

Canada – United States  
Inter-Parliamentary Group  
Canadian Section



Groupe interparlementaire  
Canada – États-Unis  
Section canadienne

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**Report of the Canadian Parliamentary Delegation  
respecting its participation at the 71<sup>st</sup> Annual Meeting  
of the Council of State Governments'  
Southern Legislative Conference (SLC)**

**Canada–United States Inter-Parliamentary Group**

**Biloxi, Mississippi, United States of America  
29 July–2 August 2017**

# Report

## DELEGATION MEMBERS AND STAFF

From 29 July–2 August 2017, Mr. Phil McColeman, M.P., Vice-Chair of the Canadian Section of the Canada–United States Inter-Parliamentary Group (IPG), led a delegation to the 71<sup>st</sup> annual meeting of the Council of State Governments' Southern Legislative Conference (SLC), which was held in Biloxi, Mississippi. The other delegates were Senator Anne Cools and Mr. Anthony Rota, M.P. The delegation was accompanied by Ms. June Dewetering, the Canadian Section's Senior Advisor.

## THE EVENT

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

At the 71<sup>st</sup> annual meeting, each of the SLC's six committees – Agriculture & Rural Development; Economic Development, Transportation & Cultural Affairs; Education; Energy & Environment; Fiscal Affairs & Government Operations; and Human Services & Public Safety – met. As well, plenary sessions occurred, a food packaging community service project was undertaken, a Women in Leadership Forum was held and technical tours were conducted.

## DELEGATION OBJECTIVES FOR THE EVENT

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

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

## ACTIVITIES DURING THE EVENT

At the 71<sup>st</sup> annual meeting, the plenary sessions were:

- Opening Plenary Session: A Discussion with Archie Manning
- Closing Plenary Session: A Discussion with Fred Haise.

The committee sessions were:

- Agriculture & Rural Development Committee:
  - Agricultural Trade with Cuba
  - Floods and Farm Relief Packages
  - State Implementation of the *Food Safety Modernization Act*.
- Economic Development, Transportation & Cultural Affairs Committee:
  - Autonomous and Connected Vehicles: The Road Ahead
  - The Workforce of 2025: One State's Path Forward
  - Advanced Manufacturing in Mississippi
  - Historic Preservation and Tax Credits.
- Education Committee:
  - An Overview of "Mississippi Education Works"
  - Loan Forgiveness and Scholarships for Teacher Recruitment and Retention
  - Leveraging Technology in the Classroom
  - The State of Broadband in Rural Schools.
- Energy & Environment Committee:
  - Lessons in Resilience: Coastal Restoration in Mississippi
  - The Road to the Future: Georgia's Laboratory for Sustainable Infrastructure Innovation
  - Energy Resilience and the U.S. Military: Lessons for the States.
- Fiscal Affairs & Government Operations Committee:
  - Public Pensions: A Fiscal Imperative
  - Recent Trends in State Budgets
  - The Hidden Risks of P3s: Fiscal Challenges and Opportunities
  - Comparative Data Reports: Adult Corrections, Education and Medicaid.
- Human Services & Public Safety Committee:
  - Managing Foster Care Systems
  - Long-Term Care in the South
  - Men's Health
  - Healthcare Reform.

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

## **AUTONOMOUS AND CONNECTED VEHICLES: THE ROAD AHEAD**

**Scott Shogan, WSP USA**

- There is a lot of competition regarding autonomous vehicles (AVs), and much disagreement about the timeline for AVs that are “completely autonomous”; technology will be “the driver.”
- By 2040, the “race to driverless” may evolve in the following manner:
  - AVs are on roads for testing purposes only.
  - Freight AVs are the earliest adopters.
  - Non-passenger services switch to AVs.
  - Mobility providers introduce AVs.
  - Public transit adopts AVs for certain purposes.
  - Auto dealers sell AVs as a mainstream offering.
  - Public transit mostly uses AVs.
  - Roads are designated for manual cars.
- With a low volume of traffic, vehicles are able to travel at high speeds with sufficient spacing but speeds decline as volume rises because vehicle headways decrease; if AVs could operate at high speeds with low headways, the result could be a significant increase in potential capacity on roadways.
- People may be willing to travel longer distances if they are not driving.
- Driving time that is “regained” through the use of AVs could be allocated to other purposes.
- New segments of the population may become “drivers” with AVs, including the elderly and some who are disabled.
- AVs have the potential to change the car ownership paradigm; for example, rather than a model where people purchase cars, General Motors, Ford and others might become service providers.
- AVs lead to a range of societal questions.
- Federal policy guidance regarding AVs was issued by the U.S. Department of Transport in September 2016; in addition to key definitions, it contains a voluntary 15-point safety assessment for automakers and a model state policy.
- Bipartisan federal legislation relating to AVs is under development in the U.S. Congress.
- As of 29 July 2017, 41 U.S. states had considered AV-related legislation since 2012, 19 states had passed such legislation, and executive orders relating to AVs had been issued in four states.
- State legislation relating to AVs is addressing issues that include the following:
  - operation of AVs without a human occupant;

- the platooning, or spacing, of vehicles;
- the role of transportation network companies in automation;
- the need for visual indication that the AV function is engaged;
- protection for mechanics; and
- formalizing research collaborations and partnerships, as well as associated reporting requirements to legislatures.

**Senator Jim Tracy, *Tennessee Senate***

- AVs provide safety, predictability and efficiency.
- Connectivity and autonomy go “hand in hand.”
- The five types of AVs are the following:
  - The AV is under human control but some features – such as cruise control – may be automated.
  - The AV has some driver assistance; for example, the steering and/or driving may be automated but the driver is responsible for most operations.
  - The AV is partially autonomous; while drivers must remain focused on the vehicle, they are not required to maintain speed or steering.
  - The AV is completely autonomous for portions of a trip, although control can be transferred to the driver.
  - The AV does not require a driver.
- Every new technology has advantages and disadvantages.
- AVs are possible because of the ability to collect significant amounts of data and to process that data “in real time” while being connected to other vehicles; the data are sourced from multiple technologies, and the AV uses these technologies to collect information about its surroundings and to react accordingly in order to navigate safely.
- In future, highways may be created or retrofitted with sensors that are meant to interact with AVs; these sensors may be particularly important when the weather is inclement and cameras are less able to gather relevant data.
- By 2020, it is estimated that more than 80% of vehicles will be connected, and will use the U.S. Global Positioning System and the connectivity of the “vehicle cloud” to make decisions about the “best” routes; benefits include fewer traffic jams, improved safety, reduced trip times, a decline in driver fatigue, less idling, decreased emissions, etc.
- Ridesharing and trucking services are expected to be early adopters of AVs; however, most of the car market will continue to be owner-based for years into the future.

- Legislation relating to AVs should be technology-neutral, and should not favour any particular manufacturer.

## **WOMEN IN LEADERSHIP FORUM**

### **Cindy Hyde-Smith, *Mississippi Department of Agriculture and Commerce***

- There is a difference between “managing” and “leading”; things are managed, and people are led.
- Leaders need to motivate and inspire, and be passionate, engaged, authentic and tenacious.
- In a storm, the only safe “ship” is “leadership.”

## **PUBLIC PENSIONS: A FISCAL IMPERATIVE**

### **Donald Boyd, *Rockefeller Institute of Government***

- Pension plan administrators report liabilities assuming that investments will be “successful,” which may or may not be the case; consequently, actuarial contributions are lower than would be the case if administrators did not assume “successful” investing, and payments to reduce unfunded liabilities may be made over long periods of time.
- According to some forecasts, it can be difficult for public pension funds to achieve their assumed rates of return in the current market environment, which may prompt riskier investments.
- A number of public pension plans are increasing the extent to which investments are made in equity-like, higher-risk financial products.
- It is not just a pension plan’s funded ratio that is significant; also important are the size of liabilities and payments in relation to the economy, and a business’ budget.
- Employer contributions to pension plans has increased substantially over the last 40 years.
- The unfunded liability in relation to the defined benefit pension plans of state and local governments is nearing a record level.
- Since 2007, nearly all U.S. states have enacted one or more pension policy changes.
- To ensure secure funding of pension plans, the following actions should be considered:
  - Pay the actuarially determined pension plan contributions.

- Be conservative when calculating actuarially determined contributions.
- Accept lower discount rates and lower risks.
- Consider risk-sharing.

**Herb Frierson, *Mississippi Department of Revenue***

- In some states, pension and other benefits were offered to employees at a time when economic growth was relatively high; when the “dot com bubble burst,” unfunded liabilities were created or increased, and some benefits were “rolled back.”
- The best way in which to fix the problem of unfunded pension liabilities would be to increase wages and tell employees to allocate the monetary gains to retirement savings.
- The problem of unfunded pension liabilities may have to be addressed on an incremental, year-to-year basis.

**RECENT TRENDS IN STATE BUDGETS**

**John Hicks, *National Association of State Budget Officers***

- Growth in state general fund spending is expected to slow considerably in 2018; the growth rate in that year is expected to be 1%, which is low for the eighth year of an economic recovery and is low relative to an annual average of 5.5% over the 2000–2018 period.
- U.S. governors are recommending “cautious” budgets, with most funding increases allocated to elementary and secondary education, and Medicaid.
- In 2018, the “themes” of state budgets may be the following:
  - improving structural budget balance;
  - increasing reserves/rainy day funds;
  - reducing expenditures, where possible;
  - improving efficiency; and
  - reorganizing or consolidating services.
- Regarding elementary and secondary education, state budget “themes” may include improving teachers’ salaries, paying more attention to kindergarten and early learning, and re-examining the funding formula.
- In relation to workforce development, state budget “themes” may focus on ensuring the existence of secondary and post-secondary “career pathways,” addressing skills gaps, and implementing measures regarding adult “upskilling.”
- Regarding child welfare services, state budget “themes” may include reducing caseloads, and improving and reforming foster care.

- New pension plans for state employees are likely to be defined contribution/hybrid cash balance plans.
- For all U.S. states, as a percentage of general fund spending, expenditures on Medicaid have increased over time; however, Medicaid spending growth is expected to slow somewhat in 2018.
- States are likely to continue to make investments in substance abuse and life-saving efforts in an effort to address the United States' opioid crisis.
- Since 2013, 26 U.S. states have raised their gas taxes.
- More than 60% of U.S. states have constitutional restrictions on the manner in which revenue in the transportation fund can be spent.
- Some states are raising or introducing transportation-related fees and taxes, including in relation to vehicle registration, electric vehicles, hybrid vehicles, transportation improvements, truck use/weight, rental cars and tolls, among others.
- In 2017, more than 30 U.S. states reported that the revenue they collected was less than their budgetary projections.
- State general fund revenue growth was “sluggish” in 2016 and 2017; modest improvement is expected in 2018.
- U.S. states have a pro-cyclical revenue structure that is as volatile as the economy.
- Federal actions in a range of areas are likely to create uncertainty for the states in 2018, including in relation to the *Affordable Care Act*, tax policy, infrastructure and the budget.

## **THE HIDDEN RISKS OF P3s: FISCAL CHALLENGES AND OPPORTUNITIES**

**Bradley Nowak, *Williams Mullen***

- Although there is no universal definition of a public–private partnership (P3), these partnerships generally refer to contracting arrangements that have the following three characteristics:
  - the leveraging of private sector skills and assets;
  - a sharing of risks and rewards; and
  - the delivery of a service or facility for use by the public.
- P3s may be used in such sectors as the following:
  - transportation, including roads, bridges, rail, airports and ports;



- environment and energy, including power generation and transmission, energy efficiency, solid waste, and water, waste water and storm water;
  - social infrastructure, including education, social housing, health care, civil and convention centres, and public buildings and facilities;
  - defence;
  - telecommunications; and
  - information technology.
- Common misconceptions about P3s including the following:
    - The one benefit of a P3 is private financing.
    - P3s mean privatization.
    - P3s are a “good fit” for every project.
    - P3s are guaranteed to succeed.
  - Potential benefits of P3s include faster speed, lower cost, the ability to access private-sector expertise and innovation, the availability of private funding and the sharing of risks
  - Potential risks of P3s include the following:
    - political, which gives rise to the need for a P3 project to have a high-level “champion”;
    - financing, which highlights the need for a P3 project to be “bankable”;
    - unrealistic goals or objectives, since all risks cannot be transferred to the private sector, and private-sector obligations, performance guarantees and other requirements must be balanced; and
    - private-sector performance that is lower than that envisioned by the public sector, perhaps because of a lack of qualifications, inadequate procurement planning or processes and/or poorly negotiated contracts.
  - The factors that might be considered when assessing the suitability of the P3 model for a particular project include the following:
    - project objectives;
    - ownership and control of the asset;
    - regulatory or other limits to using a P3 model;
    - the outcome of a value-for-money analysis;
    - the public sector’s ability to manage, operate and maintain the asset; and
    - the impact on public employees.

## **OPENING PLENARY SESSION: A DISCUSSION WITH ARCHIE MANNING**

### **Archie Manning, *Former Football Athlete***

- Instead of pointing fingers, people should join hands.
- Individuals win awards; it takes a team to win a championship.

- Leadership, which is key to executing any strategy, requires leading by example.
- Only teamwork and leadership will sustain people during challenging times; the question is not whether we will face adversity, but rather what we will do when facing adversity.
- It is important to think like a winner and a leader: work hard; set and attain goals; overcome adversity; think ahead; and see obstacles as opportunities.
- The bigger the challenge, the greater the opportunity for success.
- Success is a journey, not a destination, and setting and attaining goals is part of that journey.
- What lies before and behind you pales in comparison to what lies within you.
- Managers do things right; leaders do the right thing.

## **COMPARATIVE DATA REPORTS: ADULT CORRECTIONS**

### **Monique Appeaning, *Louisiana Legislative Fiscal Office***

- From 1 July 2015–1 July 2016, there was a 0.97% decrease in the number of adult inmates in SLC states, representing 5,537 individuals.
- Per 100,000 individuals, the SLC states' incarceration rate exceeds the United States' national rate.
- In the last decade, corrections expenditures by the SLC states have increased by almost 26%, rising from US\$11.4 billion to US\$14.4 billion.
- As of July 2016, the average age of commitment in SLC states was 34 years; on average, individuals have a sentence of 5.5 years and the average time served is 3.2 years.
- About 19% of the offender population in SLC states is drug offenders.
- In comparing 2015 to 2016 for the SLC states, there was an increase in the number of inmates serving 20 years or more, and decreases in inmate executions, the number of inmates serving a life sentence, the number of inmates 50 years or older at the age of commitment and the number of inmates released from custody.

## **LEVERAGING TECHNOLOGY IN THE CLASSROOM**

### **Sharon Leu, *U.S. Department of Education***

- Having technology in schools is no longer optional; students need to have access to technology and to understand the various ways in which technology can be used.
- Technology can help to overcome challenges, transform learning experiences for students and support the attainment of learning objectives.
- Technology can do the following:
  - empower teachers;
  - increase efficiency in the classroom;
  - enhance teacher creativity; and
  - connect students and teachers with more resources.
- Technology enables “everywhere, all of the time” learning.

**Bobby Cox, *Warren County, Tennessee***

- Students should be able to experience current content, which is enabled by digital technology.
- With the use of digital technology, students become engaged with a delivery method that inspires their curiosity and that aligns with the world in which they function outside the classroom.
- Teachers can curate digital learning materials; that said, a coalition could be “built” to curate content across the worldwide web.
- Digital resources can empower teachers and help students to be better prepared for the future.
- Digital content should be tagged with appropriate keywords to facilitate searching.

**THE STATE OF BROADBAND IN RURAL SCHOOLS**

**Eric Saunders, *Arkansas Department of Education***

- The goal should be to prepare children and youth for their future, not for our past.
- Arkansas requires a student to have completed a digital course in order to graduate, and every high school in the state must offer at least one computer science course.
- In Arkansas, the average time to commute one-way from home to school is 49.4 minutes per student, which is equivalent to 49 school days per year or one third of a school year; busses are wi-fi-enabled so that students can do school work

during their commute; at night, those busses help to resolve “the homework gap” by being parked close to areas that have high poverty.

**Michael Turzanski, *EducationSuperHighway***

- “Digital” is how we now live.
- A focus should be ensuring Internet access in every public school classroom with the goal of providing each student with the opportunity to take advantage of the “promise” of digital learning.
- Increasingly, elementary and secondary schools are engaging in digital learning, and the number of devices is rising; bandwidth needs are growing.
- In the United States, the federal Schools and Libraries Program – or E-rate – provides eligible schools and libraries with discounts on their telecommunications, Internet access and related services; the discount rate, which ranges from 20% to 90% of the cost of services, depends on the poverty level and whether the location is urban or rural.
- Each school district has its own E-rate discount rate, and this initiative is key to ensuring that schools have access to high-speed broadband.

**CLOSING PLENARY SESSION: A DISCUSSION WITH FRED HAISE**

**Fred Haise, *Former Astronaut***

- Teamwork is critically important for attaining goals.
- Important leadership qualities include never asking others to do something that you would not do, talking to people, having an “open door” policy and being clear about goals.

Respectfully submitted,

Michael L. MacDonald,  
Senator, Co-Chair  
Canada–United States  
Inter-Parliamentary Group

Wayne Easter, P.C., M.P.,  
Co-Chair  
Canada–United States  
Inter-Parliamentary Group

# Appendix

## U.S. STATES IN THE COUNCIL OF STATE GOVERNMENTS' SOUTHERN LEGISLATIVE CONFERENCE

Alabama	North Carolina
Arkansas	Oklahoma
Florida	South Carolina
Georgia	Tennessee
Kentucky	Texas
Louisiana	Virginia
Mississippi	West Virginia
Missouri	

## Travel Costs

<b>ASSOCIATION</b>	Canada–United States Inter-Parliamentary Group
<b>ACTIVITY</b>	71 <sup>st</sup> Annual Meeting of the Council of State Governments’ Southern Legislative Conference (SLC)
<b>DESTINATION</b>	Biloxi, Mississippi, United States of America
<b>DATES</b>	29 July –2 August 2017
<b>DELEGATION</b>	
SENATE	The Hon. Anne C. Cools
HOUSE OF COMMONS	Mr. Phil McColeman, M.P. Mr. Anthony Rota, M.P.
STAFF	Ms. June Dewetering, Senior Advisor
<b>TRANSPORTATION</b>	<b>\$ 5,609.94</b>
<b>ACCOMMODATION</b>	<b>\$ 7,243.70</b>
<b>PER DIEMS</b>	<b>\$ 1,941.48</b>
<b>MISCELLANEOUS</b>	<b>\$ 2,200.83</b>
<b>TOTAL</b>	<b>\$ 16,995.95</b>