

Lawmakers have plenty to ponder beyond presidential politics.

By Julie Lays

Where will the new jobs be created? What will happen to Obamacare? How will infrastructure improvements be funded? If the wall is built, who will pay for it? What government regulations and executive orders will be reversed? Do the states stand to gain or lose from these changes?

Any time there is a switch in the White House, there's a fair amount of uncertainty in the states about what it means for them and for state-federal policy. Now that Republicans hold the presidency, both houses of Congress, 66 state legislative chambers, both chambers in 32 state legislatures and 33 governorships, the impact could be huge.

And this year, so is the uncertainty.

Every state, along with D.C., Puerto Rico, Guam and the Virgin Islands, will hold legislative sessions in 2017, and the vast majority open this month. The few that start later in the year might benefit as the first few months should bring a little more clarity to what states can expect from the Trump administration.

Slow revenue growth, especially in energy- dependent states, along with not knowing when there might be another economic downturn, emergency or other pricey surprise, have motivated states to rebuild their budget stabilization or "rainy day" funds. Data-driven analysis may offer some innovative solutions to limited budgets down the road, but for now, legislators must find enough funds to meet ever-rising Medicaid costs, needed repairs for transportation infrastructure, growing pension obligations and the everyday costs of funding education and criminal justice systems.

A big focus this year will be on jobs, which is a priority for the new administration as well. Like balancing budgets, creating jobs has been a perennial priority of lawmakers for years. They will be considering how to weigh the needs of businesses against the rights of workers in discussions on workforce development, job training for the future, pay equity, paid family leave and the minimum wage. Beyond the budget and jobs, state legislatures have an abundance of other policy issues to deal with in 2017.

1. The Future of Health Care Reform

Everyone wants to know what will happen to the Affordable Care Act. Since its passage in 2010, more than 20 million people have gained health coverage, many through the health exchanges created by the law, according to estimates by the U.S. Department of Health and Human Services in March 2016. Because of federal subsidies, which lower prices significantly for those who qualify, officials estimate that more than 70 percent of consumers can find plans this year that cost them less than \$75 a month.

Those federal subsidies face an uncertain future with the new administration and Congress. But without them, up to 12 million Americans might not be able to afford coverage, especially since

health insurance costs everywhere continue to rise. Lawmakers will be learning all they can about the pros and cons of any alternatives presented.

Thirty-one states and the District of Columbia also have expanded Medicaid coverage to millions of people under Obamacare. Their fate remains unclear. Those state budgets, however, will certainly feel the sting this year when the federal share of the Medicaid costs drops from 100 percent to 97 percent.

During the campaign, Trump promised to repeal and replace the Affordable Care Act and turn the Medicaid program into a block grant. Some worry this will result in less money altogether, but others see opportunities in having more control over how the money is spent.

If block grants are instituted, legislators will likely be debating what limits and requirements to place on Medicaid eligibility to make the program more affordable for states. Ideas include setting work requirements, charging a premium or requiring proof of legal residency.

Whatever happens, legislators will be looking for new options and innovations for a healthy future.

2. Immigration Migration?

Many in this country believe immigration, whether legal or not, has been mishandled and is out of control. State lawmakers have long hoped the federal government would overhaul the nation's outdated immigration laws and address the challenges the states have had to take on themselves.

Twenty-six states have filed suit challenging President Obama's 2014 executive action to expand protection from deportation to about 5 million unauthorized immigrants. States will now be watching Trump's actions on immigration as well.

Authority over immigration policy is shared. The federal government grants visas, green cards and citizenship, and manages the border; the states handle services for immigrants after they arrive, such as employment, education and licensing.

Some states have restricted immigrants' rights, but others have expanded them. Five states, for example, bar unauthorized immigrants from receiving in-state tuition, while 20 states allow them to attend any public college at the in-state rate.

The issue of Syrian and other refugees will also be front and center, as 49 states participate in the refugee resettlement program. Currently, the U.S. accepts about 85,000 refugees who are fleeing persecution annually.

Trump made immigration a key issue in his campaign, promising to build a wall along our southern border, detain border crossers and deport criminals. States will be interested in how far any new restrictions on immigrants go, and how the changes will affect related federal funding, state laws and state law enforcement.

3. Regulations on Review

Rules and regulations at all levels of government are on the hot seat. State legislators will be busy in several policy areas deciding what needs to be regulated for the public's safety and what needs to be freed from unnecessary and burdensome rules.

Innovative technology in self-driving cars and drones, for example, will keep lawmakers busy debating what the level of government regulation should be. Currently, eight states and the District of Columbia have passed legislation related to autonomous vehicles, and 32 states have laws addressing the use of drones. Newly released federal guidelines signal that 2017 will be the year self-driving cars shift into top gear in legislatures.

At the federal level, the new administration has vowed to eliminate many of the rules, regulations and executive orders it considers to be a drain on the economy—most notably in banking, insurance, labor, energy and the environment. The Clean Power Plan, for example, requires states to reduce carbon dioxide emissions by 2030. Although 26 states have sued the federal government over the rule, others have been busy developing plans to meet the deadline, all of which could now be eliminated or weakened in the months ahead.

Congressional leaders have begun discussing the use of a little-known law, the Congressional Review Act, to reverse several regulations put in place by the Obama administration. The law empowers Congress to overrule a federal agency's regulation within 60 working days from when it was issued. How many times will Congress apply this little-used law? It's uncertain.

4. Transportation Infrastructure

Just like the check engine light on your dashboard, this issue never seems to go away. While nominal spending on U.S. infrastructure increased 44 percent between 2003 and 2014, real spending was down 9 percent. Increased construction and maintenance costs, better fuel efficiency, the popularity of alternative modes of transportation and lower gas prices have cut into gas tax revenues traditionally used for transportation projects. With no sustainable long-term solution from Congress, 19 states and D.C. have raised their gas taxes or adjusted their tax formulas since 2013 to bring in more revenue.

Trump has proposed a 10-year, \$1 trillion fix, but many lawmakers say that is not nearly enough to ensure that our bridges, roads, new transit lines and existing infrastructure are safe and efficient.

Legislatures will continue to look for sensible ways to overcome the funding roadblocks too. And some will turn to public-private partnerships or increased private-sector involvement..

5. Children of the Opioid Epidemic

The latest estimates put the number of Americans addicted to opioids—a class of drugs that includes heroin and many popular prescription painkillers—at 2.4 million. Many of these addicts will overdose, the leading cause of accidental death in the U.S. today. Between 1999 and 2014, opioid deaths increased 369 percent; heroin deaths alone jumped 439 percent, according to the Centers for Disease Control and Prevention.

These statistics foretell a growing crisis in the foster care program, as the children of addicts are often abused, neglected and orphaned. Frequently, grandparents provide care, but many of them face their own challenges with addiction, poverty and disabilities.

The number of infants born exposed to alcohol and drugs has also skyrocketed. The exposure rate in Louisiana, for example, has nearly tripled since 2008, “driven in part by a rise in heroin and prescription painkiller use among pregnant women,” says a new report by the state Department of Child and Family Services.

In 2008, the department reported 569 babies born with detectable amounts of drugs or alcohol in their systems. By 2015, that number had reached 1,512.

In addition, many young children are also getting their hands on the drugs. With enough opioid prescriptions written every year to put a bottle of pills in nearly every home in the country, it’s no surprise that the number of children being hospitalized for opioid poisoning more than doubled between 1997 and 2012, according to a recent Yale Medical School study.

The rates for teenagers also increased. The study found that as regulations made it harder to obtain prescription opiates, teens switched to heroin. Rates of hospitalizations for heroin poisoning in teens increased by 161 percent between 1997 and 2012.

Although lawmakers have been actively addressing the epidemic, they will be challenged to find ways to protect the children caught up in the fallout of this persistent problem.

6. Police-Community Relations

The seemingly unending reports of deaths and violent interactions between cops and the public serve as a frequent reminder that a lot of work remains to be done to ensure a safer future for all citizens. Legislatures passed more than 400 new bills on policing in 2016, and this year looks to be just as active. The new laws address police-worn cameras, investigative requirements for officer-involved deaths, data collection and reporting, and community policing.

In general, state laws aim to improve safety, transparency and accountability in law enforcement as legislators continue to be essential partners in the effort to improve police relations with the communities they serve.

Across the country, legislators have created work groups that facilitate conversations on racial and social justice and have expanded promising local programs that bring together communities and police. States will continue to learn from one another in 2017 about which policies work and which don’t.

7. Planning for ESSA

State lawmakers will be implementing the federal Every Student Succeeds Act this year, which gives states more authority over how schools are run. It takes full effect this coming school year. Most legislators welcome the new law and are pleased with the direction it took—away from the one-size-fits-all, top-down approach promoted in its predecessor, the No Child Left Behind Act.

The new law requires states to develop plans and submit them to the U.S. Department of Education either in the spring or summer of 2017. The plans must describe how they will measure the progress and achievement of students and how they will intervene in struggling schools. State lawmakers are and will continue to be involved in developing these plans during this year's sessions.

Legislators, however, will also be watching to see whether Trump moves to repeal certain education regulations proposed or finalized by the Obama administration. And lawmakers will definitely keep a collective eye on the U.S. Department of Education, which Trump targeted for elimination during the campaign.

8. The Affordability of Higher Education

Students and parents aren't the only ones concerned about not being able to afford college. Tackling the increasing cost of tuition and the growing amount of student debt has been the focus of lawmakers' efforts for years. Yet, the statistics remain dismal: Between 2003-04 and 2013-14, the cost of a four-year degree at public institutions rose 34 percent, according to the U.S. Department of Education. From 2008 to 2013, state appropriations to higher education fell by \$14.1 billion, or 21 percent, while the number of full-time students grew by 1.2 million, or 8 percent, according to The Pew Charitable Trust's analysis of U.S. Department of Education data. States used to pay the lion's share of the cost of college; now students do.

In addition, 44 million Americans owe nearly \$1.3 trillion in student loan debt. Along with a diploma, the average graduate last year left college with somewhere between \$29,000 and \$37,000 in student loan debt, according to various estimates.

Lawmakers have tried freezing tuition, tying tuition to the consumer price index, using corporate taxes to fund tuition "stabilization" funds, offering free tuition to promising groups of low- and middle-income students, and more. And they will continue to seek solutions despite uncertainty about the new administration's policies on college affordability and student debt. Trump has advocated various ideas that cut across the liberal-conservative spectrum.

9. Fending Off Cyberattacks

Cyberthreats have enormous implications for government security, economic prosperity and public safety. Hackers increasingly are breaking into systems full of personal, sensitive information on citizens so they can sell the data. Political hackers aim to get their message out or embarrass opponents, and state-sponsored actors spy for government secrets or to take down critical infrastructures. The electric grid, for example, has received a growing number of threats.

Hackers have targeted hospitals, police stations and government agencies, some even holding their data with ransomware until the "hostages" pay up.

State legislators will continue to improve cybersecurity. Some states have already begun. They have beefed up their security practices, exempted secure information from public records laws, offered incentives to the cybersecurity industry, funded education for cybersecurity professionals, diversified energy production to make the electrical grid more resilient and

promoted microgrids, which can supply power to a specific area when a disruption to the electric system occurs.

States also have created task forces or multi-agency teams to fight the threat on many fronts. Other states have focused on security awareness training for their employees. States can even buy cyberinsurance to help cover the costs of recovering from an attack.

Forty-seven states have laws that require businesses or governments to notify consumers or citizens when their personal information is breached. Some states will consider strengthening those laws by expanding the definition of “personal information,” lengthening the list of who must comply or developing more specific security practices.

To ensure networks are secure, reliable and adequately protected, most agree that collaboration among all levels of government and industry is essential in this fight to stay one step ahead of would-be hackers.

10. Marijuana, Phase 2

Marijuana legalization continues to spread. On Election Day, voters in California, Maine, Massachusetts and Nevada approved the legalization of adult-use recreational marijuana through ballot measures. Arizona voters were the only ones to just say no. That makes it eight states and the District of Columbia that have legalized marijuana for adult recreational use. Several more states have decriminalized the possession of small amounts of marijuana, and 28 states and D.C. now allow the use of medicinal marijuana.

Legislators in states that have legalized recreational use will be busy deciding how best to license and regulate cultivation facilities and retail shops and how to prevent children from misusing it. This might include requiring identification checks at dispensaries, prohibiting anyone under age 21 inside dispensaries, requiring child-resistant packaging of cannabis products and prohibiting the use of marijuana in public. They will be debating safe driving concerns since new cannabis products, unfamiliar strains, and the fact that people metabolize and retain THC differently than they do alcohol make it difficult to determine levels of impairment.

As states move forward with medical and adult-use recreational marijuana policies, the struggle over control intensifies among federal, state and local governments. Marijuana is still a Schedule I drug under federal law and is defined as dangerous, with no currently accepted medical use and high potential for abuse. This will continue to complicate taxation, banking and other areas regulated by federal laws.

This is another state issue with an uncertain future under the new president, although he has voiced his support for medical marijuana.

Plenty to Do Despite Uncertainties

There are plenty of additional issues to fill legislative agendas this year and in the years ahead. Lawmakers will continue to tackle the high costs of medicines and to reform juvenile justice practices. They will deal with end-of-life and long-term care concerns, the future of nuclear energy and the impact of distributed renewable energy. They will consider the evidence and

decide what works best for easing ex-prisoners' re-entry into society, training teachers and principals, and educating our youngest students, to name a few.