

policy notes

new realities

GSPP and Social Policy



FALL 2011

Healthcare and the
National Budget

Michael Nacht Appointed
to Schneider Chair

“Why I Am Not a Progressive”

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Dean's Message



Dean Henry E. Brady

PUTTING PEOPLE TO WORK and getting our governmental budgets in order are the twin domestic challenges now confronting American politicians and policy-makers. At the root of these problems is increasing America's competitiveness through better education, training, health care, and housing while maintaining law and order and taking care of our elderly, our needy, and our children. Over three-quarters of the federal budget and three-quarters of the California budget are devoted to human resource expenditures for these purposes. The Goldman School's scholars have contributed significantly to understanding and improving social programs, and this issue highlights some of the work being done in this area.

One of the exciting things happening in California is "realignment," which attempts to sort out the responsibilities between state and local governments that got entangled after the quick fixes that followed the 1978 passage of Proposition 13, when state government had to step in to make up for the revenues lost from the property tax limits in Proposition 13. The result of these fixes was a separation between the level of government financing a service and the level of government providing the service. In "New Realities for Social Policy," our graduates, students and Professor Steven Raphael talk about what realignment means for their work.

In the "Student Perspective," Mark Reinardy (MPP Candidate '12) focuses on one of the more controversial elements of realignment — the proposal to send parolees and many non-violent and non-sex offender inmates back to jails in counties where they will be closer to their homes and family and where they can be supervised more cheaply. Reinardy worries about whether the localities will have the funding to take on these responsibilities. Another major worry is who should be sent back and how should state corrections' officials reassign the prisoners who remain to the various kinds of prisons, ranging from high to low security? Professor Raphael is working with PhD student Sarah Tahamont (MPP '09) to develop the best statistical model of how to make these decisions to minimize risks.

A great deal of other fascinating work on social policy is going on at the Goldman School. Rucker Johnson studies how early childhood poverty or racial discrimination affects life outcomes in educational attainment, employment, income, and health. John Quigley, Steve Raphael, and Rucker Johnson have all studied the spatial mismatch between where poor people (especially minorities) live and where the jobs are. Jesse Rothstein studies the productivity of K-12 educational systems and the ways that they could perform even better. Jane Mauldon has looked at how foster children make the transition from foster care programs to the adult world, and she has proposed ways to improve that process. David Kirp has studied all levels of education — pre-school, K-12, and higher education — and made proposals for transforming children's lives. Richard Scheffler studies how the supply of doctors could better match the needs of our society. Rob MacCoun has written on how the organization of "junior high" can affect student's performance and outcomes as they move from childhood to adolescence. Jack Glaser works with police chiefs and others to minimize problems arising from racial stereotyping. Sean Farhang looks at the effectiveness of different legal regimes for fighting discrimination. And Robert Reich writes on how social inequality in America affects America's competitiveness.

Cont'd. on back cover

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Editor's Note

MY GRANDMOTHER PASSED AWAY RECENTLY AT THE IMPRESSIVE AGE OF 97. For the last two decades of her life, she spent a part of nearly every day at a state-supported senior day care center. She liked that place. She loved the soft rolls they served there.

I found myself thinking a lot about her as I worked on this issue of *Policy Notes*. What is the role of government and what kinds of services should it provide? When money's tight, how do you prioritize things like elder care, child welfare, healthcare, public safety? And who should administer these programs?

There's a diversity of opinions on this, including Mike Genest's op-ed on why he's not a progressive, and Amy Lemley's reflection that, in times of extreme budgetary constraints, the agent of change may be as much legal adversarialism as collaborative policy-making. But the thing they hold in common with so many in the GSPP community is the heart and dedication to tackle the complex, difficult and often thankless work of serving the public good, even when — especially when — times are tough. borareed@berkeley.edu



Bora Reed
Editor



New Realities for Social Policy

IN MAY 2011, the Supreme Court mandated that California needed to solve its problem of overcrowded prisons — and solve it quickly.

“California corrections is in a unique position,” says Professor Steve Raphael, a corrections policy expert and author of *Do Prisons Make Us Safer?: The Benefits and Costs of the Prison Boom*. “The courts have deemed that the State’s overcrowded prisons are violating the Constitution’s ban against cruel and unusual punishment. At the same time, California is facing extreme budgetary pressures that make options like building and staffing more prisons untenable.”

California’s legislative response to this crisis has been to pass AB 109, part of a sweeping budget realignment that will shift \$6.3 billion in revenue from the State to local levels for various criminal justice, social services and mental health programs.

“In general, the term ‘realignment’ describes the process of reviewing state and local government programs and assigning responsibilities to a level of government more likely to achieve good outcomes,” says Aaron Edwards (MPP ’07) who works on realignment at the Legisla-

tive Analysts Office (LAO), along with Brian Brown (MPP ’03) and Anthony Simbol (MPP ’98). Aaron is the expert on budget and policy issues related to correctional health care, in-prison rehabilitation programming, and local public safety. “In the context of California correctional policy, realignment describes the shift of responsibility for certain lower-level offenders, parole violators, and parolees from the state to the counties on a prospective basis effective October 1, 2011,” he says. “Under the realignment plan, offenders who previously would have been sentenced to state prison will now serve their sentence in a county jail and/or under local community supervision. In addition, certain offenders released from prison will now be supervised in the community by county agencies (such as county probation) instead of by state parole agents.”

“We’re on the cusp of very large reforms that will, frankly, impose more of the burden on the counties,” says Professor Raphael, who is working with other researchers to advise the California Board of Corrections on corrections reforms. “The hope is that counties will be more selective in the use of incarceration if they

know they will face a greater marginal cost and that they would be more innovative about long-term incarceration of people whose crimes are not as serious.” [read about Mark Reinardy’s internship working with public safety realignment from a county perspective, p. 11].

Aaron agrees. “Public safety realignment represents a drastic departure from business as usual in California,” he says. “The greatest challenge is anticipating all of the pieces that need to fall into place for successful implementation and heading off potential problems before they arise. Despite these challenges, realignment has tremendous potential to address many of the systemic problems that have plagued California’s correctional system for years, many of which are driven by prison overcrowding. If implemented properly, realignment has the potential to both reduce costs and improve public safety outcomes.”

While criminal justice represents a large part of the CA’s budget realignment, 52% of the total funding realigned in FY 11-12 is comprised of health and human services, with even a larger share slated for future years.

“I’m very concerned about the devolution of responsibility from the state to the counties,” says Amy Lemley (MPP ’98), a child welfare advocate. Amy’s interest in emancipated foster youth dates back to her days before the Goldman School when she worked in a residential home for homeless parents in Boston.

“I saw how many young women went from having promising futures to being really down and out, simply because they turned 18 and became ineligible for services. I came to policy school to figure out ways to address this problem.” At GSPP, she met Deanne Pearn (MPP ’98). Together, they founded First Place for Youth, a non-profit that provides housing and support services to youth aging out of foster care.

Amy is currently the policy director for the John Burton Foundation for Children Without Homes. Together with John Burton, former President Pro Tem of the California State Senate, Amy has worked to increase the funding source for transitional housing for emancipated foster youth (from \$1.3 million to over \$35 million) and to expand the age foster youth could receive assistance from 18 to 21.

“Moving child welfare programs from the state to the local levels can result in a system with a high amount of variability between counties,” says Amy. “It’s done under the auspices of increased flexibility, but the reality is that it will make child welfare difficult to assess consistently across all 58 counties. It’s not clear to advocates in California how we can ensure high quality services for some of our state’s most vulnerable residents.”

Amy points out that CA’s budget realignment will also reduce California’s Prop 98 obligation, which mandates that a percentage of the State’s general budget must go toward K-14 education.

“By taking a big chunk of money out of the general fund and pushing it down to the county level,” she says, “the state will reduce its Prop 98 obligation by \$2 billion

“I’m very concerned about the devolution of responsibility from the state to the counties.”

– Amy Lemley (MPP ’98)

dollars. That’s taking a lot of money out of public education.”

Noelle Simmons (MPP ’98) is a Deputy Director at the San Francisco Human Services Agency. As such, she monitors the impact of state and federal budgets on the Human Services Agency and the nearly 100,000 people it serves in the City and County of San Francisco.

“With regard to the realignment of social service programs, the unanswered question is whether counties will be given sufficient funding and flexibility to realize the promise of improved and more cost-effective service delivery,” says Noelle. “It remains to be seen whether the sales tax revenue being reapportioned to counties will be adequate to cover the actual cost of providing services.”

“Past experience with 1991 realignment suggests that counties are at great risk of having growth in service costs and demand outstrip revenue growth,” she says. “The state has been gradually disinvesting in social services programs for years. As a result, counties are already in a position of having to choose between service reductions or picking up the unfunded costs with scarce local dollars.”

Noelle notes that resources for the state’s neediest are already allocated unevenly, depending on the resources available at the local level. She fears that realignment will only exacerbate this inequity.

Amy agrees. “Big counties like San Francisco and Los Angeles have a critical mass of advocates who understand that social service programs like those for foster youth have measureable outcomes that show that they are a good return on investment for taxpayers,” she says. “But smaller counties are more limited, both in infrastructure and financial resources. When these counties are shoved in a financial corner, they will exercise their discretion to use the money for these programs for other things.”

Amy reflects that California’s budget realignment, along with its general economic malaise, will change how advocacy is done.

“We were able to make a lot of public policy gains when there was more money,” she says. “Now that times are worse, it may be time to turn to other strategies.”

“There’s a tension between when to choose policy collaboration versus legal adversarialism,” she says. “Unless we can find a way of ensuring these people are protected, we’re going to be cut as far back as we legally can be.”

Professor Raphael observes that sometimes the very budget constraints that are squeezing programs can also drive innovation. “In the last few years, there’s been increasing consensus about the need for corrections reform,” he says. “But the current economic crisis has brought the opportunity cost of spending on corrections into much starker relief. The demand for change and reform has been out there for a while, but the budgetary pressures served as a catalyst for change.” **G**

GSPP & CA’s Budget Realignment: A Snapshot

Research-based advice for State Board of Corrections
Professor Steve Raphael

LAO Expertise
Aaron Edwards (MPP ’07)
Brian Brown (MPP ’03)
Anthony Simbol (MPP ’98)

Policy Advocacy for Foster Youth
Amy Lemley (MPP ’98)

County Administration
Noelle Simmons (MPP ’98)

The National Budget

PROBLEM



BY JOHN ELLWOOD

IF ONE BELIEVES THAT the United States' budget deficit is too large or if one is concerned with the rise in the size of the outstanding US public debt — and if one is unwilling or unable to significantly increase revenues — then one has to control or reduce the rise in health care spending that has driven the expenditure side of the budget over the past decades. In short: to the extent that the United States budget has a spending problem, it has a health care spending problem.

Spending on federal programs is controlled in three general ways. Traditional programs — labeled Discretionary Programs — require an annual appropriation. This appropriation (most often contained in one of the 13 Annual Appropriation Bills) grants legal authority that allows an entity (most often in the bureaucracy) to enter into a contract. These contracts are referred to in budget jargon as Obligations. When these contracts are fulfilled the government makes a disbursement. The sum of those disbursements over an accounting period — let us say the Fiscal Year — are referred to as Outlays.

While all disbursements require a grant of Budget Authority — budget authority is increasingly granted via a formula contained in the basic authorizing statute of the program, rather than an annual appropriation. This type of spending is labeled Mandatory Spending. To control the

amount of spending (outlays) of these Mandatory Programs, the Congress has to change the formulas in the basic authorizing statutes of these programs.

Just to make things more complicated, there are a few Mandatory Spending programs (Food Stamps and Medicaid for example) whose spending is governed both by a formula and by an annual appropriation. These programs are often labeled Appropriated Entitlements. In most cases these are means-tested programs that provide benefits for the poor.

Approximately one half of Discretionary spending is for defense programs and one half for domestic programs. Pure Mandatory Programs provide non-means-tested benefits.

Although the oldest mandatory program is the commitment to pay the interest on the public debt, since the New Deal what are often called the middle class mandatory programs (or entitlements) have come to dominate US federal budget spending. The largest of these is Social Security, closely followed by Medicare and Medicaid (an appropriated mandatory program).

It is often claimed that the aging of the US population is driving the amount of outlays for the large mandatory programs. This is the case for Social Security spending but not totally true of the two large health care programs — Medicaid and Medicare. Although the aging of the population has affected these health care programs, the major factor driving health care spending has been the rise in health care costs above the general inflation rate (referred to as health care inflation).

The US Health Care Spending Problem

Students of public health and health care generally begin their analysis of the health

care system by looking at three outcomes of any system: To what extent does it provide access to its citizens? What is its cost? And what is the quality of the service provided by the system?

COST: Just under half of all US health care spending occurs in the public sector. One might be tempted to blame the inefficiency of the public sector for the growth in health care spending in excess of GDP growth. Unfortunately, the entire US health care system has not been able to control health care costs. In 2008 the United States spent 16 percent of its GDP on health care. Among industrial democracies the next largest percentage is found in France, which in 2008 devoted 11.2 percent of its GDP to health care.

Moreover, as seen in the Kaiser Family Foundation figures [right], the rate of growth of health care spending has been more rapid in the United States than in other comparable countries.

ACCESS: Currently over 16 percent of Americans do not have health insurance. And many studies have shown that those without health insurance have poorer health status than those with insurance.

QUALITY: It is also the case that for all the resources devoted to providing quality health care, positive health care outcomes are not that high in the United States. Thus according to the CIA World Fact Book (2011 estimates), the US ranks 34th among UN member states in terms of life expectancy at birth. For years defenders of the US Health Care system pointed to the superb quality of US Medical Schools, research centers, and teaching hospitals. Although international comparisons are not available, recent studies of health care quality by scholars such as Dean Steven Shortell of the UC Berkeley School of Public Health have called into question the quality of health care in the United States.

The Goals, Promise and Future of the Affordable Care Act

The main legislative achievement of the first two years of the Obama Administration was the passage of the Affordable Care Act (ACA). It is clear that the main goal of the ACA is to significantly reduce the number and percent of Americans who lack health insurance. Most observers think that it will be successful in this effort. It will do so by dramatically increasing the Medicaid program and by eventually implementing an individual mandate requiring most firms and individuals to obtain health insurance or pay a fine (tax). Lower income individuals and small businesses will receive a subsidy to allow them to afford insurance. Taxes will be raised to cover most of the costs of this subsidy.

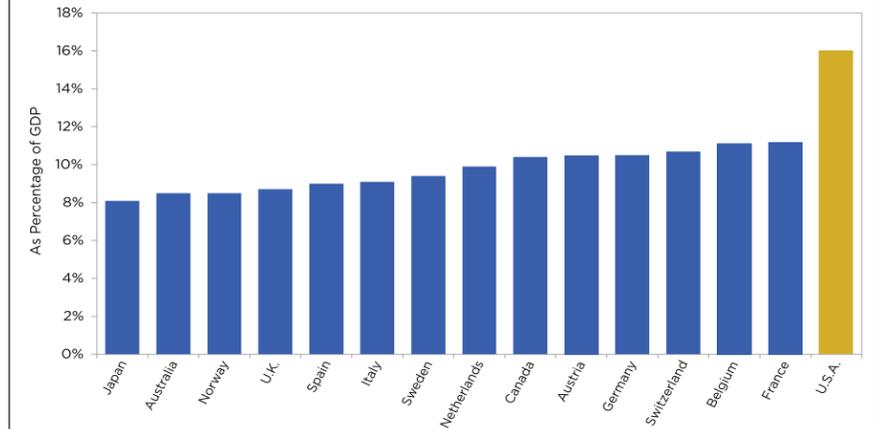
It is not clear, however, whether the ACA will significantly reduce national health care expenditures. The ACA requires a series of changes — most notably the creation of the Independent Payment Advisory Board (IPAB) and health care exchanges that are aimed at using market forces to control costs and to increase quality. Another major goal of the ACA is to move from fee-for-service to another payment method — most likely capitation.

Many of the other ACA provisions are aimed at improving the quality of medical care. The required Health Exchanges are aimed at providing increased choice to consumers so that they can choose among various plans to meet their needs.

A key little-noticed provision is that if the new system fails to control costs, the IPAB is given the power to limit services and/or providers. (These actions can be overturned by Congressional action.) In effect, this will dramatically

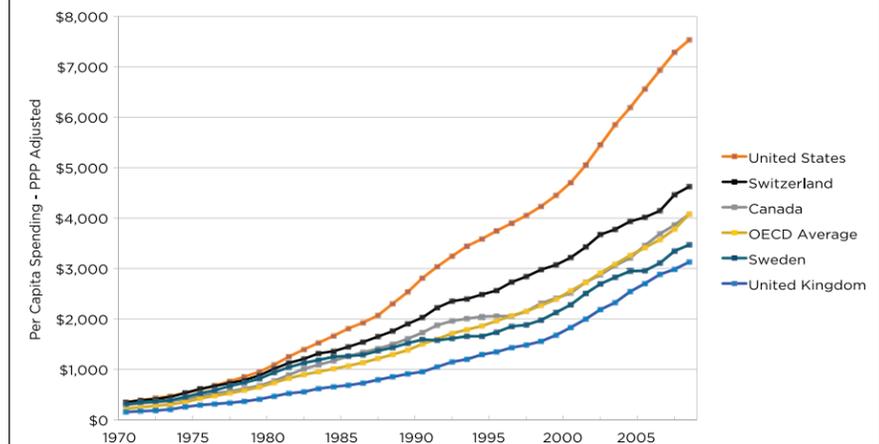
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Total Health Expenditure as a Share of GDP, US and Selected Countries, 2008



Source: Organisation for Economic Co-operation and Development (2010), "OECD Health Data", *OECD Health Statistics* (database). doi: 10.1787/data-00350-en (Accessed on 14 February 2011).
Notes: Data from Australia and Japan are 2007 data. Figures for Belgium, Canada, Netherlands, Norway and Switzerland, are OECD estimates. Numbers are PPP adjusted.

Growth in Total Health Expenditure Per Capita, US and Selected Countries, 1970-2008



Source: Organisation for Economic Co-operation and Development (2010), "OECD Health Data", *OECD Health Statistics* (database). doi: 10.1787/data-00350-en (Accessed on 14 February 2011).
Notes: Data from Australia and Japan are 2007 data. Figures for Belgium, Canada, Netherlands, Norway and Switzerland, are OECD estimates. Numbers are PPP adjusted. Break in series: CAN(1995); SWE(1993, 2001); SWI(1995); UK (1997). Numbers are PPP adjusted. Estimates for Canada and Switzerland in 2008.

Michael Nacht is the policy lead on a new \$25 million grant from the US Department of Energy to the UC Berkeley Department of Nuclear Engineering. Its aim is to establish the Nuclear Science and Security Consortium intended to conduct research and training on nuclear science and security.

He is chair of the university-wide International Strategy Task Force to advise on a new international strategy for the university.

Professor Nacht has recently given invited talks on national security at Harvard's Kennedy School and Lawrence Livermore National Laboratory and was a featured panelist at the UC Berkeley Matsui Forum on the impact of the 9/11 attacks on the United States.

Rob MacCoun's new evaluation of the Dutch cannabis coffeeshop system has just been published in the journal, *Addiction*. A new study of how citizens translate between attitudes and dollars (in the context of child support decisions) was recently published in *Law and Human Behavior*. He has recently given talks at San Francisco City Hall, Stanford Law School, Yale Law School, the University of Illinois, and Arizona State University.

In September, **Sean Farhang's** book, *The Litigation State*, received the Gladys M. Kammerer Award from the American Political Science Association for the best book in the field of U.S. national policy, as well as the C. Herman Pritchett award for the best book on law and courts.

David Kirp was recently named as a Champion for Children by the education policy nonprofit First Focus. Other 2011 awardees include Senators Patty Murray (D-WA) and Robert Menendez (D-NJ).

Robert Reich addressed Berkeley's freshman class at UC Berkeley's convocation ceremony in the Greek Theater. On September 1, he gave the opening lecture at the International House's globalization lecture series. On September 7, he gave the Distinguished Lecture at the University of Iowa. On November 15, he will give the annual Mario Savio Memorial Lecture at UC Berkeley.

Jesse Rothstein's research has been cited extensively in media stories about President Obama's jobs plan, including Slate, Salon, Huffington Post, and CNN. He briefed lawmakers on Capitol Hill about teacher evaluation and also took his research findings to Sacramento where he spoke to state policymakers at "UC in Sacramento."

Henry Brady and the Goldman School partnered with UCB's political science department and the Commonwealth Club for a conference in Sacramento on *Financing California: Strategies for Fiscal House-keeping*. In early October, Dean Brady gave a paper at a conference in Moscow on the collapse of the Soviet Union 20 years after the coup attempt.

Michael Nacht Appointed to Schneider Chair



Michael Nacht, Thomas and Alison Schneider Chair in Public Policy

ACKNOWLEDGING THE GENEROSITY of Goldman School Board of Advisors member Tom Schneider and his wife, Alison, Dean Henry Brady announced Professor Michael Nacht's appointment as the first holder of the Thomas and Alison Schneider Chair in Public Policy.

"Chairs provide us with the resources to support our prestigious faculty," says Dean Brady. "They make it possible for faculty to continue the world-class research that makes the University of California a great university and the Goldman School a pre-eminent public policy school.

"The Thomas and Alison Schneider Chair in Public Policy, funded with a match from the Hewlett Foundation, will provide support for graduate students as well as faculty members. We are especially pleased that our former dean, a world authority in national security policy, is the first holder of this chair." **G**

students Empowering Nepalese Youth



The Connect Hungi Project promotes education and employment.

By Sujit Thapa *MPP Candidate '13*

I GREW UP IN NEPAL, acutely aware of the harsh realities and challenges of poverty. Being able to give back to my home country has always been a priority for me and one of the reasons I am so excited to be the first person from Nepal to be at GSPP. I've been involved in a wide range of activities related to empowering youth in Nepal; as an MPP student, I plan to continue the work I started before coming to the School, and to hone my policy analysis, leadership, communication, team building, and non-profit management skills.

From 2002–04, I served as the president (the youngest in the organization's history) of the Nepali Association of Northern California (NANC), a Nepali community organization based in the Bay Area. NANC helped bring volunteers of all ages together to spearhead innovative programs, build community participation and increase philanthropic projects in Nepal, especially the building of libraries and schools.

To create educational opportunities for youth in Nepal, I co-founded a nonprofit, Society for Open Nepal (SFON), with a

vision to bring social awareness, technology proficiency, and educational programs to rural communities. SFON has set up computer facilities, provided scholarships, and established libraries. Through SFON, I am currently collaborating with the Connect Hungi Project, aimed at promoting education and creating employment opportunities in the village of Hungi in western Nepal.

Since 2009, I have also served as an executive board member of Computer Association of Nepal-USA (CAN-USA), a US-based nonprofit that promotes professional, social and technological development in Nepal by leveraging the organization's professional expertise and collaborating with dedicated community-focused organizations. I have also organized four successful and engaging career development programs to youth in the Nepali Diaspora community, who generally don't know how to plan for and accomplish career success in the US.

This summer, CAN-USA collaborated with Sahayeta, a community-focused nonprofit, to organize a Career Development

program during the Himalayan Youth Leadership Summit in Oakland, the first event of its kind in the Bay Area, with the vision of inspiring, empowering, and informing the youth of the communities of Nepal, Tibet, and Bhutan. We invited speakers from diverse professional backgrounds to share their inspirational personal and professional journeys and to provide strategies for effective resume writing, interviewing, career planning, and college applications. In the future, we plan to bring similar career management and mentoring programs to communities across the United States and, ultimately, to Nepal.

I'm engaged and inspired by the Goldman School, which offers both diversity and intellectual vibrancy, and the opportunity to develop strong personal relationships. With the intellectual and networking resources I develop at Berkeley, I plan to continue my work in youth empowerment, and to become a decision maker who impacts and improves Nepal's economic, social, and political future. **G**

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students **Carolyn Chu**

By **Carolyn Chu** *MPP Candidate '12*

IT'S HARD TO IMAGINE a federal government office where the fiscal year 2012 budget negotiations were more salient than the Office of Management and Budget (OMB). In the National Security Division where I was working as an intern, the tension surrounding the negotiations was even more acute—for the first time since the Clinton administration, cuts to defense spending were on the table. The negotiations brought two politically controversial issues to the forefront: troop levels in Iraq and Afghanistan and military retirement reform.

In June 2011, President Obama stated that the U.S. would begin reducing troop levels in Afghanistan by the end of 2012. This shaped how the Congressional Budget Office (CBO) calculated the long-term cost of the war. If all U.S. troops were out of Afghanistan by 2014 (a date circulated in the media), the cost added to the budget by the war would drop precipitously. If, however, one assumed (as CBO did in its baseline analysis) that troop levels in Iraq and Afghanistan would remain relatively constant over the next ten years, the defense budget would grow significantly.

As a result, the troop levels in Iraq and Afghanistan became a focal point of the defense budget negotiations. The Department of Defense vehemently objected to the



perception that budgets, rather than realities on the ground, would drive U.S. presence in those countries. Both outgoing Secretary of Defense Robert Gates and the incoming Secretary Leon Panetta stated publicly that to cut the defense budget now would have serious ramifications for both the ongoing wars and long-term U.S. security.

In addition, the budget negotiations created an opportunity to discuss reforming the military retirement system. Under the current system, those persons who serve in the military on active duty for 20 or more years can retire with a pension (equivalent to approximately half of the base salary of the last three years of service) and lifetime health insurance. Such a system creates an incentive for individuals to stay in the military for 20 years, regardless of whether or not the military requires his or her skills, and thus increases the long-term personnel costs for the department.

As the negotiations developed, the National Security Division of the OMB had to be poised to provide the Administration with cost estimates for different troop levels, working closely with Defense Department analysts to ensure that the budget reductions, while difficult, would not significantly harm ongoing operations. While neither of these issues was fully resolved by the time I left OMB, my internship gave me valuable insight into the federal budget process and how to most effectively utilize increasingly limited resources. **G**

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students **Mark Reinardy**

By **Mark Reinardy** *MPP Candidate '12*

CALIFORNIA CURRENTLY SPENDS more on its corrections system than on any other criminal justice component, including local police departments, sheriffs' departments, and legal offices. With new budget realities in Sacramento and a recent Supreme Court decision ruling prison overcrowding unconstitutional, lawmakers have been forced to rethink the existing model for incarceration.

The proposed solution, known as public safety realignment (AB 109/117), went into effect on October 1, 2011. The legislation transfers responsibility for certain low-level offenders and parolees from the state to the county.

County public safety officials are generally positive about the plan's philosophical underpinnings. It has long been believed that the key to reducing recidivism — the rates at which people reoffend once released — for low-level convicts is intensive monitoring and rehabilitation by county departments that know the local issues.

The sticking point, unsurprisingly, is in funding. In June, the California State Association of Counties (CSAC) finalized a mechanism to distribute state funds to counties that heavily weighs the number of county residents serving time in state prison that fall under the legislation's pur-

view. As such, counties with disproportionately high numbers of residents sent to state prisons stand to receive a larger relative share of state funding.

This summer, as a fiscal policy intern in the San Francisco Mayor's Budget Office, I served on a countywide team that developed the county's implementation plan and managed its budget. Despite being home to 2.5% of the state's total adult population, San Francisco accounts for just .6% of the state inmate population projected to be affected by realignment.

Under the CSAC methodology, the county will thus receive only 1.4% of the total state pool of nearly \$400 million dedicated to realignment activities. By contrast, San Bernardino County makes up 5.3% of California's total population, but accounts for 7.4% of the state's prison population; under the CSAC allocation, the county will receive 7.3% of state funds.

From the perspective of San Francisco (and counties like Alameda with similar proportional numbers), the allocation system punishes localities that have worked hard and invested significant resources in minimizing their impact on the state prison situation by funding in-custody jail programs, building robust probation departments, and creating effective human service networks. In so doing, they argue, they



have saved the state money, and are now being expected to take on large increases in workload without sufficient funding.

Of course, it's logical that counties receiving the greatest number of inmates will need funds immediately to reopen or create jail capacity in the midst of dire local budget situations. At the heart of the debate, however, is a tension between dedicating California's scarce resources to merely transfer the burden of overcrowding from the state to the local level versus restructuring the corrections and rehabilitation system in the state for long term sustainability.

Careful weighing of these priorities is crucial going forward, as state revenues continue to look sluggish despite somewhat sanguine initial projections for 2011–2012. An improved model for decentralizing state activities, both in public safety and in the prospective realignment of human service provision, will be central to maximizing policy effectiveness in the state's new fiscal environment. **G**

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from the desk of **Martha Chavez**



Martha Chavez is the Assistant Dean for Academic Affairs

WHEN PROSPECTIVE STUDENTS ASK ME, what kind of impact can one have as a student at GSPP? My answer is: *It's up to each student to decide.* From the moment they arrive at GSPP, we encourage students to become engaged in opportunities that will

maximize and enhance their educational experience. The opportunities available to students are vast and diverse. In addition to their rigorous academic coursework, many students elect to work with community-based organizations, school districts, government agencies, and non-profits. Others take on leadership positions within student government as members of the Graduate Assembly or even serve at the Student Regent level representing the entire University of California student body. Many GSPP students also lead GSPP

student clubs. The impact they can have in any of these arenas is transformative.

In spring of 2011, several *PolicyMatters Journal* (PMJ) members attended the 14th Annual Travers Conference on Ethics and Accountability sponsored by UC Berkeley's Department of Political Science. The conference included experts who discussed and provided strategies on how to deal with the California budget situation in four sectors that make up the largest part of the California budget: criminal justice (13%), higher education (14%),

health care (20%), and K-12 education (40%). The event inspired second-year MPP students — Danny Yost, PMJ's Editor-in-Chief, and Enrique Ruacho, PMJ's Business Manager — to think outside the box and leverage the Travers conference to build synergy between the Department of Political Science and Goldman School of Public Policy, and ultimately, to bring critical issues to the attention of California legislators and policymakers.

And so the idea of launching a "special edition" of the *PolicyMatters Journal* was

born. The students worked collaboratively with faculty to produce a special Fall edition of PMJ summarizing the discussions and findings of the Travers Conference. The PMJ team shared the special edition with key policymakers in Sacramento at a conference, which they hosted on Oct. 18, 2011 called, "Governing California: A Discussion at the Capitol." The conference included panel sessions on key issues and featured a keynote address by Speaker of the California State Assembly, John A. Pérez.

Following the conference, there were career development and networking opportunities for our students, concluding with an evening mixer to engage with GSPP alumni. PMJ's work not only brought critical public policy issues to the attention of folks that can make change happen; it also increased networking opportunities, built alumni relations, and strengthened GSPP's visibility in Sacramento. So if you want to have an impact in the world even as a student — the Goldman School of Public Policy is the place to be! **G**



alumni **Mark Hoffman**



IN 1964, MARK HOFFMAN (MPP '75) TRAVELED TO MALAWI as a Peace Corps volunteer. This past summer, he and his wife, Roberta, returned to that country to work with the Malawi Children's Village, an orphanage founded by three former Peace Corps volunteers. *Policy Notes* asked him to share a bit about his experience.

Why did you decide to return to Malawi?

In 1995, three Peace Corps volunteers who had served as teachers in the same years that I served returned to Malawi and saw firsthand the extent to which HIV and AIDS had ravaged the nation. With a total population of 12 million, Malawi had over a million orphaned children.

In response, they founded the Malawi Children's Village (MCV) to take care of orphans who came from villages that were within five kilometers of MCV. MCV feeds, educates and oversees the medical needs of the orphans. When the kids become 17, they are given vocational training in sewing, brick laying, carpentry, or auto repair.

Roberta and I decided to volunteer for a month. I have a business background, so I taught the older students about basic business practices while Roberta, a nurse, worked in the clinic.

What was most challenging about your time in Malawi? Most rewarding?

It was a challenge to live without the infrastructure we have become so dependent upon in the West—not just things like the internet and paved roads, but also electricity, fuel and clean water. For the Malawians, adequate nutrition depends upon adequate crop yields, which in turn, depends upon adequate rainfall. Procuring firewood or clean water may involve a 5-10 mile walk. Village life is tough and the lack of infrastructure made working on various projects incredibly challenging. Village funerals are all too frequent and the young are far too familiar with disease and death.

And yet progress is being made. For example, irrigation practices are being introduced by a young man who, fifteen years ago, walked into the Malawi Children's Village as a seven-year-old orphan and today has a degree in irrigation engineering.

Like people worldwide, the Malawians we met want good health and an education for their children. They want decent shelter and to overcome the horrors of HIV which has decimated much of a generation. It was an honor to work alongside them, even for a short time.

You've done a lot of different things in the 45 years since you were in the Peace Corps, including going to policy school. How did these experiences impact your perspective?

When I first joined the Peace Corps, I worked in an experimental project to help develop farm cooperatives and to train Malawians in the management of these groundnut and tobacco farms.

This time around, I was able to bring a policy perspective to complement the hands-on work. MCV is supported almost entirely through donations from the US. I met with the MCV director and a number of MCV board members to discuss how to create incentives that are more consistent with helping the orphans. We discussed the need for a local board of directors, how to create buy-in by the Malawians, and how to develop a strategic plan — all things that would be familiar to folks at the Goldman School.

The trip to Malawi was an extremely rewarding, challenging, and educational experience. I am now much more informed about the practices and pitfalls of development programs in general, and in Africa in particular, and am thankful for the friendships that we formed, both with the Malawians and with the other volunteers with whom we worked. **G**

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alumni **Why I am not a progressive**

By **Michael Genest** *MPP '80*

THE CALIFORNIA LEGISLATURE RECENTLY ENACTED a law requiring skiers under 18 to wear helmets. While I empathize with the parents of the injured teenaged skier who inspired this law, I would not have voted for it. Government has more important things to do.

Government is fundamental to the functioning of society; it has a monopoly on the legitimate use of force, which it uses to protect us from evils foreign and domestic; it has a duty to level the playing field for commerce; and, as we learn in policy school, it has a legitimate role in creating public goods and dealing with the noxious externalities that commerce sometimes creates.

But progressives threaten the government's ability to carry out these vital duties by adding to them assignments impossible to achieve such as "social justice," undoing global warming, or nursemaiding careless teenagers.

Progressive Utopian schemes are always done under cover of good intentions, which serve to convince emotional voters who ignore the wisdom of Adam Smith: "Virtue is more to be feared than vice because its excesses are not subject to the regulation of conscience."

Conservative political philosophy is not based on aversion to good intentions. Instead, its roots are grounded in a cautious epistemology that recognizes both the limitations of Man's capability to foresee and plan and the wisdom that has been given to us by our Maker or earned through the hard history of our species. Conservatives do not therefore blithely ignore the lessons of history, nor do we overturn established institutions just based on the conceit that we know a better way to run the railroad.

Yet American conservatives were as audacious as any progressive when "the course of human events" convinced them that it had become "necessary for one people to dissolve the political bands which have connected them to another." In establishing the greatest secular force for good in the history of the world, our forefathers relied on their religious conviction that Americans deserved to occupy the "equal station to which the laws of nature and of nature's God entitle them."

Four score and seven years later, the first Republican president cited the belief that our nation was "conceived in liberty, and dedicated to the proposition that all men are created equal" as he consecrated the battlefield that is still today the bloodiest on American soil. Like the Revolutionary War, the Civil War was not undertaken lightly, or without every effort to avoid it. But, the two wars also share a grounding in strong, traditional values.

So, American conservatives are skeptical of Utopian schemes, rooted in traditional values and not afraid to act with audacity when pushed to do so. But, there is one other character trait that marks us as conservative: a strong fear of too much government. Ironically, we can trace the origins of that fear to a man whom I regard as spiritual founder of the Democratic Party. Thomas Jefferson expressed it succinctly: "A government big enough to give you everything you want is big enough to take away everything you have."



So, if I strive (not always successfully) to be a conservative, where does all that leave me on the issues of the day?

On Social Security, I'm Clintonesque. "Mend it, don't end it." The Ponzi scheme must stop, but eliminating the program entirely is too radical a change from our history.

On taxation, I'm with President Obama's deficit reduction commission (too bad he isn't) and with John F. Kennedy, who said, "Our tax system still siphons out of the private economy too large a share of personal and business purchasing power and reduces the incentive for risk, investment and effort — thereby aborting our recoveries and stifling our national growth rate."

On President Obama's re-election, I believe we should heed FDR's advice: "It is common sense to take a method and try it. If it fails, admit it frankly and try another."

On ski helmet mandates and other frivolous actions by the California Legislature, I believe they need to concentrate on the important things that government can do, like balancing the budget. **G**

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Michael Genest served as Chief Deputy Director for Budget in the Department of Finance for Governor Arnold Schwarzenegger for four years. In 2010, he founded Capitol Matrix Consulting (capitolmatrixconsulting.com) which provides fiscal, economic and policy expertise to businesses, public interest groups and governmental groups as they interact with CA state and local governments.

event highlights



Senator Graham speaks with students

Senator Bob Graham

Last spring, former US Senator and Florida Governor Bob Graham addressed the UC Berkeley community on “Oil and Money: The Twin Crises of 2010 (and how public policy can protect our vital interests).” Last year, President Obama appointed Senator Graham as Co-Chair of the investigation of the BP Oil Spill and to the Financial Inquiry Commission.



Cal Day 2011

Panelists [from left] Professor Paul Pierson (Political Science); Richard “Dick” Beahrs (Trustee, UC Berkeley Foundation and panel moderator); Dean Henry E. Brady and the Honorable Roger E. Dickinson, Assemblymember, California State Assembly, 9th District addressed “Can Americans Be Civil and Work Together to Solve Public Problems?” at Cal Day 2011. The event was sponsored by the Cal Class of 1968, the Center on Civility & Democratic Engagement at the Goldman School of Public Policy and the Charles & Louise Travers Department of Political Science.

Jason Furman Visits GSPP

White House economics policy advisor Jason Furman visited the Goldman School in October to discuss President Obama’s jobs plan and the economy.



From left: Professor Will H. Dow, Professor Richard Scheffler, Professor Rucker Johnson, Professor David Cutler, Governor Jennifer Granholm, Professor Lee Friedman, Dean Henry E. Brady

Wildavsky Forum 2011

Professor David Cutler of Harvard University addressed “The Coming Transformation of American Medicine” at the 2011 Aaron Wildavsky Forum on Public Policy. Professor Cutler drew on public and private efforts to improve medical care quality and analyzed them in light of recent legislative developments. The forum is sponsored annually by the Goldman School and honors the memory of Aaron Wildavsky, GSPP’s founding dean.



Commencement 2011

Congresswoman Barbara Lee of California’s 9th District was the featured speaker at GSPP’s 2011 Commencement. Congratulations, Graduates!



From left: Professor Christina Romer, Professor Jesse Rothstein, Dean Henry E. Brady, Jason Furman

David R. Agrawal (MPP '07) was awarded the 2011 Peggy and Richard Musgrave Prize for his paper: "The Tax Gradient: Do Local Sales Taxes Reduce Tax Differentials at State Borders?". The award is for best paper by an author under the age of 40 at the 67th International Institute of Public Finance Congress.

Susan Blachman (MPP '79) continues to enjoy her part-time employment with the Environmental Finance Center, R9 at Dominican University of California focused on building green economies (www.efc9.org). She is getting used to the empty nest and increasing reliance on her bicycle.

Betsy Baum Block (MPP '06) started as Vice President of Evaluation and Insight at United Way of the Bay Area. It's an exciting time at the United Way, as it aims to cut poverty in half by 2020!

Joseph I. Castro (MPP '90) has been appointed as Interim Dean of the Graduate Division at the University of California, San Francisco. He also serves as Vice Chancellor of Student Academic Affairs. In June, Joe received an award from the Beijing Municipal Education Commission.

Melody (née Clark) Dryer (MPP '99) and David Dryer and their oldest son, Geoffrey, welcomed baby brother Logan to the family in May. Melody currently works as a Regional Liaison for the U.S. Department of Labor's Office of Federal Contract Compliance Programs in San Francisco.

Amiee Albertson Alden (MPP '02) and her husband, John, welcomed their new son, Sam, to the family. He joins big brother Erik, age 2.

Brian Pick (MPP '07) is starting his third year at DC Public Schools in a new position as the Deputy Chief Academic Officer for Curriculum and Instruction.

Claudia Colindres Johnson (MPP '92/MPH '92, JD '97, U of Penn) is presenting at the bi-annual Court Technology Conference sponsored by the National Center for State Courts (www.ctc2011.org). Claudia is presenting three times at the NLADA annual conference in December 2011 in DC (www.nlada.org).

Paul Perry (MPP '11, MS Ed '09, U of Penn) is a Doctor of Education Leadership (EdLD) candidate at Harvard's Graduate School of Education. The program accepts only 25 students each year, is fully funded, and seeks to create leaders who will transform the American education system.

Joe Radding (MPP '82) is now an adjunct faculty member in the School of Education at Drexel University. He has recently co-designed and taught online courses in a new education policy concentration for doctoral and master's degree students.

Greg Leventis (MPP '11), his wife Sarah Selvidge and daughter Eleni Leventis are moving to Mexico where he will be working with Lawrence Berkeley National Laboratory. Sarah will be conducting research for her history dissertation.

Michael Kobori (MPP '95), Vice-President for Social and Environmental Sustainability at Levi Strauss & Co., was recently elected Chairman of the Better Cotton Initiative. He has also proudly sent his daughters Anne (Sarah Lawrence) and Ellen (NYU) off to college.

Melissa Glenn Haber's (MPP '95) newest novel for ages 11 and up was recently released in paperback by Aladdin Books with a new title and a new cover. It's now called *Your Best Friend Meredith*. Please check it out!

Dan Goncher (MPP '08) was promoted to Principal Analyst at Harvey M. Rose Associates, a public sector management consulting firm based in San Francisco. He recently completed a performance audit of the San Bernardino Intl. Airport for the County's Grand Jury.

Bree Mawhorter (MPP '05) was recently nominated for a 2011 MFAC Public Managerial Excellence Award for her work in revamping the San Francisco Municipal Transportation Agency's accounting and inventory control system and streamlining the business processes related to accounting for fare media, cash fare, parking citation, and parking permit revenue collected by the Agency. This award recognizes and acknowledges exemplary job performance and leadership by San Francisco city employees.

In March, **Adam Van de Water** (MPP '01) accepted a new position in the City and County of San Francisco Office of Economic and Workforce Development as the Assistant Project Director for the 34th America's Cup.

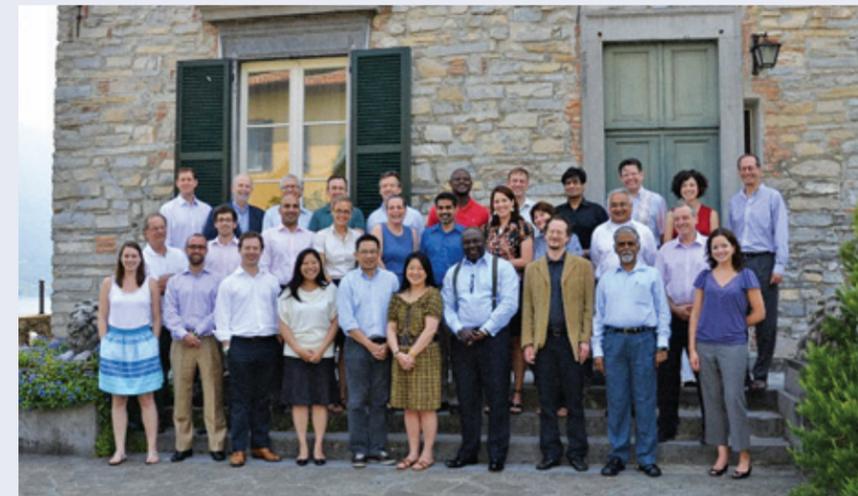
David Goldstein (MPP '95) recently spent a year consulting at the Council of Chief State Schools Officers (CCSSO) on the adoption and early implementation of the Common Core State Standards, also known as the Common Core. These standards for mathematics and language arts have been adopted by 45 states and are the basis for a new, modern set of assessments in development

now by two consortia (PARCC and SBAC) that will be ready by 2014. For the first time, most states will have 21st Century assessments aligned to curriculum for K-12. In June he began a new job as the Director of Policy Research and Development at the Data Quality Campaign, a bipartisan advocacy organization that promotes the development and use of state longitudinal data systems in order to provide data for analysis to permit school systems to examine their outcomes and to support continuous improvement based on rigorous review of the information their data provide.

Martha E. Ture (MPP '04) has begun research on her second book, *Brave Music*. It's a collection of chapters about musicians who, through no fault of their own, were thrown into parlous straits. Look for it in 2013.

David Latterman (MPP '02) is now the Associate Director of the Leo T. McCarthy Center for Public Service and the Common Good at the University of San Francisco. He is running the new Masters of Public Affairs Program, and helping develop its research program. He teaches students about regional politics and how it ties into advocacy and legislative efforts. This is his way of saying, yes, politics do matter. He is also still doing a bit of consulting on the side, mainly political work. He still lives in San Francisco with wife, Amie, and their two kids.

Rob Letzler (MPP '03, PhD '07) recently completed a 10 month detail to the Council on Environmental Quality where he worked on *A Policy Framework for the 21st Century Grid*.



What do you get when you put three GSPPP alumni to work at the same organization? In the case of Pacific Community Ventures (PCV), a Bay Area organization that develops and invests in California businesses to bring economic gains to low- and moderate-income areas, they got international acclaim after convening 30 global thought leaders in Bellagio, Italy to discuss impact investing and investment in under-served markets.

PCV Executive Director **Beth Sirull** (MPP '05), Director of InSight at PCV **Ben Thornley** (MPP '09) and Project Manager **Meredith Willa** (MPP '09) gathered policymakers, advocates and researchers from nine countries to the conference, "Putting Private Capital to Work for Public Good." Attendees discussed and explored ways that governments around the globe are encouraging (or discouraging) impact investments, or dual-purpose investing to achieve both financial and social or environmental returns. The group examined case studies from the United States, the United Kingdom, India, South Africa and Brazil. Funded by the Rockefeller Foundation under PCV's Global Impact Investing Policy Project, this international conference in the foothills of the Alps was designed to exchange ideas across disciplines and geographies on this emerging topic. "Impact investing" as a field has drawn significant policy attention in recent years, especially among those who care about the intersection of the private and public sectors and how partnerships between the two can be a greater force for positive change than either one alone.

Beth, Ben and Meredith are enjoying being at the forefront of this burgeoning field and continue to look for ways to promote impact investing on the international policy stage. You can reach them at bsirull@pcvmail.org, bthornley@pcvmail.org, and mwillla@pcvmail.org.

alumni board **Ways to Connect**

THE GOLDMAN SCHOOL OF PUBLIC POLICY ALUMNI Association Board of Directors welcomes two new members, Bonnie Berk (MPP '79) and Jackie Bender (MPP '11). Both bring important experience and perspectives to the board, Bonnie as a founder of a Seattle-based public policy consultancy and employer of policy talent, and Jackie, in her first post-graduate position in Oakland working in a policy arena that faces both budget challenges and sweeping change — health.

Re-elected to the board were Bill Hederman (MPP '74), Rob Letzler (MPP '03/PhD '07), and Stuart Drown (MPP '86).

Leaving the board are Christine Koronides, (MPP '07), who has been active in organizing alums in the Washington, D.C. area; and Beth Faraguna (MPP '06), who served not only as chair of the alumni activities committee, but as Secretary/Treasurer of the Board as well. The school, faculty, students and fellow alums have benefited from their leadership and the hours they've devoted to alumni activities.

The board had its first meeting of the year on October 1, and looks forward to helping GSPPP during the 2011–2012 school year. For more information about the board, visit: http://gspp.berkeley.edu/alumni/gspmaa_index.html or contact: gspmaa_chair@lists.berkeley.edu.

2011–12 GSPPP Alumni Association Board of Directors

Bonnie Berk (MPP '79)
Jackie Bender (MPP '11)
Stuart Drown (MPP '86)
Christine Frey (MPP '10)
Christian Griffith (MPP '97)
Bill Hederman (MPP '74)

John Hird (MPP '86/PhD '88)
Mark Hoffman (MPP '75)
Balasubramanian Iyer (MPP '00)
Deborah Kong (MPP '07)
Nathan Kuder (MPP '08)
Rob Letzler (MPP '03/PhD '07)

Christine Prince (MPP/MA-International & Area Studies '05)
Adam Van de Water (MPP '01)
Renee Willette (MPP '09)

GSPP Donors July 1, 2010 to June 30, 2011

silver society **Frank Neuhauser**

BY INCLUDING GSPP IN HIS ESTATE plans, Frank Neuhauser (MPP '93) joins GSPP's Silver Society. "My wife Anita and I are committed to the long-term success of the Goldman School," he says. "That success requires financial support for graduate students in an era where state support is eroding. We hope our contributions to GSPP will continue the School's effort to

draw students from a broad range of applicants who are dedicated to public policy and public service." **G**

Frank Neuhauser is the Executive Director of the Center for the Study of Social Insurance on the UC Berkeley campus.



Anita and Frank Neuhauser

from the desk of **Annette Doornbos**

GSPP's "High-Touch" Approach — What It Means to Alumni and Friends



Annette Doornbos is the Assistant Dean of External Relations and Development

"GSPP is a high-touch program. Professors and staff devote themselves to the students' experience. That's the GSPP signature and it is resource-intensive, and a key reason I support the school."

— Pamela Brown (MPP '91), Executive Director, Office of Planning and Analysis, University of California, Berkeley.

Pamela Brown, GSPP alumna and seasoned member of UC Berkeley's administrative leadership, recently met me for coffee. At the start, I thanked her for her recent very generous gift — her first — to the School. What motivated her to give at this time? I asked. Pamela has that



Pamela Brown (MPP '91), Executive Director, Office of Planning and Analysis

"force of nature" feeling about her — positive, engaged and incisive. She recounted her experience serving on the campus committee charged with facilitating GSPP's 2010 External Review. As she went over the School's data on how it allocates resources, she was struck by the commitment to offering a resource-intensive "high-touch" program that combines actual policy experience with constant faculty advising and mentoring. "With the experiential learning and ongoing faculty review and advice, I had the optimal career preparation," says Pamela. "Plus, I gained an instant support network of faculty and alumni up graduation. I know now just how expensive it is to run a program with those values. Making a gift felt like the best way to acknowledge what it did for me and to keep it going for others."

Since Pamela graduated in 1991, the GSPP experience has added even more new, high-touch dimensions, with a dozen student groups that further involve faculty and staff attention and facilitation. Against the backdrop of diminishing state resources, the Pamela Brown epiphany has never been more relevant.

Annette Doornbos
doornbos@berkeley.edu

GSPP's Student Services team & faculty support two dozen student groups.

Asian Americans & Pacific Islanders in Public Policy
Berkeley Common Cause
Berkeley Public Finance Club
Blacks in Public Policy
Criminal Justice Policy Group
Distance Running in Public Policy
Environmental Policy Group
Goldman Health Policy Group
Goldman Latina/o Speaker Series
GSPP Progressive Caucus
Interdisciplinary Graduate Student Committee on Youth Policy
International Public Policy Group
IT & Public Policy
Net Impact - Goldman
Policy at Work
Politics in Public Policy
Policy Wonks in Training
Queer Issues in Public Policy
Social Entrepreneurship Club in Public Policy
Students in Nutrition and Agriculture Policy
Students of Color in Public Policy
The Illustrious Policy Student Instructors
Very Social Policy
Women in Public Policy

Center for Environmental Public Policy (CEPP)

High-Speed Rail — Villain or Savior? CEPP Advances the Dialogue

AMID GROWING CONTROVERSY over the future of high-speed rail in California, the Center for Environmental Public Policy (CEPP), hosted the international conference, *Realizing the Vision of a High-speed Rail System in California: Connecting People While Fostering Prosperity, Smart Growth and Sustainability* in May of 2011. This forum addressed the intersection of public policy, transportation and urban planning from business, government and non-governmental sector perspectives.

While politicians in California and Washington DC hotly debate high-speed rail, little attention has been given to the deeper issues at stake in California. This conference provided a non-partisan platform to examine the development of a high-speed rail system and the potential benefits for California. Experts from around the globe and across the nation met for the two-day conference to discuss the potential impact of California's planned high-speed rail project on transportation policy, smart growth and local economic development. The event was co-chaired by the Goldman School's CEPP Director Blas Pérez Henríquez and Elizabeth Deakin, Professor of City and Regional Planning and Urban Design.

The conference featured keynote speeches from former Congressman James L. Oberstar and world-renowned urban planner and innovator Peter Calthorpe, who talked about the need for California and the nation to commit to high-speed rail. "If America is going to thrive economically and compete in a 21st Century global marketplace, we will need a robust national transportation system, and that system must include high-speed rail," he said. Calthorpe emphasized the benefits of a more sustainable, transit-oriented future for California — one that is anchored by a statewide High Speed Rail network.

High-speed rail would represent the largest investment in transportation infrastructure in the last five decades. With California's population estimated to reach between 50 to 70 million by 2050, high-



speed rail has the potential to become the green solution that meets California's inter-city mobility need. But its implementation must be cost-effective and maximize the potential economic and environmental benefits for California.

The six Conference panel sessions included leading policy, transportation and urban development thinkers such as Denis Doute of SNCF America, Albrecht Engel of AMTRAK, Roelof Van Ark of the California High Speed Rail Authority, and Sean Randolph of the Bay Area Council. Among the speakers and moderators from UC Berkeley were Samer Madanat, Director of

the Institute of Transportation Studies and Michael O'Hare and John Quigley of the Goldman School. For a complete list of participants, visit CEPP's website. CEPP's academic partner for this project was the Berkeley Institute of Urban and Regional Development (IURD). External co-sponsors were the San Francisco Planning and Urban Planning Research Association (SPUR) and TransForm which is led by GSPP Alumnus Stuart Cohen (MPP '97). This event was possible thanks to the generous financial support of SNCF America, a subsidiary of the *French National Railway Corporation*. **G**

For more information about the conference and to find out more about the CEPP Fall 2011 Seminar Series, please visit <http://gspp.berkeley.edu/programs/cepp.html>.

policy notes

FALL 2011

Policy Notes is published twice a year by UC Berkeley's Goldman School of Public Policy. Send questions or comments to Bora Reed, 510.642-7591, borareed@berkeley.edu

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Editor: Bora Reed

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Design and Layout: Matt Vanderzalm, Design Site

Executive and International Programs

By Blas Pérez Henríquez and Gan, Bai

The Goldman School's Executive and International Programs had a busy summer hosting four groups of visitors who came to Berkeley from all over the world. On May 22, we kicked off the summer by welcoming 27 senior government officials from Taiwan. A week later, our second training group arrived from Kazakhstan. In mid-June, we hosted 23 senior police officials, representing 15 provinces of China. The annual Berkeley Executive Seminar concluded this productive summer during the last week of July, bringing together local government leaders from throughout California.

2011 Senior Civil Servants Training Program, Central Personnel Administration – Taiwan R.O.C Policy Analysis and Public Management Leadership Program (May 23 – June 3)

This training program marked the first successful collaboration between the Goldman School's Executive and International Programs and the Central Personnel Administration of the government of Taiwan. The Taipei Economic and Cultural Office in San Francisco also played an important role in assisting the development of this relationship.

The Taiwan delegation was headed by the Vice Minister of the Coast Guard, and many of the delegation's 27 members were heads of a wide range of Taiwanese governmental agencies: the Directorate General of Highways, the Director of Taiwan's Youth Commission, an Army General of the Veterans Affairs Commission, the Deputy Director-General of Taiwan's Tourism Bureau, a Director of the Ministry of Education, the Vice Superintendent from the Department of Health, just to list a few.

Given the seniority and extensive experience of the participants, the summer 2011 program offered the most rigorous content that the Goldman School could provide in policy analysis, public management and leadership development. Instruction



Taiwan program graduation

was provided by senior Goldman faculty including Dean Henry Brady, Prof. Michael Nacht, Prof. John Ellwood, Prof. Steven Raphael, Prof. Jane Mauldon and Prof. Michael O'Hare. Along with the Goldman faculty, additional sessions were taught by instructors from other UC Berkeley departments, including Journalism, City Planning, Public Health, Law, Business and the School of Information. State and Federal officials gave additional presentations. The curriculum was jointly developed by EIP and the client agency. It covered many policy areas and cutting edge research by Goldman faculty including labor policy, political institutions, healthcare reform, energy and climate change, cyber security policy and much more.

Executive Training for the Academy of Public Administration under the President of Kazakhstan Berkeley Law & Policy Program (May 28 – June 3)

This program was the second of its kind, following the successful 2010 collaboration between the Goldman School and the government of Kazakhstan. Eight Master of Law students from Kazakhstan came to GSPP to study American political institutions, legal systems and other specific legal fields including financial law, land and property law, environmental regulation and criminal justice. The curriculum was designed by Prof. Sean Farhang with additional instruction from GSPP faculty members including Dean Henry Brady, Prof. Robert MacCoun, Dr. Larry Rosenthal, as well as senior faculty members from Berkeley Law, including Prof. Dan Farber and Prof. David Sklansky.

Ministry of Public Security of China Comparative Public Security Policy: Best Practices in American Policy Management (June 20 – 23)

EIP first offered training for China's Ministry of Public Security in 2010. This summer, the ministry sent a second delegation of 23 senior police officials from the central government and more than 15 provincial governments of China. The focus of the program was police supervision and policies related to regulating police conduct. Most of the participants were the heads of the internal affairs divisions within their own departments. The curriculum presented research on the effectiveness of various police supervision mechanisms, police practitioners' experiences in carrying out internal affairs investigations in the US and the role of public prosecutors. Instruction was provided not only by Berkeley faculty, but also by police chiefs, internal affairs officers, district attorneys and by officials representing the citizens' police review boards from nearby municipalities. Class discussions were often intense, but the interactive pedagogical approach dissolved any hierarchical barriers. Towards the end of the program, students were much bolder about expressing their own opinions, even when they differed from the official views of the lead delegate.

Berkeley Executive Seminar, A Leadership Development Program for Local Government Officials Strategic Management of Public Organizations (July 24 – 29)



Michael Genest addresses BES

This year's Berkeley Executive Seminar (BES) marked the 10th anniversary of this program. The Goldman School has been able to continue to promote excellence in local government management and leadership through the BES program, thanks to the generosity of both the public and private organizations that have continued to support the program, even during tough economic times. This year's 24 participants were from both the city and county governments of various parts of California, including city managers, county administrators, public work directors, fire chiefs, HR directors and other key leaders of their communities. There were also two foreign local government officials from Italy.

Each year BES adds new topics that reflect current issues in local government management, while continuing to cover core training topics: policy analysis, strategic management, leadership, ethics, public budgeting, negotiations and federal policies' effect on local government. This year's new topics included "A Conservative View on California's Budget Crisis" by Michael Genest (MPP '80), the former California Finance Director and Goldman School alumnus; "SB375, Local Government and Climate Change" by Environmental and Urban Design Professor Betty Deakin; as well as a BES 10th anniversary keynote speech by Prof. Robert Reich on "The Next Economy and America's Future." Many Goldman School professors taught in this year's BES program, including Prof. Eugene Bardach, Prof. John Ellwood, Prof. Michael Nacht and Prof. Michael O'Hare. The academic views were then balanced by additional instruction provided by experienced public sector practitioners. **G**

Budget Problem Cont'd. from page 7

increase the regulatory power of the national government. At this point, the charge of rationing will emerge.

Will This Work?

As indicated, there is general agreement that the ACA will increase the percentage of Americans with health insurance. There is also wide agreement — based on the experience of other countries that have reformed their health care sectors — that once this occurs, health care costs will explode.

The United States traditionally has attempted to use market forces to increase efficiency as a way to control or lower costs. This is rarely the case in other countries. It is not the case that other countries have always relied on a national health system (as in the United Kingdom) or a single payer system (as in Canada) to control costs. But it is the case that in every other country that has seriously controlled costs, the regulatory power of the State has increased and been used. Thus, Germany and Switzerland do not

have single payer or a national health insurance systems — but they do have a highly regulated health care sector.

What is rarely discussed is the fact that the US health care sector now accounts for over 16 percent of GDP (and some estimates have the figure as high as 18 percent of GDP). In one study of why the US system is so much more expensive than that those of other large industrial countries, several scholars have pointed to "the prices" — namely that almost everyone — doctors, nurses, technicians, etc — in the US system makes more money than they would in the health care systems of other OECD countries.

From a political perspective it is unlikely that these individuals will give up their "good life" without a fight. Some economists, such as last year's Aaron Wildavsky lecturer David Cutler, believe that market forces will force a change. But this has yet to happen.

So eventually we are likely to have a fight between market and political forces. **G**

Goldman School of Public Policy

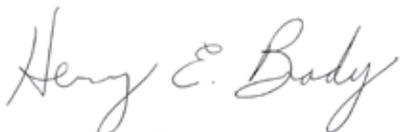
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Dean's Message Cont'd. from p. 2

If we can get social policy right, then we can improve America's competitiveness, create more jobs, solve our budgetary problems, and care for the elderly, the needy, and the young. The Goldman School is contributing in many ways to meet this challenge. At the same time, the School has always imbued in its students a healthy skepticism about the limits of governmental action, and it is fitting that our graduate Michael Genest, former head of California's Department of Finance, reminds us in his editorial, "Why I am Not a Progressive" about the limits of social policy and governmental action.



Henry E. Brady
Dean, Goldman School of Public Policy
Class of 1941 Monroe Deutsch Professor
of Political Science and Public Policy

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