

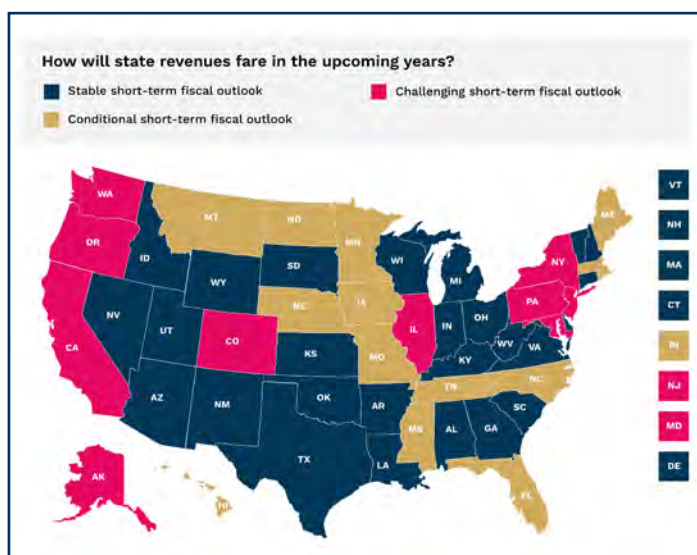


Legislative Roundtable

Corina Mulder
SPF Consultant

The session led by Corina Mulder focused on state legislative achievements and challenges, with particular attention to states' fiscal conditions following the most recent legislative sessions. Senators from each of the states represented commented on their state's fiscal health.

- Fiscal overview: Ms. Mulder shared June data from MultiState showing that:
 - 26 states are in a positive or stable fiscal position.
 - 14 states are in a conditional fiscal situation.
 - 10 states are facing significant fiscal challenges.
 - Despite varying revenue outlooks, most states currently have record-high rainy day funds and reserves, providing a buffer against budget pressures.



Source: MultiState collection of state revenue estimates. Data as of June 2026.

DISCUSSION



Senator Rod Bray (Senate President Pro Tempore, Indiana) reported on the state's strong financial outlook noting that improved revenues had eased some budget concerns. He highlighted efforts to improve childcare affordability

by balancing quality standards with expanded access through partnerships with employers and nonprofits. The state is also focused on controlling rising Medicaid costs, which have grown to a larger share of the budget.



Senator Bill Ferguson (President of the Senate, Maryland) described a challenging fiscal outlook driven by structural budget deficits, rising energy costs, and uncertainty from changes in federal funding. He noted that

lawmakers delayed major fiscal decisions during the election-year session. Maryland is also reviewing its 10-year education reform plan, known as the Blueprint, as future costs shift increasingly to the state's general fund.

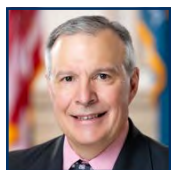


Senator Lonnie Paxton (Senate President Pro Tempore, Oklahoma) identified education reform as the session's most significant achievement. The state responded to concerns about low education rankings by increasing

required classroom instruction days, limiting reliance on virtual learning, and restoring evidence-based literacy practices such as phonics and the science of reading. Oklahoma plans to develop a long-term education strategy with the new state superintendent.

continued

Before discussing policy, Ms. Mulder recognized Senator David Sokola's retirement after 36 years in the Delaware General Assembly and thanked him for his long record of public service.



Senator David Sokola (Senate President Pro Tempore, Delaware)

said Delaware's most significant achievement this session was taking the first major step toward reforming the state's school funding system. For

decades, the state has relied on a "unit funding" model that allocates staff positions rather than funding based on student needs. Through Senate Bills 302 and 303, the state began transitioning to a needs-based funding approach, backed by additional budget support to implement the changes. He also addressed concerns about Delaware's corporate franchise system, though the state's position remains strong. The state continues to benefit from more than 230 years of corporate case law, which remains a significant competitive advantage.



Senator Bobby Joe Champion (President of the Senate, Minnesota)

The state's immediate financial position remains strong despite a conditional short-term fiscal outlook and structural imbalance. The state maintains a \$3.65

billion rainy day fund, with a policy of replenishing it whenever reserves fall below that level. The state's fiscal uncertainty is largely driven by tensions with the federal government, including funding delays, additional oversight, and the possibility of withheld federal dollars. As federal support becomes less certain, the state has had to backfill funding for priorities such as education and health care. The state will continue to support those services, but cannot replace every federal dollar.



Senator Amy Sinclair (President of the Senate, Iowa) discussed fiscal adjustments related to declining agricultural revenues, Medicaid costs, and recent tax reforms. Iowa relied on reserves during the transition, focused

on property tax reform, invested in water quality and agriculture initiatives, supported children's cancer research, and began exploring economic opportunities related to recently discovered hydrogen resources.



Senator John Arch (Speaker of the Legislature, Nebraska) highlighted responsible budgeting, tax reform adjustments, and property tax relief efforts. The state addressed a growing budget shortfall through spending

reductions, cash fund transfers, and use of reserves. He emphasized that the challenge resulted from revenue reductions following tax cuts rather than economic weakness and said future efforts will focus on structural property tax reform.



Senator Rick Kloos (Senate Majority Whip, Kansas) described efforts to manage budget pressures while improving government efficiency and supporting essential services. Kansas reduced its projected deficit through

spending cuts and tapping its \$2 billion rainy day fund, created a government efficiency committee, expanded support for programs such as Meals on Wheels, and pursued housing and regulatory reforms to encourage economic growth. Additionally, the school funding formula is being adjusted.



Senator Monique Limón (Senate President Pro Tempore, California)

explained that the state's fiscal pressures are largely tied to federal funding uncertainty, including potential impacts from HR1 cuts. California

advanced an \$11.25 billion veterans and affordable housing bond measure for voter approval, addressed a projected \$10 billion structural deficit through budget reforms, and is sending to the voters the Save for California's Future Act, which would boost reserves from 10% to 20% and protect school funding. The state also restructured its Managed Care Organization tax.



Senator Ron Kouchi (President of the Senate, Hawai'i)

reported an improvement from a negative fiscal outlook to a conditional status by maintaining reserves, preserving tax relief, and managing external pressures,

especially federal funding challenges and impacts from federal DEI-related restrictions. Hawaii protected income tax reductions for 90% of residents while increasing rates for higher earners, maintained a roughly 10% rainy day fund, addressed federal policy impacts, and continued prioritizing affordable housing and workforce retention.

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Senator Dean Kirby (*Senate President Pro Tempore, Mississippi*) described strong revenues, tax reductions, education improvements, and economic growth. Mississippi reduced income, sales, and grocery taxes while

increasing the gas tax for transportation. He highlighted record surpluses, manufacturing growth, and improved education rankings supported by teacher pay increases and continued K-12 investment.



Senator Cindy O’Laughlin (*Senate President Pro Tempore, Missouri*) emphasized the need for greater accountability in budgeting and raised concerns about the long-term effects of federal spending patterns. She

advocated for performance-based budgeting to better evaluate programs and costs while highlighting efforts to improve energy infrastructure and prepare for future fiscal challenges.



Senator Thomas Pressly (*Vice Chair, Senate Labor & Industrial Relations Committee, Louisiana*) described the state’s economic progress through education reform, tax changes, occupational licensing reform, and

public safety initiatives. Louisiana reduced personal and corporate income taxes, eliminated the franchise tax, and focused on attracting investment and jobs. He said disciplined budgeting improved the state’s fiscal position while noting concerns about future federal health care changes. He said lawmakers followed the Mississippi model to improve their education rankings.



Senator Stuart Adams (*President of the Senate, Utah*) highlighted the state’s strong fiscal position, continued income tax reductions, and investments in infrastructure. Utah used additional revenue to support federal tax changes

and reduce income taxes for the sixth consecutive year. He emphasized energy development, data centers, artificial intelligence, and critical minerals as important components of the state’s future economy.



Senator Cathy Kipp (*Senate President Pro Tempore, Colorado*) outlined significant fiscal challenges tied to the state’s Taxpayer’s Bill of Rights (TABOR), which limits revenue growth and tax increases. She cited recurring significant

budget gaps, reduced reserves, and federal funding uncertainty as ongoing concerns, along with affordability challenges involving housing, childcare, insurance, Medicaid, education, and infrastructure.



Senator Kesha Ram Hinsdale (*Senate Majority Leader, Vermont*) discussed the challenges of managing a small tax base while addressing affordability concerns. Vermont adopted a vacancy and second-home tax to support

housing needs, expanded childcare funding through a payroll tax, and avoided major budget conflicts. She also highlighted challenges related to declining enrollment and maintaining rural schools.



Senator Hanna Gallo (*Senate President Pro Tempore, Rhode Island*) highlighted investments in Medicaid coverage, health care workforce development, and a proposed University of Rhode Island medical

school. The state fully funded education, reviewed its school funding formula, supported preschool expansion, and invested in oversight efforts to address fraud concerns.



Senator Nicholas Scutari (*President of the Senate, New Jersey*) reported that the state balanced a \$60.7 billion budget while maintaining a \$7 billion surplus. He noted challenges from federal spending reductions and costs

associated with hosting major sporting events but said New Jersey has reduced deficit spending and remains financially stronger.



Senator Gary Stevens (*President of the Senate, Alaska*) mentioned the fiscal implications of a special session focused on a proposed natural gas pipeline project. He said Alaska’s

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fiscal structure depends heavily on oil revenues and its Permanent Fund. He highlighted a budget change that shifts school energy costs to the state rather than local education allocations, reducing pressure on school districts.



Senator Bo Watson (*Chair, Senate Finance, Ways & Means Committee, Tennessee*)

said the state is conservatively managed and remains fiscally disciplined, with declining spending due in part to the expiration

of federal pandemic-era funds. Tennessee continues to maintain low debt levels, invest in roads and bridges, and prioritize long-term stability. Policymakers aim to make Tennessee the gateway to the deep South.



Senator TJ Shope (*Senate President Pro Tempore, Arizona*)

highlighted bipartisan budgeting under divided government and identified tax conformity as the session's major accomplishment. He also noted

continued attention to Medicaid costs, SNAP administration, and other federal program issues.



Senator James Manning (*Senate President Pro Tempore, Oregon*)

said the state revenue forecast is flat and decoupling from the federal tax code is an effort to keep more resources within the state, especially to support health

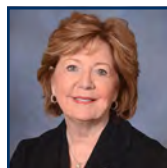
care and nutrition assistance programs. He identified wildfire recovery and disputes over federal disaster funding as major ongoing challenges.



Senator Dan Innis (*Chair, Senate Commerce Committee, New Hampshire*)

emphasized housing affordability, regulatory reform, and fiscal discipline. The state reduced barriers to housing development,

restored agency funding after stronger-than-expected business tax revenues, and maintained opposition to adopting a broad income or sales tax.



Senator Marilyn Dondero Loop (*Senate President Pro Tempore, Nevada*)

said the state remains stable but vulnerable because of its reliance on tourism and gaming revenues. She highlighted growth in mining, lithium,

and other industries while emphasizing education and workforce development efforts.



Senator Charles Schwertner (*Chair, Senate Business and Commerce Committee, Texas*)

described Texas as economically strong, citing AAA credit ratings, a \$28.5 billion Economic Stabilization Fund, significant property

tax reductions, and continued business growth. He emphasized future investments in infrastructure, water, energy, artificial intelligence, and maintaining a business-friendly climate.



Senator Matt Regier (*Senate President, Montana*)

challenged MultiState's "conditional" ranking and said that the state should be considered fiscally stable, citing recent tax cuts, expanded reserve funds, and

approximately \$1.5 billion in reserves on a \$10 billion annual budget. He argued Montana's financial position supports a stronger fiscal classification.



The Middle East

Steven Cook, PhD

Council on Foreign Relations

Dr. Cook described the Middle East as a region facing multiple overlapping conflicts, including tensions between Morocco and Algeria, instability in Libya and Syria, a humanitarian crisis in Sudan, divisions in Iraq, and rivalries among Gulf states. He emphasized that the Israel-Hamas war following the October 7, 2023, attack has become the central regional conflict, with broader implications involving Iran and its network of proxy groups.

He explained that Israel's strategy after the October 7 attack shifted from deterrence to attempting a broader regional transformation. Israel has significantly weakened Hamas in Gaza, reduced Hezbollah's capabilities in Lebanon, and pressured Iranian-backed militias across the region. However, the Dr. Cook argued that Israel's military successes have not yet translated into lasting strategic gains, particularly in achieving regional stability or political agreements.

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Regarding Lebanon, Dr. Cook highlighted ongoing negotiations between Israel and the Lebanese government aimed at demilitarizing southern Lebanon and moving toward a peace agreement. He noted that both governments appear interested in ending the conflict, but Hezbollah remains the central obstacle because it retains military capabilities and refuses to disarm. The challenge is converting Israel's battlefield gains into a durable agreement that removes Hezbollah's threat.

Dr. Cook also focused on the strategic importance of the Strait of Hormuz, arguing that disruptions to freedom of navigation have created significant economic consequences. He said Iran has leveraged its geographic position to pressure global shipping, contributing to

higher energy costs. While the United States has sought to maintain maritime access, the current situation has shifted from unrestricted shipping to a more constrained and uncertain environment.



On Iran, Dr. Cook argued that U.S. and Israeli assumptions underestimated the resilience of the Iranian regime. He said Iran's leadership structure extends beyond individual figures and is supported by deeply embedded ideological networks capable of enduring military pressure. He suggested that potential domestic unrest in Iran remains an important uncertainty, as public opposition to the regime could reemerge despite government repression.

Looking ahead, Dr. Cook said progress between Israel and Lebanon could represent a significant positive development, but warned that Iran may respond by increasing instability elsewhere, including around the Strait of Hormuz. He emphasized that conflicts across the region are interconnected, meaning progress in one area could trigger increased tensions in another.

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DISCUSSION



Senator Gary Stevens (President of the Senate, Alaska): I'm concerned about the safety of U.S. naval forces in the region. How vulnerable are U.S. forces to a major attack or the loss of a significant military asset? And what are the consequences for a broader escalation?



Dr. Cook: Protecting U.S. interests and maintaining freedom of navigation is a core mission of the U.S. Navy, even when operating in dangerous environments. Iran is believed to possess advanced Chinese-made anti-ship missiles, which creates significant risks for American vessels in the Strait of Hormuz. This threat is one reason the U.S. Navy has focused on providing navigation guidance to commercial ships rather than directly escorting them through the strait.

Eliminating the missile threat from Iran would require a much more aggressive military operation, including the use of ground forces to seize and hold key Iranian coastal positions and islands where those weapons could be deployed. While the United States has the military capability to conduct such an operation, it would involve significant risks, including American casualties. True naval freedom of movement through the Strait of Hormuz would require neutralizing the locations from which Iran could launch attacks.

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Senator Charles Schwertner (Chair, Senate Business and Commerce Committee, Texas): The conflict originally centered not only on regional security issues but also on concerns about Iran's uranium enrichment activities, which

Israel views as an existential threat. What is the current status of Iran's nuclear program?

Dr. Cook: The situation remains unclear. After the U.S. military operation known as Operation Midnight Hammer in June 2025, officials said Iran's nuclear program

had been significantly delayed. However, following months of intense conflict and renewed strikes targeting Iran's nuclear infrastructure, the United States and Iran have now returned to discussions about possible negotiations over Iran's enrichment activities.

Iran's ballistic missile program is a more immediate security threat than its nuclear enrichment activities. Iran may avoid meaningful nuclear negotiations unless missile restrictions are included in future agreements.

Iran could become one of the world's largest ballistic missile powers within a decade, threatening not only Israel but also Gulf states such as the UAE, Saudi Arabia, Qatar, and Bahrain. While current missile defenses can intercept limited attacks, a large-scale launch of hundreds of missiles could overwhelm those systems. The current U.S.-Iran Memorandum of Understanding does not address Iran's missile capabilities, which is a major unresolved security concern.



Senator Bobby Joe Champion (President of the Senate, Minnesota): What about the global implications of Iran's reported attack on Qatar's natural gas infrastructure, which disrupted helium production? Qatar supplies a significant

share of the world's helium, a critical resource for semiconductor manufacturing, space technology, and medical imaging, and there is concern that disruptions to energy and resource supplies could create additional economic pressure points for the global economy.

Dr. Cook: The Iran conflict is creating broader global risks beyond immediate military concerns, with potential disruptions to critical resources such as helium, fertilizer, and energy supplies. Gulf countries are pursuing different strategies to reduce their vulnerability to chokepoints.

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The UAE plans to expand port capacity on its eastern coast, while Saudi Arabia is developing westward pipelines to bypass the Strait of Hormuz, though those routes

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remain vulnerable to disruptions such as Houthi attacks near the Bab el-Mandeb Strait and instability affecting the Suez Canal. Countries such as Qatar, Bahrain, Iraq, and Kuwait remain highly exposed because of their dependence on limited export routes. These secondary and long-term effects create complex global economic challenges with no easy solution.



Senator James Manning (Senate President Pro Tempore, Oregon):

We've heard reports that Russia may have provided Iran with strategic information and that Iranian retaliation has included targeting facilities where U.S. personnel

are stationed. I'm concerned about the risks faced by American troops deployed in a hostile region. Is there evidence of intelligence sharing between Russia, Iran, or other regional actors that could increase those risks?

Dr. Cook: Iran used the period after Operation Midnight Hammer in June 2025 to prepare for renewed conflict, learning from its earlier failures and expanding its targets beyond Israel to U.S. allies and military bases in the region. Russia provided satellite imagery to help Iran target U.S. forces in Bahrain, Qatar, the UAE, and Saudi Arabia, while China assisted with rebuilding Iran's air defense systems.

The Strait of Hormuz and regional stability remain important U.S. interests because of global energy flows and access to critical resources. The United States has chosen to protect these global interests by maintaining a military presence and supporting freedom of navigation.



Senator Thomas Pressly (Vice Chair, Senate Labor and Industrial Relations Committee, Louisiana):

Is China's support for Iran, including oil storage and military assistance, connected to broader U.S.-China competition in the

Pacific, particularly regarding Taiwan? How does the deployment of significant U.S. naval forces to the Middle East affect American strategic priorities in Asia?

Dr. Cook: China has helped Iran rebuild its air defenses, but the drones attacking regional targets and shipping are domestically produced by Iran. U.S. naval deployments are globally distributed, with forces in the Middle East serving missions such as protecting freedom of navigation.

China is watching how the United States responds to challenges like the Strait of Hormuz because of parallels

with the Taiwan Strait. By helping Iran maintain pressure in the Middle East, China may benefit from keeping U.S. military resources focused there rather than in East Asia. However, China is unlikely to replace the United States as the primary security provider in the region.



Senator Bill Ferguson (President of the Senate, Maryland): What about the broader consequences of the conflict, including the indirect impact of oil price changes on states and economies?

What about NATO's potential role and what type of escalation could transform the current, largely contained conflicts into a much broader international crisis?

Dr. Cook: The conflict remains primarily regional but has global implications because of the involvement of major powers. NATO is unlikely to intervene in the Middle East because of internal divisions and limited European military capacity.

This conflict is already part of a broader global competition: Russia has supported Iran with intelligence, China benefits from U.S. attention being focused on the Middle East, and regional partners are reconsidering their reliance on U.S. weapons systems. Countries such as the UAE and Saudi Arabia are looking at alternative technologies, including systems developed by Ukraine, as they reassess their security needs.



Speaker John Arch (Speaker of the Legislature, Nebraska): What about Israel's domestic political situation, considering that Prime Minister Benjamin Netanyahu's governing coalition appears increasingly unstable? How

does shifting political dynamics inside Israel affect the broader conflict and related policy decisions?

Dr. Cook: Israel's current government became the first in nearly four decades to complete a full term, despite overseeing the country's worst security failure. Elections are scheduled for October 27, and while Prime Minister Netanyahu remains a highly skilled political survivor, current coalition numbers do not give him a clear path to a majority.

Any new government would likely maintain similar positions on Gaza, Lebanon, and Iran, though there could be significant differences on West Bank policies and settlement issues. A change in leadership would likely bring a shift in tone, particularly in relations with Washington, but not a major change in Israel's core security policies.

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Senator Stuart Adams (*President of the Senate, Utah*): What would you do about the situation with Iran? What is your prediction for the outcome?

Dr. Cook: U.S. strategy should focus on aligning goals with available resources. The 2015 nuclear agreement was based on the assumption that Iran's government might change its behavior, but that assumption proved incorrect. However, military action alone is also risky and does not guarantee success.

An effective policy would focus on containing and deterring Iran, using diplomacy and targeted military action when necessary while recognizing that long-term change ultimately depends on the Iranian people. Effective strategy requires clearly defining U.S. interests, understanding available resources, and pursuing realistic objectives.



Senator Charles Schwertner (*Chair, Senate Business and Commerce Committee, Texas*): The United States is the world's largest oil producer, while Russia and Saudi Arabia produce less. Iran and China appear to be suffering

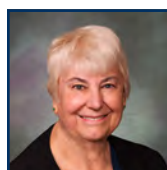
greater economic consequences from the conflict than the United States. Despite warnings that a shutdown of the Strait of Hormuz could send oil prices to \$200 or more per barrel, prices have remained relatively moderate. Why hasn't the United States maintained a blockade or a sustained pressure campaign to impose greater costs on the Iranian regime and potentially force a change in behavior?

Dr. Cook: Disarming, disabling, and diminishing Iran is a legitimate policy goal, but using the Strait of Hormuz as a long-term pressure tool would have broader consequences.

Oil markets are influenced not only by available supply but also by market reactions and psychology. While the United States could absorb higher energy costs due to its wealth and production capacity, a prolonged blockade would create global instability, raising costs for countries

such as India, Egypt, and the Philippines, which could ultimately affect the United States' security interests.

A "forever blockade" would be counterproductive because Iran has shown it is willing to endure hardship and impose costs on others. Iran is not comparable to weaker adversaries, and without a willingness to commit ground forces the United States would struggle to achieve decisive results. China's advance preparation—especially its stockpiling of energy supplies—has left it better positioned to withstand market disruptions.



Senator Cathy Kipp (*Senate President Pro Tempore, Colorado*): What is the current mood of the Iranian people?

Before the war, there were widespread protests and significant frustration with the regime. Has the conflict shifted public opinion more against the United States, or do many

Iranians still want political change?

Dr. Cook: The honest answer is that we don't know. Before the war, there was clear frustration and widespread protests in Iran, but the government has since restricted information and limited internet access, making it difficult to gauge public sentiment. It's unclear whether the conflict has increased support for the regime, turned people further against the United States, or simply pushed dissent underground. The possibility of future unrest or regime change cannot be ruled out, but there is not enough reliable information to know the current mood of the Iranian people.



Senator Bill Ferguson (*President of the Senate, Maryland*): Are the Iranians paying attention to the United States midterms?

Dr. Cook: Absolutely. Iranian leadership is closely watching U.S. politics and media, including outlets like CNN, Fox News, and MSNBC. Because the United States is an open society, the Iranians have a better understanding of our political dynamics than we have of theirs, given Iran's more closed system.



Montana Miracle – Housing Reform

Chris Dorrington

Director of the Montana Department of Transportation

Montana's Housing Initiative: Building Bipartisan Support and Increasing Supply

In 2022, Montana's governor, Greg Gianforte, appointed Mr. Dorrington, then the Department of Environmental Quality director, to lead a statewide Housing Task Force. The goal was to develop a strategy to address the shortage of affordable, attainable workforce housing through collaboration, measurable outcomes, and bipartisan action.

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The Housing Challenge

Montana's housing crisis accelerated during COVID as remote workers moved to the state, increasing demand while supply remained limited. Key trends included:

- Average home prices rose from \$239,000 to \$428,000 between 2018 and 2023.
- Montana's population grew about 9% from 2010–2020, outpacing housing growth.
- Home values increased 66% between 2020 and 2024.
- Rental vacancy rates declined from 5.7% to 4.4%, contributing to affordability pressures and homelessness.
- Regulatory costs were also a major factor, with studies estimating regulations contributed significantly to rising construction costs.

Strategy: Incremental Reform, Not a Perfect Solution

The 27-member Housing Task Force was a broad coalition that included developers and builders, banks and business groups, legislators from both parties, representatives from cities, counties, and state agencies, and policy experts. The process emphasized shared ownership rather than individual agendas, public transparency and input, early identification of disagreements, and the inclusion of dissenting opinions in the final recommendations. The task force leader stressed that disagreements should occur early and openly so legislators understood the challenges before housing bills reached the legislative floor.

The task force focused on increasing housing supply by encouraging higher-density development rather than continued suburban sprawl, improving state and local approval processes, reducing regulatory barriers, and expanding workforce housing opportunities. Its objective was not to solve every housing challenge, but to make meaningful, measurable improvements that would increase the availability of housing across the state. The task force focused on improving market conditions rather than creating government-funded housing programs alone.

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The task force's recommendations became the foundation for major housing reforms enacted in 2023. The legislation allowed duplexes in single-family residential zones, legalized accessory dwelling units (ADUs) by right, and permitted more multifamily and mixed-use housing in commercial areas. It also required communities to develop long-term growth plans rather than debating individual housing projects one at a time. This planning-based approach helped reduce delays and prevent individual developments from being repeatedly stalled or defeated through local opposition.

The 2023 Legislative Foundation

- **SB 323 (Duplex Legalization):** Compels municipalities with more than 5,000 residents to permit duplexes in all single-family residential zones.
- **SB 528 (Accessory Dwelling Units):** Mandates the "by-right" construction of accessory dwelling units (ADUs), such as garage apartments or backyard flats, statewide.
- **SB 245 (Commercial Mixed-Use):** Overrides local codes to legalize multifamily and mixed-use apartment buildings in standard commercial zones.
- **SB 382 (Montana Land Use Planning Act):** Radically streamlines the local development process. It front-loads public feedback to the high-level drafting of comprehensive master plans, legally preventing localized "Not In My Backyard" (NIMBY) opposition from derailing individual housing projects later on.

The coalition continued its work after the initial legislation and developed additional reforms that were enacted in 2025. These included reducing parking mandates to lower construction costs, modernizing building codes to allow greater density through taller buildings and single-stair designs, limiting excessive development fees, and investing in water and sewer infrastructure to make higher-density housing projects more financially feasible.

Key Lesson

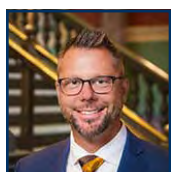
The central lesson was that successful housing reform requires:

1. A focused goal.
2. A broad coalition.
3. Strong executive leadership.
4. Transparency and early engagement.
5. Incremental improvements rather than waiting for a perfect solution.

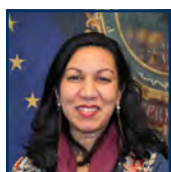
DISCUSSION



Senator Bill Ferguson (President of the Senate, Maryland): On the infrastructure question, how did you prioritize and choose which projects were selected to receive public dollars?



Mr. Dorrington: Communities that planned ahead, identified growth needs, and had developers and builders ready to move forward were prioritized for funding. This approach recognized that development timelines are sensitive—projects can collapse if financing deadlines are missed or approvals are delayed. With limited resources available, the state focused on communities with strong plans and used a first-come, first-served approach to allocate funds.



Senator Kesha Ram Hinsdale (Senate Majority Leader, Vermont): Previously, I chaired the Housing and Economic Development Committee, and we passed three landmark bills addressing

many of the same issues: municipal zoning, state planning and zoning, and infrastructure investment. We were trying to address all of those pieces together.

What I want to emphasize to my colleagues is that your governor's decision to appoint someone with experience in both environmental regulation and transportation to lead the housing effort was a major advantage. That alignment may be one of our biggest challenges. We have had situations where we had FEMA trailers available but nowhere to place them because of conflicting requirements. We have environmental regulators and housing advocates working at cross purposes.

How did you bring state government agencies into alignment through this process? In our case, the challenge doesn't seem to be the legislature as much as coordinating state agencies. We are also a rural state, where transportation is a critical part of the housing conversation, but it often isn't included.

Mr. Dorrington: Transportation remains one of the most expensive parts of development. Communities must

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consider access to highways, infrastructure needs, and the broader impacts of transportation investments.

A major factor in Montana's success was the Gianforte administration's focus on improving state agencies rather than maintaining the status quo. The administration brought in leaders focused on organizational improvement, efficiency, and effectiveness while maintaining important protections, especially environmental safeguards.

Because agency leaders shared a common goal of improving government operations, they were able to collaborate across departments. Instead of agencies working in isolation, directors could work together to resolve conflicts and align priorities.

The effort also succeeded because it was a partnership between the executive and legislative branches. Although the governor appointed the task force leader, legislators were included from the beginning. The four legislative members worked with their parties, committees, and colleagues to build support and help ensure the final package had legislative backing when introduced.

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Stakeholder engagement was also intentional. Rather than allowing interest groups to fight over legislation after it was drafted, key stakeholders were brought into the process early. While not everyone could sit on the 27-member task force, outside groups were encouraged to participate through members they already knew and trusted.

Most legislation took effect in July, while the growth planning requirements under Senate Bill 382 gave local governments until May 2026 to complete their planning process. Some provisions faced legal challenges, resulting in temporary injunctions while courts reviewed the legislation.



Senator Cathy Kipp (Senate President Pro Tempore, Colorado): We attempted a large omnibus housing bill, but it failed largely because it was driven by the governor's team without enough stakeholder and legislative input early

in the process. Since then, we've been able to move forward with several individual pieces. How did you approach limiting development impact fees, and how did you structure the investment in water and sewer infrastructure? I would think local impact fees would be extremely contentious among your local jurisdictions.

Mr. Dorrington: Large omnibus bills are often not the best approach. Even if they contain many strong ideas, opposition to one part can cause the entire package to fail. In 2023 and 2025, Montana instead separated the proposals into multiple bills. That allowed individual reforms to move forward even if one or two faced challenges.

For infrastructure investments, the state prioritized communities that had already done the planning work. Many had completed studies, zoning decisions, community engagement, and even design work but lacked the funding to move forward.

Those communities could apply through a grant program. Funding was awarded on a first-come, first-served basis to projects that had:

- A clear growth plan.
- Appropriate zoning in place.
- Developer and builder readiness.
- Community support.
- Completed designs.
- Reliable cost estimates.

The goal was to invest in projects that were ready to succeed and could quickly expand housing capacity.

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We saw communities struggling to approve subdivisions quickly and efficiently. They asked for solutions, but often rejected specific reforms. The message became: you can't ask the state to help solve the problem while refusing every tool needed to address it.

Impact fees were extremely contentious with local governments, and they still are. But the state stepped in because communities were asking for help building more housing while existing processes were slowing development. Costs for infrastructure like water, wastewater, roads, sidewalks, and ADA improvements were making projects financially unviable. Developers were reaching the point where they would rather invest in another state.

Montana also has limited revenue sources for infrastructure because it lacks a sales tax. Local governments

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relied heavily on impact fees, but those fees became so high they began preventing new housing development. The goal was to create a more balanced approach that allowed communities to fund infrastructure without making housing impossible to build.



Sean Conner (Senior Manager, Government Affairs, Lowe's Home Improvement): Can you describe the public meeting process? It seemed like opponents of development often used those meetings as a strategy to delay

projects, and it sounds like your approach addressed that effectively.

Mr. Dorrington: We reduced unnecessary multi-agency reviews by allowing local approvals to count as state approvals for certain projects below a defined threshold. That streamlined the process while maintaining standards. Technology can help further by automating routine reviews, such as water and wastewater design, lot layouts, and transportation access.

Through public meetings, we built input into every stage. The overall task force held public meetings, and each subgroup included opportunities for public comment.

There were certainly opponents who raised concerns, but the expectation was that criticism had to come with a solution. If someone objected to a proposal, I asked, "What would you do instead?" That shifted the discussion from simply opposing development to finding ways to meet the shared goal of increasing housing supply. It didn't reduce public participation—it made it more productive.



Senator Rod Bray (Senate President Pro Tempore, Indiana): We worked on a housing bill last session and made two mistakes you warned against: we combined too many ideas into one omnibus bill, and we introduced it too late—

essentially in December for a January session instead of building support months in advance. Two things seem critical for passing complex legislation: early engagement and breaking issues into manageable pieces.

Two things seem critical for passing complex legislation: early engagement and breaking issues into manageable pieces.

One major debate was over parking requirements. Many argued that reducing mandates would create problems. You suggested the market would determine the right amount of parking. Has there been enough time to evaluate the impact of that change? Have you seen any issues, or has it worked as expected?

Mr. Dorrington: There will always be some developers who push things too far—building a large project with no parking, for example, is unlikely to work. But the opposite extreme, where excessive parking requirements make housing unaffordable, also doesn't work.

The goal is finding the right balance. Local governments should still have a role in reviewing proposals and stepping in when a project's design is clearly impractical, while avoiding rigid requirements that unnecessarily increase housing costs.



Senator Stuart Adams (President of the Senate, Utah): Can you explain more about your pre-zoning approach? Is the idea that communities approve certain areas for development in advance, so individual projects don't

face the same opposition each time they come forward? Is this essentially a form of blanket zoning or pre-approved development areas?

Mr. Dorrington: Some areas still have no zoning, but for municipalities we required a 10-year growth plan, updated every five years.

The public's opportunity to weigh in came during the planning process, when communities identified growth areas and planned zoning types. Once that plan was approved, a development proposal that followed the established plan would not reopen the same debate project by project. The goal was to move public input earlier in the process and provide more certainty for development.



AI/Data Centers

Kat Duffy

Council on Foreign Relations

Artificial Intelligence (AI) policy is crowded with hype and conflicting claims, making independent analysis difficult, Ms. Duffy noted. She emphasized that her research is funded by an endowment and public-interest philanthropy—not companies or governments—allowing for neutral, academically independent information and advice.

Drawing on 25 years of technology policy experience, Ms. Duffy argued that generative AI differs from past technology trends like blockchain, the metaverse, and the Internet of Things. While surrounded by hype, AI represents a genuinely transformative technology receiving unprecedented global attention.

AI represents a genuinely transformative technology receiving unprecedented global attention.

State and Global AI Challenges

States face many of the same AI challenges as national governments, including impacts on law enforcement, education, utilities, water, and infrastructure. The main difference is that national governments also address national security issues. States can therefore learn from international AI governance efforts. Ms. Duffy described AI as “everything, everywhere, all at once,” with implications across nearly every area of government.

State AI Legislation Landscape

While NCSL is tracking more than 1,600 AI-related proposals, Ms. Duffy said many involve studies, commissions, or research rather than major policy changes. Only a few hundred bills represent significant legislative action, and the landscape continues to evolve quickly.

Key State policy issues include:

- AI chatbots and consumer protections.
- Child safety.
- Misinformation.
- Liability for AI-related harms.
- Automated decision-making.
- Data center impacts.

Ms. Duffy added that broad federal preemption of state AI laws is unlikely, with Congress more likely to pursue narrow, issue-specific approaches.

Data Centers: Infrastructure and Community Impacts

Data centers are emerging as a major challenge due to their demands on electricity, water, and infrastructure. AI-related data centers used nearly 5% of U.S. electricity in 2024, with projections reaching 12–15% by 2030. Cooling needs and infrastructure expansion are also growing concerns.

Data centers are emerging as a major challenge due to their demands on electricity, water, and infrastructure.

Communities are raising questions about:

- Tax incentives and public costs.
- Transparency and nondisclosure agreements.
- Environmental impacts and siting decisions.
- Whether projects provide lasting economic benefits.

While construction can create temporary jobs and strain housing and services, permanent employment is often

continued

limited, with typical data centers employing roughly 50–100 workers after completion.

Future AI Infrastructure and Governance

According to Ms. Duffy, there is currently no established best practice for governing AI infrastructure, leaving many communities uncertain about proposed projects. AI infrastructure is shifting from training large models to running applications through “inference.” Although this may require smaller, more distributed data centers, overall electricity demand is expected to continue increasing.

Emerging Issues: Agentic AI and Legal Responsibility

Ms. Duffy highlighted the rise of agentic AI—autonomous systems capable of taking actions such as making purchases, booking travel, or interacting with other systems. As these tools become more autonomous, states will face questions about accountability and liability when AI acts without direct human direction.

Debates over AI legal status, including concepts like AI rights and legal personhood, could intensify within the next 18 months. Because states oversee corporate incorporation, a single state recognizing AI entities could have broad implications for contracts, taxation, and liability.

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Lessons from Other Governments

Ms. Duffy encouraged states to learn from other examples, including Utah’s AI regulatory sandbox and Singapore’s AI testing and verification framework.

She concluded that states are well positioned to collaborate on AI governance through existing networks, similar to how they have coordinated policies in areas such as medical licensing and commercial law. A national AI framework, she argued, may emerge more effectively through state cooperation to develop a fabric of governance than through broad federal legislation.

DISCUSSION



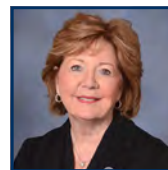
Senator Charles Schwertner
(Chair, Senate Business and Commerce Committee, Texas):

Abilene, Texas has become a major hub for data center development, with three large facilities currently under construction. These include Stargate, an Oracle-backed project, a second Oracle data center located about 10 miles away and a Google data center approximately 15 miles away near Stanford.

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Rapid growth of data centers is creating significant community impacts, including concerns about workforce needs, rising property values, cultural changes, and increased demands on electricity and water infrastructure.

The rapid growth of data centers is creating significant community impacts, including concerns about workforce needs, rising property values, cultural changes, and increased demands on electricity and water infrastructure. He described Stargate as particularly impressive in scale, noting that its planned build-out could require approximately 5.4 gigawatts of electricity, an amount that could exceed the power consumption of some states.



Marilyn Dondero Loop (Senate President Pro Tempore, Nevada)

asked how states should determine the appropriate number and scale of data centers to allow in their communities.

She noted that Nevada already has major data center operations, including Switch, and that similar growth pressures are emerging in other states.

She questioned whether there is a roadmap or framework for evaluating proposals when multiple companies

continued

seek to locate facilities in the same area. While recognizing that data centers are increasingly necessary, she emphasized the need to balance economic development with community impacts—particularly in states like Nevada where water resources are limited.



Ms. Duffy: There is currently no standard rule of thumb for determining how many data centers a state should have based on population, geography, or other factors. States are effectively navigating this issue without a clear roadmap.

The right approach depends on the role a state wants to play in the AI ecosystem. For example:

- States focused on AI research, startups, and smaller models may need smaller, more distributed, less energy-intensive data centers.
- States seeking to become major AI infrastructure hubs may pursue large-scale facilities similar to those being developed in Texas.

Each state will need to develop its own strategy based on economic goals, resources, and infrastructure capacity. States with limited water resources, such as Nevada and Arizona, must make water availability and water rights central considerations when planning future data center development.



Senator Kesha Ram Hinsdale (Senate Majority Leader, Vermont) raised concerns about the role of AI in children's lives, particularly its potential impact on youth mental health. Referencing earlier discussions about K–12 education,

she questioned whether expanding AI use in schools is always necessary or beneficial.

She expressed skepticism based on previous technology trends in education, where schools were encouraged to rapidly adopt devices and digital tools before fully understanding their effects. Vermont is examining approaches taken in places such as Utah and the Los Angeles Unified School District regarding AI use in schools.

The Senator described efforts to introduce a pause on AI chatbots, particularly relational chatbots designed to interact socially with users. She said policymakers struggled with terminology and definitions, making it difficult to regulate emerging technologies. She questioned arguments that students “need” AI tools immediately, noting that many of these technologies are still new and that educators and policymakers are still learning about their impacts. She argued that policymakers need more

time to evaluate AI's role in education and youth development rather than assuming widespread adoption is automatically beneficial.

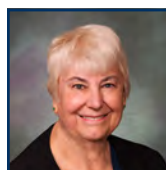
Ms. Duffy: The rise of AI in K–12 education is occurring at the same time that research is questioning the benefits of heavy technology use in classrooms. Studies have found limited educational gains from many existing education technology tools, leading some schools to reconsider device-intensive learning models.

AI use in schools and large-scale AI infrastructure are separate issues. Basic AI tools used in classrooms require far less computing power and would not drive the need for major data centers.

For K–12 policy, states should focus on core educational goals, standards, and consumer protections. Because AI applications will spread quickly and vary widely, much of the responsibility for oversight may fall under consumer protection frameworks.

There is currently no proven model showing that introducing AI into classrooms consistently improves outcomes. While AI may eventually deliver significant benefits in some areas, the technology is still too new to know where those benefits will emerge. Given the uncertainty, states should proceed cautiously while continuing to evaluate the impacts of AI in education.

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Senator Cathy Kipp (Senate President Pro Tempore, Colorado): Senator Kipp raised concerns about the environmental impacts of data centers, arguing that their effects extend beyond proximity to power plants. She noted that many data

centers rely on diesel generators and, in some cases, behind-the-meter gas turbines to provide additional power during peak demand. These systems can create air pollution, noise, and additional carbon emissions. She argued that policymakers should consider the full range of environmental and community impacts created by data centers themselves, not just the effects of the power facilities that supply them.

She emphasized that these impacts are particularly concerning in Colorado, where communities are already

continued

facing climate-related challenges, including drought and wildfires. Senator Kipp also highlighted other local impacts, including:

- **Noise pollution:** The constant low-frequency hum from data centers can increase ambient noise levels in nearby communities and create health concerns.
- **Heat impacts:** Large data centers can contribute to localized heat increases, creating heat island effects in surrounding areas.

Ms. Duffy: Data center impacts depend not only on power sources but also on how facilities are operated. Memphis as an example where inadequate permitting for turbine-based power generation contributed to excessive emissions.

There also are challenges with noise regulation because data centers create a constant low-level hum that existing ordinances often do not address; however, ongoing innovations in cooling technology offer some solutions. States should work with developers to adopt the latest, most efficient approaches and plan for future upgrades.



Senator Nicholas Scutari (President of the Senate, New Jersey) asked about two issues: the connection between data centers and AI performance, and the benefits and drawbacks of attracting data centers.

He questioned why states should want data centers when many residents oppose them. He noted that New Jersey had previously offered tax incentives to attract data centers but has since stopped, with policymakers concluding that companies may locate there without additional financial incentives due to the state's population density and market advantages. He asked states that have embraced data center growth, such as Texas, to explain the potential benefits and why they view these facilities as valuable.

Why should states invite data centers while many residents oppose them?

– Sen. Nicholas Scutari, NJ

Ms. Duffy: States pursuing advanced technology and economic growth may view data centers as essential to staying competitive. Some states are also using data center investments as public-private partnerships to

upgrade power grids and attract broader infrastructure improvements.

She emphasized that the need for large data centers depends on a state's strategy. States seeking to host major AI infrastructure or supercomputers may benefit from them, while others may not need large facilities.

Places like Northern Virginia have strong reasons to attract data centers because of existing technology and national security infrastructure. Ultimately, the value of data centers depends on a state's industries, economic goals, and whether businesses require high levels of AI computing power. For example, advanced pharmaceutical research may need significant AI capacity, while corporate offices with limited AI workloads may not.



Senator James Manning (Senate President Pro Tempore, Oregon) said his state has been grappling with data center growth, particularly concerns about the cost of generating the electricity needed to power these facilities and the potential impact on ratepayers.

He noted that Oregon has developed approaches to ensure data centers are responsible for their own energy costs, contrasting Oregon's situation with Texas, where independent power generation provides more flexibility than states operating within larger regional power grids. He expressed caution about expanding data centers, citing concerns about electricity demand, grid impacts, and other community challenges.

Ms. Duffy: Until recently, there was not a strong connection between data centers and higher electricity rates. However, the rapid growth in data center power demand, combined with limited transparency, has increased public concern.

While data centers may contribute to rising energy costs, rate increases are also driven by many other factors. Greater transparency, reporting, and public education are needed to help consumers understand what is actually driving higher utility bills.



Senator Chris Karr (Senate President Pro Tempore, South Dakota) asked about the future of data center technology, including the possibility of building data centers in space. He questioned whether the concept is science fiction

or a realistic next step as companies continue to push beyond today's large, energy-intensive facilities. He asked

continued

what the next major evolution in data center design might be if space-based facilities do not become practical.

Ms. Duffy: There is growing interest in both space-based and underwater data centers, largely because of potential cooling advantages. Space-based data centers would raise complex governance issues. Space regulation has historically been shaped by international law, similar to rules governing the oceans, with existing debates focused on satellites, low-Earth orbit, connectivity, and nuclear issues.

As data centers expand into space, new international policy challenges are likely to emerge. While investment in the technology will continue, major questions remain, including whether it can overcome technical challenges such as latency and data transmission speeds.



Senator Bobby Joe Champion
(President of the Senate, Minnesota)

asked about efforts to ensure communities benefit from data center development, particularly since many facilities are located in lower-income or environ-

mentally challenged areas. The question focused on whether communities are negotiating community-first agreements with data center companies, such as requirements for local investment, protections for ratepayers, or infrastructure benefits.

The Senator also asked about potential solutions to reduce impacts and share benefits, including:

- Capturing waste heat for district heating systems.
- Sharing excess power through microgrids.
- Ensuring communities receive tangible benefits when hosting large data centers.

The question highlighted the need for data center development to provide local value rather than placing the costs primarily on nearby residents.

Ms. Duffy: The strongest trend so far has been a push for greater transparency in how data centers are developed. Many municipalities are moving away from relying on non-disclosure agreements (NDAs) and requiring more public access to contracts, reviews, and project details for proposed data centers.

Communities with limited political power often face the greatest impacts, creating a cycle where marginalized areas have fewer resources to advocate for them-

selves. Greater community engagement and outside support will likely become increasingly important as these issues receive more attention.

Many municipalities are requiring more public access to contracts, reviews, and project details for proposed data centers.

However, the country is still in the early stages of addressing data center impacts. While concerns are becoming clearer, there are fewer established solutions. States and local governments should share best practices and learn from each other.

The federal government's traditional role in coordinating information and bringing stakeholders together has weakened, creating a need for states and communities to develop their own networks for sharing strategies and solutions.



Senator Rod Bray (Senate President Pro Tempore, Indiana)

said his state is working to attract data centers while facing strong public criticism. He emphasized that his concerns are not about opposing technology, but about

understanding how to manage its impacts.

He raised questions about the possibility of AI systems becoming legal entities capable of incorporating themselves. He asked whether this is an emerging issue policymakers need to address now or something that has already begun.

Ms. Duffy: I support a three-year federal moratorium on granting legal personhood to AI agents while policymakers study the implications of agentic AI.

Allowing AI systems to become legal entities could create new liability challenges, especially because U.S. companies already have legal personhood and many disputes are resolved through courts rather than regulation.

A key concern is accountability: if an AI agent takes actions on someone's behalf—such as making purchases or bookings—it may become unclear who is responsible when something goes wrong: the user, the company, or the AI provider. Policymakers need to establish clear rules for liability and legal authority before these systems become widely deployed.



Youth Mental Health

Jenny Radesky, MD

American Academy of Pediatrics

Dr. Radesky, a developmental behavioral pediatrician and University of Michigan researcher, discussed technology and youth through the lens of child development, parenting, and mental health. She also serves as a medical advisor for youth AI safety research and has worked on technology-related consumer protection issues at the FDA and Federal Trade Commission.

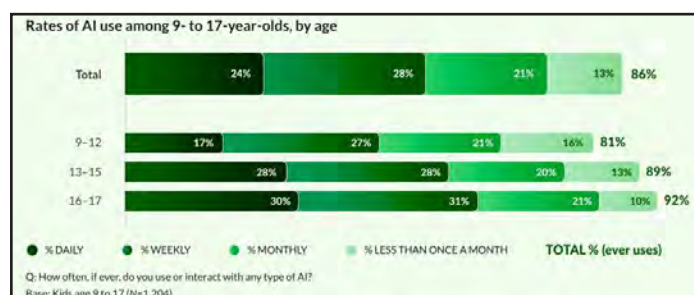
She emphasized that policymakers should approach youth technology issues with both caution and optimism, recognizing the risks while supporting healthy development and innovation. She noted that today's teenagers are growing up with technologies far beyond what previous generations experienced, requiring adults to better understand the pressures and opportunities young people face.

She highlighted youth mental health trends of concern:

- About 40% of high school students report persistent sadness or hopelessness.
- Suicide risk among teens has increased significantly.
- About 77% of high school students do not get enough sleep.
- Many teens feel unable to disconnect from technology, with studies showing high rates of compulsive social media and phone use.

AI is already widely used by teens, particularly for schoolwork. While it offers educational benefits, she warned about its use for personal advice and health questions, citing concerns about privacy, overreliance, and fewer opportunities to seek guidance from trusted adults. Early research suggests possible AI dependence, with about 20% of teens saying it would be difficult to stop using AI for a month.

She emphasized that children and adolescents are developmentally different from adults. Younger children may view AI as human-like, while teens may trust its



answers too readily. Heavy reliance on AI could interfere with identity development, relationships, problem-solving, resilience, and the “productive struggle” that is an essential part of growing up.

Dr. Radesky argued that lasting improvements require changes to technology design, not just advice to families. She identified key policy priorities: safer online spaces, stronger privacy protections, limits on targeted advertising to minors, reduced use of addictive design features, healthier recommendation algorithms, safer AI chatbots, and effective school phone policies.

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She supported private-by-default accounts for minors, privacy-preserving age verification, and stronger safeguards against online exploitation, including AI-generated deepfakes and financial sextortion. She also

continued

warned that targeted advertising can exploit adolescents' developmental vulnerabilities by promoting gambling, extreme dieting, or AI companion services.

To reduce compulsive use, she recommended giving users greater control over platform features, offering chronological rather than engagement-driven feeds, and conducting independent safety audits of recommendation algorithms. For AI chatbots, she advocated stronger privacy protections, safety testing, and limits on human-like design that encourages emotional attachment.

Dr. Radesky cited University of Michigan research showing that school cellphone restrictions increased student well-being, reduced phone use, and improved teacher satisfaction, although they did not significantly affect test scores, attendance, or cyberbullying.

In closing, Dr. Radesky argued that technology should be designed to help children thrive rather than simply maximize engagement. There should be guardrails around tech design, but helping kids be smart about how and whom they're interacting with online is absolutely crucial. Alongside better technology, young people need strong relationships, community activities, and digital literacy to navigate an increasingly AI-driven world.

Technology should be designed to help children thrive rather than simply maximize engagement.

DISCUSSION



Senator James Manning (Senate President Pro Tempore, Oregon) shared a personal story about the impact of school cellphone policies. He said research links student phone use to bullying, suicide attempts, and other mental

health concerns. He noted that Oregon now prohibits cellphone use during class and said schools have seen greater participation in sports, music, and other activities, along with improved attendance.



Dr. Radesky: Online bullying can be especially damaging because it often happens in public. Teens who are mocked, excluded, or called hurtful names may experience intense feelings of rejection at a stage of life when peer acceptance is

especially important. Public humiliation can deepen emotional distress and, for some young people, contribute to a downward spiral.

Social media is a common factor in many adolescent mental health crises, yet psychiatric programs often lack effective strategies for addressing its role in treatment. At the same time, simply taking phones away is not the answer. Teens need healthy ways to stay socially connected while also building meaningful relationships offline.

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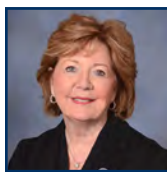


Senator Bill Ferguson (President of the Senate, Maryland) has a 13-year-old son and an 11-year-old daughter, and had expected AI to make them believe false information more easily. Instead, he has observed the opposite: his children increasingly assume that everything online is fake.

So the truth crisis is hard because we want kids to still believe or have the discernment to know, "Well, that's nonsense," or, "How do I figure out if this is real?"

Dr. Radesky: Common Sense Media is developing an AI literacy curriculum to help students evaluate AI-generated information and verify sources. (<https://www.common sense media.org>) Many teens have a conflicted relationship with AI. They are skeptical of its accuracy but feel pressured to use it because their peers do and they fear falling behind academically.

Parents and educators should talk openly with teens about their AI use. Those conversations can help young people develop critical thinking, trust their own judgment, and use AI as a tool rather than simply accepting its answers.



Senator Marilyn Dondro Loop (Senate President Pro Tempore, Nevada):

The state now prohibits cellphone use in all public schools, with districts responsible for implementing progressive discipline for violations.

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Speaking as an educator, mother, and grandmother, she said the key is to make phone-free schools the norm. When every student follows the same rule, children are less likely to feel they are missing out because their peers have phones.

She also observed that coaches and extracurricular leaders routinely require students to put their phones away during practices, games, and activities. She believes these consistent expectations help young people become comfortable being fully present without their devices.

Dr. Radesky: School cellphone policies can do more than change behavior—they can help change culture. When no students have phones during the school day, the fear of missing out diminishes, making it easier for everyone to stay engaged without constant distractions. Many parents worry about being unable to reach their

children during emergencies, particularly school shootings. However, schools now have emergency communication systems and trained staff, and students are safest when they focus on teachers' instructions rather than their phones.

School cellphone policies can do more than change behavior—they can help change culture.

Schools should address parents' concerns by holding information sessions to explain emergency procedures and communication plans. Helping parents feel heard and reassured can build support for phone-free school policies while maintaining student safety.



Lessons Shared by an Olympian

Picabo Street

Olympic Medalist

Ms. Street began by applauding the Senate Presidents' Forum participants for working across party lines, noting that courage is essential to effective leadership. Drawing on observations from the recent Winter Olympics in Cortina, she said top athletes succeed by accepting the pressure of major competition rather than denying it. They focus on the task at hand instead of on their nerves. Returning to proven fundamentals helped them block distractions, stay composed, and perform at their best. Preparation, she said, replaces anxiety with confidence.

Turning to leadership, she described the evolution of her relationships with coaches—from directive instruction to genuine collaboration. The best coaches took time to understand what motivated, challenged, and inspired each athlete, creating an environment where honest communication could flourish. She stressed that great coaching evolves from giving instructions to building trust. Coaches who understand what motivates, challenges, and inspires each athlete create an environment where honest communication and peak performance can flourish. Leaders should do the same by listening carefully, especially to younger team members, and creating workplaces where people feel safe to contribute ideas.

Coaches who understand what motivates, challenges, and inspires each athlete create an environment where honest communication and peak performance can flourish. Leaders should do the same.

She encouraged leaders to create similarly safe environments for employees. Listening carefully, especially to younger team members, helps people feel valued and encourages them to contribute ideas with confidence and courage.

She also emphasized the power of teamwork. By reviewing race videos together and learning from one another's strengths and weaknesses, athletes improved collectively rather than competing as individuals. She said shared success proved more rewarding than individual victories.

She illustrated these principles with two races. In Åre, Sweden, a coach gave her an unconventional race plan and a single instruction—"Execute." Focusing on that plan eliminated her anxiety, helped her ski the best jump of her career, and led to a decisive victory.

At the 1998 Nagano Olympics, although the Super-Giant Slalom was not her strongest event, her coaches and teammates convinced her she could win. Even after breaking her helmet just before the race, she stayed composed, her technician repaired it with duct tape, and she won Olympic gold by one-hundredth of a second—the narrowest margin in Olympic alpine skiing history.

She concluded that extraordinary success comes from mastering the basics, staying present, and relying on years of preparation. Reflecting on life after competition, she said parenthood has been even more challenging than winning an Olympic gold medal. While athletic experience gave her valuable tools, raising four sons has required learning entirely new ones. Despite the challenges, she described parenting as the most rewarding experience of her life.

She concluded that no one can fully prepare for extraordinary success. The best approach is to master the fundamentals, stay present, enjoy the journey, and rely on the skills developed through years of practice.

Extraordinary success comes from mastering the basics, staying present, and relying on years of preparation.

continued

DISCUSSION



Senator Bill Ferguson (President of the Senate, Maryland): What do athletes do when they retire? How did you transition from winning gold medals to the next phase of your career?



Ms. Street: Preparing for life after sports is just as important as preparing for competition. She encouraged athletes to pursue education, develop interests outside athletics, and begin planning early for their next chapter.

She described founding programs that help athletes complete their education and transition into new careers, emphasizing that purpose and connection are essential after retirement. She described the online academy she founded, which allows athletes to complete coursework at their own pace, especially during injuries, while ensuring they truly master the material.

She also helped launch Athletes Elevated, a program that supports athletes as they transition to new careers. The program connects them with education, professional opportunities, and philanthropy, helping them discover a new sense of purpose beyond competition. Her central message was that retirement should be viewed not as the end of an athletic career, but as the beginning of a meaningful new one.

Retirement should be viewed not as the end of an athletic career, but as the beginning of a meaningful new one.



Dr. Steven Cook (Senior Fellow, Council on Foreign Relations): I can imagine one of the scariest moments was having devastating injuries and trying to get back. So what was your process? How did you think about this? How did you get yourself motivated? You could have easily walked away after winning gold, right?

Ms. Street: recovering from a devastating injury required courage, patience, and support. For the first time in her career, she experienced real fear. Rather than trying to overcome it all at once, she focused on one small step at a time, relying on her family, medical team, sports psychologists, and other injured athletes.

Returning to skiing was emotionally difficult. She was terrified before her first run, but by returning to the basics and rebuilding gradually, she regained her confidence. She emphasized that recovery is a slow process built on persistence rather than speed.

She also described her pre-race routine, which centered on consistency. Music, positive self-talk, visualization, breathing exercises, and a personal note from her ski technician helped her stay calm and focused before every race.

Ms. Street reflected on memorable encounters with people such as Nelson Mandela, whom she admired for his humility and resilience, and Snoop Dogg, whom she taught to ski during the Olympics. She described Snoop as kind, genuine, and willing to trust others despite his inexperience.

Finally, she shared a lesson from the U.S. women's hockey coach: effective leadership depends on understanding individual motivations. Some athletes need humility, while others need encouragement and confidence. Great coaches adapt their approach to help each person perform at their best.

Great coaches adapt their approach to help each person perform at their best.