness criteria.

Scope of Impact / Effectiveness (50%)
If hospitals and physicians are required to report on disparities of all the patients they see to receive much-needed financial bonuses then the information for a much larger group of patient populations can be collected, synthesized and made available for broader health equality policy purposes. Never before has such widespread data been collected or used to craft meaningful health policy - doing so could have positive outcomes in terms of understanding the true status of public health. This policy would impact all patient populations that seek care from registered providers and thus would be effective in bringing to the forefront the disparities that exist with clear, hard data that cannot be ignored by state and federal policy makers and can inform decisions of private and non-profit healthcare groups.

Administrative Feasibility (15%)
Disparity reporting is administratively feasible, but will, in some cases, require provider organizations to completely rework their EMRs and train staff in how to collect and input needed data. Some provider organizations do not have the software capability needed to do this as they have not been required or incentivized to report on data in the past. Establishing and integrating these systems into provider organizations can cost thousands of dollars upfront, but is absolutely administratively feasible to carry out once the capacity is in place.

Fiscal Sustainability (25%)
As mentioned before, these data collecting, reporting and analyzing technologies can be costly to integrate in provider administrations upfront in addition to the funds needed to continue training staff in newer reporting technologies. However, once implemented and integrated into providers’ ‘continued education’ practice, this policy would require little financial propping throughout its use in the long-term. When offset with the financial incentives provider organizations are eligible to receive, this policy could be financially beneficial in the long run. Additionally, the policy could be made fiscally sustainable for the federal government in the long run if healthcare is prioritized in a way that utilizes the data gathered to create evidence-based solutions and policies for the future of public health. Although this policy can be costly upfront, it is investment oriented, and if national priority is given to it, it can be made fiscally sustainable.
Next Steps: After the evaluation conducted above, it would be my personal recommendation to Mayor Vincent Gray to work towards a policy that would give provider organizations a financial incentive to gather and report on disparity information based on all of the patients they see. A policy that revolved around some sort of a yearly disparity impact assessment could be used to make clear judgments about which providers are making progress in improving health equality among their patient groups and which providers are falling behind has the potential to empower policymakers, hospital administrators, think tanks and interest groups to custom-tailor community health strategies and policies based on this information. Additionally, it would be in the best interest of DC policy makers to push for regulatory policy that would require the collecting of thorough socio-demographic data in order to best scale risk-adjustments for future quality benchmark determinations. It would be in the best interest of public health populations and policymakers alike to approach reducing disparities in health care and outcomes by mandating the collection of this important information that can be used to inform future policy reforms in health equity.

1. RWJF, "Health Inequality in the New Year". 2014.
5.Ibid.
9. Ibid.
Consider Singapore: A Consumer-Based Argument for Universal Health Insurance

Healthcare in America is more expensive and lower in quality than other developed nations. A consumer-driven approach to reform such as Singapore’s healthcare system may provide the solution.

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Background: In an ambitious study by the World Health Organization conducted in 2000, the healthcare system of the United States ranked 37th when compared to other nations. The United States received low scores on quality of care, efficiency, and equity. More contemporary studies corroborate this ranking, and recent data shows that the United States runs the highest expenditures per capita on healthcare for its citizens. Noted health economist David Cutler gives three main reasons for why healthcare costs much more in America than other countries: astronomical administrative costs, higher costs for pharmaceutical drugs, and the fact that Americans utilize more expensive healthcare procedures more often than citizens in other nations.

Healthcare policy experts study the healthcare systems of other developed nations to determine which ones are the most efficient. The top four countries for healthcare according to Bloomberg are: Hong Kong, Singapore, Japan and Israel. While some policy experts tout Singapore’s healthcare as a cost-effective, high quality system that incorporates tenets of free-market consumerism, little mention of it is made in major media outlets or by political leaders. As an alternative to the Affordable Care Act of 2010, the United States should implement consumer-driven healthcare reform along the lines of Singapore’s system.

Analysis: Healthcare coverage in Singapore is broken into three main schemes. The first tier of these is Medisave, an individual medical savings account to which workers contribute approximately 7% - 9.5% of their annual wages. These accounts are tax deductible, roll over each year while accumulating interest, and can be combined with a spouse and spent on children. The government provides subsidies to workers enrolled in Medisave – approximately 85% of Singaporeans – if their incomes do not provide enough to meet a minimum amount in their Medisave account. Consumers do not have to pay for coverage for treatments they don’t need, like more expensive American insurance plans. By giving consumers complete control over their health expenditures, Medisave forces healthcare providers to make their services competitive, which effectively lowers the cost of health care treatment. The United States has a similar
program in Health Savings Accounts (HSAs), which President George W. Bush signed into law as part of the “Medicare Prescription Drug, Improvement, and Modernization Act of 2003.” However, these accounts are only available within the confines of an insurance-provider plan, eliminating consumer control over what the plans are spent on, and in 2008, only 8% of covered workers were enrolled in such a plan. For this proposed healthcare reform policy, medical savings account should be established along the lines of Singapore's system.

The major issue that might arise from a Medisave-type program is its compulsory participation in Singapore. Employees already contribute to the FICA tax for Social Security and Medicare, so asking for a further 7.5-9% of their wages might be unpopular. However, with the onus shifted to the employees rather than the employers for healthcare costs, there is a potential for wage increases in jobs where employer provided health insurance is currently available. Studies must be conducted to see if this assertion is valid, but if it is, than employees would be more willing to contribute to their own personal health savings account. In addition, the promotion of a Medisave-type program as a tax-free, interest accumulating account that each consumer controls might entice employees to opt in to it.

The next tier in Singapore's healthcare system is MediShield, a low cost, catastrophic insurance plan meant to provide coverage for treatments that Medisave alone cannot afford. While most Singaporeans do not purchase a MediShield plan, it provides added safety for an expensive healthcare treatment, and it can be funded directly from a consumer's Medisave account. By providing a MediShield-esque plan in this proposed American healthcare reform, consumers have the opportunity to purchase coverage for healthcare costs that may go beyond what's available in their private account, in the event of a medical emergency.

The final tier in Singapore's healthcare system is Medifund. Medifund provides coverage to Singapore's poorest citizens who cannot afford a basic level of coverage, even with Medisave and MediShield. This fund was set up as an endowment by the Singaporean government, and pays for itself today through the interest on the initial $200 million investment - over $3 billion in 2012. Medifund works similarly to the United States' Medicaid program, but since other cost effective options are available to Singaporean consumers, only around 10% of the country's citizens rely on it for coverage. In recent years, Singapore set up Medifund Silver as a way to target coverage for elderly citizens who exhausted their Medisave accounts. Given the United States' current age demographics, a Medifund Silver type system may not be feasible for 20 years or so, but if combined in tandem with Medisave and MediShield type programs, could serve as an affordable alternative to the expensive Medicaid system in America.

Next Steps: Through Medisave, MediShield and Medifund, Singapore's government provides a basic form of universal health insurance to all its citizens, but because of its focus on savings accounts and consumer choice, costs for treatment are much lower in the city-state than most other countries. Private insurance is available to supplement these programs for those who wish to purchase it, but thanks to low
costs for treatment, many Singaporeans are content with their Medisave accounts. It must be noted that cost controls are regulated by the Singaporean government to drive down the costs of healthcare services, which undeniably subverts the message of such a reform in the United States being completely free-market. More research must be conducted to examine possible alternatives to price controls; perhaps legislation tied to lowering the cost of healthcare companies to do business in America would serve this purpose.

This proposed reform gives Americans a consumer-driven approach to lowering the costs of healthcare, which would address the issue from a different perspective than the Affordable Care Act does. Given the significant demographic and socioeconomic differences between Singapore and the United States, more time is needed to study the specifics of such reform legislation. Healthcare reform must coincide with other legislative reforms concerning entitlement spending, the tax system, the federal debt, and defense spending. However, given Singapore's healthcare success, a similar healthcare system in the United States should be explored as one step towards putting this country on the path to prosperity again.

In order to implement such consumer-driven reform, both sides of the political aisle in America should find common ground on the benefits of such reform. Conservatives can tout the reform’s focus on individual savings and consumer choice, while progressives can highlight the universal coverage it would provide to all Americans. A Singapore-style healthcare reform plan would bring both sides of the ideological spectrum together, and if articulated clearly and backed up by the right data, could spearhead a bipartisan effort in the federal government to implement it.

1. Due to the substantial amount of data sorted through in order to complete the study, the WHO refrained from conducting the study again in 2010. Adam Taylor and Samuel Blackstone, “These Are the 36 Countries That Have Better Healthcare Systems than the US”. Business Insider, 6/29/2012. Accessed 4/23/2014.
6. Ibid.
8. Ibid.
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12. Ibid.
"Issues of humanitarian law and national identities are increasingly shaping U.S. foreign policy as we confront the changing shape of our power and influence abroad. As we learn from the last decade of globalization and interventionism, I am proud to present our chapter’s solutions and analyses tackling the balance of competing, policing, combating, and offering aid."

Erin Agnew
Policy and Advocacy Center Director
September 11th and the Inevitability of Intelligence Failure

Brett Weinstein
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The September 11th terrorist attacks marked a turning point in both government and public thinking about intelligence. Public outrage over the inability to foresee the impending terrorism attack on the United States has led to the blaming of multiple actors and of perceived issues within the intelligence cycle. No consensus has been reached as to the reasons behind the most glaring warning failure in the United States’ history, and fixes have been muted at best. Richard Betts sees the problems in the intelligence cycle and attempts to remedy them, but argues that failure is an inescapable aspect of modern intelligence machines. Thus, even though the 9/11 attacks seem preventable on the surface and causes of the warning failure can be determined, the main problems in that case are inescapable realities inherent to the nature of intelligence.

The failures of American intelligence agencies make 9/11 seem preventable on a basic level. Goodman describes how the intelligence community should have been able to foresee the use of a commercial jet as a weapon, and how the CIA was tracking Al-Qaeda operatives but did not place them on the Immigration Service watch list, which would likely have made it more difficult for them to re-enter the country. The CIA received information from Malaysian intelligence services regarding the presence of two potential hijackers in San Diego who were part of the plots, but they were slow to pass on the information to the FBI, who conducted an ineffective manhunt. Both hijackers were hiding in plain sight, with one even using his own name on credit cards. If tracked these men could have lead the government to more than half of the hijackers involved in the plot. The manhunt was not nearly as intrusive as it could have been (for example, the FBI never asked informants about the two men or searched its records for connections to them). These seem like relatively simple procedural flaws, but they are actually indicators of larger structural issues within the agencies.

The FBI and CIA had structural problems that made reform difficult but manageable. The traditional role of the FBI was dual: its law enforcement division reacted to crimes, but its counter-terrorism unit had to be proactive in preventing attacks before they occurred. This meant that field agents were often rewarded for their criminal captures, while counterterrorism and analysis was often marginalized. The FBI was decentralized, with information often getting caught in local bureaus and national priorities not being reflected on the ground. The FBI took the lead on the attempt to find the two hijackers, and thus
perhaps had the best chance to stop the attacks. But it was a reactive, decentralized, law enforcement agency, making it difficult to track terrorists proactively on a national scale using intelligence and analysis. The structure of the American intelligence system also meant that no agency covered terrorists who moved in and out of the country, because the FBI covered internal intelligence and the CIA foreign intelligence. In addition, little intelligence sharing occurred between agencies, leaving organizations unable to combine intelligence in a way that would have allowed them to prevent the 9/11 attacks, which seems possible given the pieces of the puzzle that were available.

Solutions that have been implemented have not solved these problems. New government agencies, including the Transportation Security Administration and the Department of Homeland Security, were created, and existing organizations and regulations were strengthened. However, Goodman interprets this as merely “throwing... money at the problem.” The 9/11 Commission, established by Congress to determine what went wrong, suggested that a new Director of National Intelligence (DNI) with broad power and independence be created to head the Intelligence Community in place of the Director of Central Intelligence. The new DNI was independent yet lacked control of any one intelligence agency and thus had little voice in the Intelligence Community. One reform that has seemed to solve a glaring hole was the creation of the Department of Homeland Security (DHS), which strengthened the US border and thus bridged the gap between the CIA’s external operations and the FBI’s internal power.

Even if stronger reforms were put in place, intelligence failure is unavoidable. The major problem behind intelligence analysis is that policymakers choose the targets of, resources for, and uses of intelligence. Strategic preconceptions drive these policymakers, and their influence on intelligence makes it biased and thus much less effective. Information might exist as to the possibility and nature of an attack, but information does not flow up the
Defense and Diplomacy

chain of command well. Intelligence is by nature a choice. Limited funds must be directed and if products are too vague they will be dismissed, but if they are too direct they risk being biased. Evidence also exists to support any possible conclusion: thus, politicians must take all intelligence analyses with a level of scepticism. The primary problem behind intelligence, then, is that it is inherently political.

We see potential evidence that intelligence failure is inevitable by looking at 9/11. It appears that the President was told in his daily intelligence briefs for weeks before 9/11 that there was a risk of Al-Qaeda using airplanes as weapons against the US. Unfortunately, the President is also told daily about numerous other things that might constitute a threat to the US. In hindsight it is much easier to discern what poses a real threat. In a world where Bush could’ve foreseen accurately the threat al-Qaeda possessed, he could’ve directed a massive effort to thwart the terrorist plot that would have been unencumbered by the extreme disorganization of the FBI. In addition, preventing 9/11 was made more challenging by the fact that the Bush administration did not prioritize terrorism before the attacks. The United States had simply never been attacked on such a massive scale on its own soil. Unfortunately, the Intelligence Community is always caught up in a trade-off of some sort. Even as intelligence budgets balloon, intelligence cannot possibly cover all of the potential surprise attack plots, or even all credible plots.

Surprise attacks are likely to happen every once in a while, and part of dealing with this is realizing that they are unavoidable. It is possible that the government might have been able to prevent 9/11, but it is not possible to focus resources in such a way as to prevent failure in all its possible manifestations. Intelligence failure is inevitable because it is impossible to properly assess every threat and to determine accurately which threats have priority. Regardless, the government is the one that decides which threat has priority after listening to intelligence experts. Thus, while failure is unavoidable, it can certainly be minimized with structural reforms, and 9/11 is not a clear example of the inevitability of intelligence failure.

Article Bibliography


Correcting Microinsurance Market Failures in Developing Countries

Microinsurance programs have the potential to greatly help rural farmers escape poverty, by providing a fall back source of money should the farm fail. However, the market is inefficient and not everyone is able to benefit from these schemes; as such, new stimulus programs such as subsidies are required.

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Background: The World Bank describes microinsurance as insurance targeting those who typically do not have access to mainstream insurance.¹ Microinsurance targets the low-income groups of developing nations, and goes hand-in-hand with microcredit and other microfinance activities to provide low-income groups with access to finance. Developing nations have applied microinsurance, with some success thus far, but it is still not widely offered.² To fully gain the benefits of microinsurance, the governments of developing nations should subsidize consumers to purchase microinsurance so that the market can reach a socially optimum level of provision and the full benefits of the service.

The Consulting Group to Assist the Poor defines microinsurance as the protection against specific perils offered to those of low incomes, in exchange for a small premium payment proportional to the probability of the risk occurring and the cost incurred should the risk occur. For instance, in “Poor Economics”, Abhijit Banerjee explains that a significant portion of the rural poor run a farm enterprise or a subsistence farm.³ Such farms are heavily reliant on external factors, such as weather, in order to produce maximum crop yield and profit. Should there be unexpected changes in weather (such as a drought), the crop yield will be low and the farmer would face a loss of income. Microinsurance works to remunerate the farmer after incurring this loss. Thus, even in the case of a bad harvest, the farmer will still receive some pay to provide for basic necessities. As Banerjee explains, “Poor farmer’s profit rates go up by as much as 35% when they live in areas where the yearly rainfall pattern is very predictable”.⁴ This implies that there are significant profit gains to be earned by the farmer who minimizes risk.

Policy Description and Analysis: There are several benefits from microinsurance. First, as Todaro and Smith explain in “Economic Development”, one of the
core benefits can be seen from the agricultural industry, where “Many programs to raise agricultural productivity among small farmers ... have suffered because of failure to provide adequate insurance against the risks of crop shortfalls” . Small farmers are unlikely to adopt new technologies, such as fertilizer chemicals or new machinery, or crop patterns. Farmers understand the current system, and therefore prefer this “safe ground” route to implementing new technologies, which would improve crop yield but may entail risks of failure . Microinsurance would normalize the microfarmer’s income: in a year where output is low, the farmer will receive a payment to compensate some of the costs incurred. These payments will decrease fluctuation in costs to the farmers. The microfarmer can thus afford to take more risks, as even in the case of a failure; the costs will be reimbursed by microinsurance .

These are some of many benefits that arise in the market from providing microinsurance. Goolsbee, Levitt and Syverson explain that a positive externality occurs when economic activity, like the provision of microinsurance, has a positive impact on other firms and individuals but these social benefits are not factored into the market price. By offering insurance at a price that is affordable to microfarmers, microinsurance firms are positively impacting the marketplace in the form of a positive externality. But the benefits offered are of a higher value than the price microinsurers can charge.

Economists thus see the benefits of microinsurance and derive a socially optimal level of output, which is the quantity of microinsurance they believe should be demanded in the market in order for consumers to enjoy all the positive benefits the microinsurance brings. In a situation where the socially optimal level of output exceeds the private level of supply of a certain product, the demand for the product must be increased. Ordinarily this increase in demand would accompany an increase in prices, but the aim of maintaining low microinsurance prices must be considered. Therefore, a measure that raises demand while maintaining low prices is required. Market failure, without this demand-raising measure, is modeled in the diagram below:

![Diagram showing supply and demand for microinsurance]
Corbacho, Cibils and Lora explain in their book “More than Revenue: Taxation as a Development Tool” that subsidies and intervention can be “designed to correct externalities” and ensure the efficient provision of resources. Following traditional market control theory, governments will have to provide subsidies to promote consumption of microinsurance, to incentivize consumer demand for microinsurance. The subsidy reduces the cost to consumers, and allows them to increase available funds that can be directed towards consuming more microinsurance.

One of the methods that could be used to distribute the subsidy that has been applied in developed nations is the use of incentives “in-kind”. For example, in the United States, the government offers Food Stamps to those living below the poverty line, which can be traded in for food products. Similarly, Todaro and Smith describe the Conditional Cash Transfer program in Mexico, where the parents of poor families receive cash payments on the condition that they use a portion of the cash received on educating their children. Such programs can be applied to the microinsurance industry.

From the consumer side, the major concerns of the affordability of microinsurance are taken care of, as the buyer is now offered payment (either directly or in-kind), and is incentivized to consume microinsurance plans. This raises the demand for microinsurance from its current low level to the socially optimal level for the market. At the same time, the providers of microinsurance will be able to charge a higher price for their product, so that these microinsurers can earn greater revenue and new microinsurers can enter the market. By the mechanism of this subsidy, the government ensures that the rise in demand for microinsurance does not have a corresponding increase in price, as the government absorbs this price change as part of its expenditure. The system can be seen in Figure 2 below.

![Graph showing the relationship between price, demand, and supply in the microinsurance market.](image-url)
As seen from Figure 2 above, the government incurs a cost of the yellow region (This is the total amount of subsidy paid by the government, i.e. the amount of subsidy per unit of microinsurance multiplied by the number of units of microinsurance sold) by subsidizing the purchase of microinsurance services. The price of the microinsurance services remains the same though, so the quantity demanded increases from Q to Q new, which is along the socially optimum demand curve. In this way, the positive externality is fully accounted for, as the optimum quantity is being consumed. The increase in quantity demand drives up prices to Ps, but the government incurs the price difference between Pc and Ps, to ensure that consumers can still afford the microinsurance. As a result, the revenue earned by microinsurers increases, but the price to the microfarmers remains the same. 16

**Next Steps:** As can be seen from this analysis, a subsidy helps correct the market failure that arises from the underprovision of microinsurance. Government intervention corrects the lack of demand by offering microinsurance at a lower price, while allowing microinsurance firms to grow by providing them with more revenue. The effects of this intervention on the consumers, the microfarmers, can be seen in three primary realms of development: healthcare, education and implementation of new technology to improve output and income to farmers. As these measures specifically target microinsurance for farms, agriculture-intensive nations such as India, Bangladesh and a few Sub-Saharan countries would see benefits from offering these subsidies on microinsurance. Society is not currently enjoying the optimal level of positive benefits arising from microinsurance, and thus the government intervention in the form of the subsidy is required, to ensure the full positive externality of this service is allocated for by the market and enjoyed by those who need it.

2. Ibid.
4. Ibid.
6.Ibid.
7.Ibid.
9.Ibid.
10.Ibid.
14.Ibid. 15.Ibid. 16.Ibid. 16.Ibid.
13.Ibid.
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