

BUSINESS CLIMATE CHAPTER

This chapter looks at the perception and reality of a city and state's overall business environment. Surveys of business leaders and site selection consultants, whose task it is to identify the best places to locate companies, are found throughout the chapter. These perception-based rankings are balanced by ratings grounded in objective facts, such as the number of company headquarters located in an area, as well as the size and number of company expansions occurring in a community over a specified period of time.

The compiled rankings come from leading business and finance organizations, including the Federal Reserve Bank of Chicago, U.S. Chamber of Commerce, and *Forbes*, *Fortune*, and *Inc.* magazines.

Among the officials interviewed and quoted in this chapter are, in alphabetical order:

Didi Abi-Arrage, Principal,
Global Location Strategies, Fluor Corporation

Ken Baxter, Vice President,
CB&I Howe-Baker Process & Technology

Gene DePrez, Americas Leader,
Global Location Strategies, IBM Business Consulting Services

Dora Dominguez, President & CEO,
Greater Las Cruces Chamber of Commerce

William P. Foley, II, Chairman & CEO,
Fidelity National Financial

Mark Jaffe, President & CEO,
Greater New York Chamber of Commerce

Larry Johnston, Chairman & CEO,
Albertsons

Thomas Klier, Senior Economist,
Federal Reserve Bank of Chicago

Bruce Leising, Vice President,
Intel

Dan Malachuk, Senior Managing Director,
CB Richard Ellis Consulting

Laura Miller, Mayor,
City of Dallas

Stacey J. Mobley, General Counsel,
DuPont

Rick Perry, Governor,
State of Texas

Robert Pittman, Senior Principal,
Lockwood Greene

Lisa Rickard, President,
Institute for Legal Reform, U.S. Chamber of Commerce

Jonathan Snyder, CEO,
KeyOn Communications

Kirk Spitzer, President & CEO,
Alfa Laval

Bill Taylor, President & CEO,
Mercedes-Benz U.S. International

William Testa, Vice President & Senior Economist,
Federal Reserve Bank of Chicago

Dagnia Zeidlickis, Senior Manager,
Strategic Relocation & Expansion Services, KPMG

EDUCATION CHAPTER

This chapter investigates the conditions of state educational systems. Rankings are organized into two categories, K-12 and Higher Education. K-12 ratings take into account scores of measures on educational accountability systems, teacher quality, adequacy of educational resources, test quality, and student achievement. Higher Education rankings look at preparation and affordability issues, as well as commitment of state resources to higher education institutions.

The compiled rankings come from many of the nation's best education research organizations, including the National Education Association, The Princeton Review, and the National Center for Public Policy and Higher Education.

Among the officials interviewed and quoted in this chapter are, in alphabetical order:

John Bailey, Director,
Office of Educational Technology, U.S. Department of Education

Patrick M. Callan, President,
National Center for Public Policy & Higher Education

Doug D. Christensen, Commissioner,
Department of Education, State of Nebraska

Matt Doster, Director,
Engineering Workforce Commission

Edithe Fulton, President,
New Jersey Education Association

Dr. Frank Huband, Executive Director,
American Society for Engineering Education

David Larsen, Commissioner,
Department of Education, State of Vermont

Kerry Mazzone, Secretary,
Department of Education, State of California

Joe Kernan, Governor,
State of Indiana

James C. Palmer, Editor,
Grapevine

Dr. David Potter, Commissioner,
Mississippi Board of Trustees of State Institutions of Higher Learning

Kelly Shapley, Director,
Texas Center for Educational Research

Mark A. Stapleton, Acting Commissioner,
Department of Education, State of Connecticut

Inez Tenenbaum, Superintendent,
Department of Education, State of South Carolina

Cheri Pierson Yecke, Commissioner,
Department of Education, State of Minnesota

GOVERNMENT CHAPTER

This chapter uses over 250 measures to assess city and state governments. Rankings in the chapter consider tax burdens imposed on an area's residents, the efficiency and effectiveness of government programs, and the degree to which governments utilize technology to deliver public services to their citizens. The chapter even includes an assessment of the reliability and openness of the states' campaign finance disclosure systems.

The compiled rankings come from a number of institutions dedicated to covering state and local governments, including Reason Public Policy Institute, Center for Public Integrity, *Governing* magazine, and the Center for Digital Technology.

Among the officials interviewed and quoted in this chapter are, in alphabetical order:

Kay Barnes, Mayor,
City of Kansas City

Katherine Barrett, Special Project Editor & GPP Director,
Governing magazine

Tomas H. Boutin, Deputy Commissioner for Treasury,
Department of Revenue, State of Alaska

Chris Cumiskey, Director,
Government Information Technology Agency, State of Arizona

Sharon Dawes, Director,
Center for Technology in Government

Frank Fairbanks, City Manager,
City of Phoenix

John Lindback, Director,
Elections Division, Department of State, State of Oregon

Gary Locke, Governor,
State of Washington

Scott Moody, Senior Economist
Tax Foundation

Dr. Adrian Moore, Executive Director,
Reason Public Policy Institute

Edmund J. Schmidt, Director,
Department of Revenue, State of Wyoming

Sylvia Shiroyama, Acting Director & Chief Technology Officer,
Department of Information, City of Seattle

Arthur C. Stephens, Deputy Secretary for Information Technology,
Governor's Office of Administration, Commonwealth of Pennsylvania

TECHNOLOGY CHAPTER

This chapter analyzes the technology assets of the nation's cities and states. Also considered are an area's laws, regulations, and administrative actions that support or hinder internet usage. In all, the compiled rankings draw on more than 100 discrete measures, from the total number of companies making up a city or state's high-tech industry to the percentage of science and engineering degrees per 100,000 persons and the total number of SBIR grants awarded per worker.

The compiled rankings come from some of the technology sector's premier institutions, including the American Electronics Association, Deloitte Touche & Tohmatsu, and Milken Institute.

Among the officials interviewed and quoted in this chapter are, in alphabetical order:

Dr. Hank Gardner, Associate Vice President for Research,
Research & Technology Transfer, Colorado State University

Ron Gonzales, Mayor,
City of San Jose

Paul Guzzi, President & CEO,
Greater Boston Chamber of Commerce

Ben Haddad, Senior Vice President,
SAIC

Jack Lavin, Director,
Department of Commerce & Economic Opportunity, State of Illinois

Jeanette Morgan, Director of Government Affairs
National Semiconductor Corporation

Matthew Nemerson, President & CEO,
Connecticut Technology Council

George Newstrom, Secretary of Technology,
Commonwealth of Virginia

Val Oveson, Chief Information Officer,
State of Utah

Bill Owens, Governor,
State of Colorado

Robert Scarborough, CEO,
Tensoft

David Weinstein, President,
Chicagoland Entrepreneurial Center

ECONOMIC DYNAMISM CHAPTER

This chapter analyzes the competitiveness and performance of a city and state's economy. More than 140 discrete indicators are used to rank communities. Some are traditional economic measures, such as employment growth, real per capita income growth, labor productivity, and gross state and metropolitan product. Other measures are more progressive; for example, the percentage of farmers who use computers to conduct business and the "creativity" of an area's economy.

The compiled rankings come from top economic and research institutions, including the Brookings Institution, Federal Reserve Bank of San Francisco, Beacon Hill Institute, and Progressive Policy Institute.

Among the officials interviewed and quoted in this chapter are, in alphabetical order:

Linda Angello, Commissioner,
Department of Labor, State of New York

Barbara B. Berke, Director,
Department of Business & Technology, Commonwealth of Massachusetts

Dick Fleming, President & CEO,
St. Louis Regional Chamber & Growth Association

Chuck Foisie, President & CEO,
Economic Development Council of Seattle & King County

Matt Kramer, Commissioner,
Department of Employment & Economic Development, State of Minnesota

Judy McKinney-Cherry, Director,
Economic Development Office, State of Delaware

Greg Nickels, Mayor,
City of Seattle

Michael W. Rollins, CCE, President,
Greater Austin Chamber of Commerce

John G. Rowland, Governor,
State of Connecticut

Daniel J. Wilson, Economist,
Federal Reserve Bank of San Francisco

ENVIRONMENT CHAPTER

This chapter evaluates the natural environment of cities and states. Traditional environmental categories—air, land, and water—are explored and communities ranked on the basis of more than 200 measures. The chapter also looks at non-traditional indicators of environmental quality. A ranking on the sprawling character of communities is included, as well as another based on the extent to which each state's policies encourage cleaning non-point source pollution from its bodies of water.

The compiled rankings come from top environmental organizations, including Environmental Defense, Smart Growth America, and National Wildlife Federation.

Among the officials interviewed and quoted in this chapter are, in alphabetical order:

Dr. Ramón Alvarez, Scientist,
Environmental Defense

Patrick Berry, Director,
Vermont Natural Resources Council

Lloyd Brewer, Manager,
Environmental Programs, City of Spokane

Donald Carcieri, Governor,
State of Rhode Island

Don Chen, Executive Director,
Smart Growth America

Jeremy Harris, Mayor,
City of Honolulu

Linda Hoffman, Acting Director,
Department of Ecology, State of Washington

Meg Kerr, Director,
Rhode Island Rivers Council

Henry List, Secretary,
Natural Resources & Environmental Protection Cabinet, Commonwealth of Kentucky

Bill Schweke, Research Director,
Corporation for Enterprise Development

HEALTH & WELFARE CHAPTER

This chapter looks at the health and welfare of cities and states from a broad perspective, combining rankings that take into account physical, mental/emotional, and spiritual health factors. Over 140 measures are used, including percentage of uninsured persons, heart disease and obesity rates, and percentage of adult cigarette smokers. Less traditional measures include rate of depression and marriage-divorce ratio (indicators of mental/emotional health), and number of houses of worship and amount of charitable donations (indicators of spiritual health).

The compiled rankings come from a variety of institutions dedicated to covering health and welfare issues, including the United Health Foundation, *Natural Health* magazine, and Annie E. Casey Foundation.

Among the officials interviewed and quoted in this chapter are, in alphabetical order:

Rosemary Bakes-Martin, Director,
Department of Health and Environment, El Paso County, Colorado

Olga Brown, Acting Director,
Department of Health and Social Services, City of Stamford

Larry Downs, JD, Director,
Public Health Programs, Medical Society of New Jersey

Keith Erickson, Director,
Public Health Department, Linn County, Iowa

Dr. Paul Jarris, Commissioner,
Department of Health, State of Vermont

Dianne Mandernach, Commissioner,
Department of Health, State of Minnesota

Lillian Rivera, Administrator,
Health Department, Miami-Dade County

Kathy Sgambati, Deputy Commissioner,
Department of Health and Human Services, State of New Hampshire

Dr. Kevin U. Stephens, Sr., Director,
Department of Health, City of New Orleans

Tom Vilsack, Governor,
State of Iowa

PUBLIC SAFETY CHAPTER

This chapter analyzes the state of public safety in the nation's cities and states. Rankings in the chapter are based on standard public safety indicators, such as violent crime measures (e.g., murders, forcible rapes, and robberies) and property crime measures (e.g., burglaries, motor vehicle thefts, and larceny theft). Rankings also take into account additional safety-related factors, such as an area's preparedness to respond to disasters and terrorist attacks.

The compiled rankings come from top public safety institutions and media organizations that have investigated public safety issues, including the National Criminal Justice Commission, Federal Bureau of Investigation, and CNN.

Among the officials interviewed and quoted in this chapter are, in alphabetical order:

John Baldacci, Governor,
State of Maine

Anthony W. Batts, Chief,
Police Department, City of Long Beach

Mitchell J. Brown, Director,
Department of Public Safety, City of Columbus

Sara V. Hart, Director,
National Institute of Justice, U.S. Department of Justice

Terri Kelly, Director,
Community Outreach & Support, National Crime Prevention Council

Michael R. Maehler, Acting Director,
Department of Public Safety, City of Sunnyvale

Thomas A. Powlovich, Colonel,
State Police, Department of Public Safety, State of Vermont

Rich Stanek, Commissioner,
Department of Public Safety, State of Minnesota

QUALITY OF LIFE CHAPTER

This chapter is the most diverse in the publication in terms of the variety of indicators used by the compiled rankings. More than 115 measures are enlisted, painting a comprehensive picture of the quality of life in America's cities and states. Specific measures include air quality, climate, violent crime rate, number of art and cultural institutions, educational achievement levels, poverty rate, cost of living, cost of medical care, and much more.

The compiled rankings come from a host of institutions, including Morgan Quitno Press, Corporation for Enterprise Development, and World Development Alliance.

Among the officials interviewed and quoted in this chapter are, in alphabetical order:

Peggy J. Baggett, Executive Director,
Virginia Commission for the Arts

Ken Bennett, President of the Senate,
State of Arizona

John Gard, Speaker of the Assembly,
State of Wisconsin

Crystal Gray, Council Member,
City of Boulder

Neal Hunt, Council Member,
City of Raleigh

Joan Lowenstein, Council Member,
City of Ann Arbor

Dick Murphy, Mayor,
City of San Diego

John Nachbar, City Manager,
City of Overland Park

Bruce Newcomb, Speaker of the House of Representatives,
State of Idaho

Tim Pawlenty, Governor,
State of Minnesota

Margie J. Reese, Director,
Cultural Affairs Department, City of Los Angeles

Paul Smedberg, Council Member,
City of Alexandria

James K. Spore, City Manager,
City of Virginia Beach

James Vokal, Jr., President of the City Council,
City of Omaha

ENTREPRENEURSHIP & SMALL BUSINESS CHAPTER

This chapter examines the degree to which cities and states cultivate new and small business development. Rankings compiled in this chapter measure an area's entrepreneurial activity, company growth rates, and the regulatory burdens state and local governments impose on new and small enterprises. The chapter also captures specific issues related to women-owned businesses, including where they start and how they grow.

The compiled rankings come from leading entrepreneurship and small business organizations, such as *Entrepreneur* magazine, Small Business Survival Committee, Cognetics, and Biz Miner.

Among the officials interviewed and quoted in this chapter are, in alphabetical order:

Leonard Black, Director,
Utah Entrepreneur Center

Drew Bolin, Deputy Director,
Governor's Office of Economic Development & Int'l Trade, State of Colorado

Tucker Fagan, CEO,
Wyoming Business Council

Jacquelyn Flowers, Director,
Office of Local Business Development, District of Columbia

David T. Ginn, President & CEO,
Charleston Regional Development Alliance

Wilma Goldstein, Administrator,
Office of Women's Business Ownership, Small Business Administration

Wayne Hodges, Vice Provost of Economic Development and Tech Ventures,
Georgia Institute of Technology

Lorraine Hunt, Lieutenant Governor,
State of Nevada

Darrell Kelley, President & CEO,
Enterprise Florida

Kara Kelley, President & CEO,
Las Vegas Chamber of Commerce

Dr. Gary Libecap, Director,
Karl Eller Center & McGuire Entrepreneurship Program, University of Arizona

Sam Males, State Director,
Nevada Small Business Development Center

Aris Melissaratos, Secretary,
Department of Business and Economic Development, State of Maryland

Nancy Mitchell, Executive Director,
Women's Business Center

Dr. Ben Oviatt, Director,
Herman J. Russell Int'l Center for Entrepreneurship, Georgia State University

Hammond Perot, Assistant Director,
Dep't of Dev Services, Economic Development Division, City of Dallas

Carlton Schwab, President & CEO,
Texas Economic Development Council

Terree Wasley, Vice President of Entrepreneurial Services,
Greater Phoenix Chamber of Commerce

Anthony A. Williams, Mayor,
District of Columbia

INFRASTRUCTURE CHAPTER

This chapter examines key components of an area's infrastructure. The compiled rankings consider transportation infrastructure, including congestion issues, road conditions, and even parking. City and state housing stock—both rent and owner-occupied—is also addressed, as well as commercial real estate stock. And traditional utility infrastructure (i.e., electricity) is evaluated along with more contemporary utilities (i.e., internet/wired infrastructure).

The compiled rankings come from leading organizations dedicated to studying infrastructure issues, including the Texas Transportation Institute, National Association of Homebuilders, and Edison Electric Institute.

Among the officials interviewed and quoted in this chapter are, in alphabetical order:

Alan Beamon, Senior Economist,
Energy Information Administration, U.S. Department of Energy

Cass Bielski, Senior Regulatory Analyst,
Edison Electric Institute

Donald P. Bliss, Director,
Center for Infrastructure Expertise, National Infrastructure Institute

Conrad Egan, President,
National Housing Conference

John Hoeven, Governor,
State of North Dakota

Kim Jackson, President,
International Parking Institute

Bill King, Chief Editor,
Expansion Management magazine

Dr. Cynthia Kroll, Senior Regional Economist,
Fisher Center for Real Estate & Urban Economics, University of California at Berkeley

Richard G. Little, Director,
Board on Infrastructure & the Constructed Environment, National Research Council

Dr. Tim Lomax, Research Engineer,
Texas Transportation Institute

Ross J. Moore, Vice President,
USA Director of Research, Colliers International

Mark Obrinsky, Chief Economist & VP of Research,
National Multi Housing Council

Dr. Morton E. O'Kelly, Professor & Chair,
Department of Geography, Ohio State University

Danilo Pelletiere, Research Director,
National Low Income Housing Coalition

Bart Peterson, Mayor,
City of Indianapolis

Dr. Steve Polzin, Director,
Public Transportation Research, Center for Urban Transportation Research

Blake Smith, Director,
Land Use Communications, National Association of Home Builders