

“His description of the many factors that contribute to substance abuse, including pain medication prescribing practices, helped me conclude that a multi-pronged approach is needed to address this challenge,” Brooks says.

Adams grew up in Mechanicsville, Md., a town of 1,500 people. As one of five children of two teachers, money was tight. During the summer, Adams says, he and his brothers helped his father in the nearby tobacco fields. Getting paid \$7 an hour for hard labor was the difference between new school clothes and nothing, he recalls.

But throughout his childhood, Adams was often carried off the fields and helicoptered to Children’s National Medical Center in Washington, D.C., because of asthma attacks. He says these experiences help him

empathize with Scott County residents.

“I’ve been through the challenges they’ve been through.” The idea that boredom and lack of opportunity can lead to drug abuse is not hard for him to understand, he adds. “Scott County is where I grew up, essentially.”

Early in his college career, Adams was drawn to biomedical engineering, but changed his mind and decided to pursue medicine and public health because he loved the idea of being able to interact with patients.

“Public health is about listening to and learning how to communicate with the public and finding out what their barriers are to living healthy lives and giving them the tools they need,” Adams says.

One of the tools GOP Gov. Mike Pence decided that Scott

County needed was a needle-exchange program. His March 26 executive order drew attention to Indiana as a Republican state adopting a program usually opposed by the party’s more conservative members.

The legislature voted the following week to allow any county that could prove it was experiencing a drug-linked outbreak of HIV or Hepatitis C to set up exchanges if they had Adams’ backing.

Adams doesn’t take credit for Pence’s decision. All he did, he says, was “present the best science available and put it into context.”

Kelley Robbins, one of Scott County’s three commissioners and a fifth generation county resident, praises Adams for his calm, straightforward approach. The HIV outbreak, Robbins says, “was so far above

anything we could’ve possibly expected” and “was a hard thing to hear and understand that we had such a problem.”

Robbins says he told Adams and Pence that not many of his constituents were in favor of a needle exchange that they associated with the stigma of HIV.

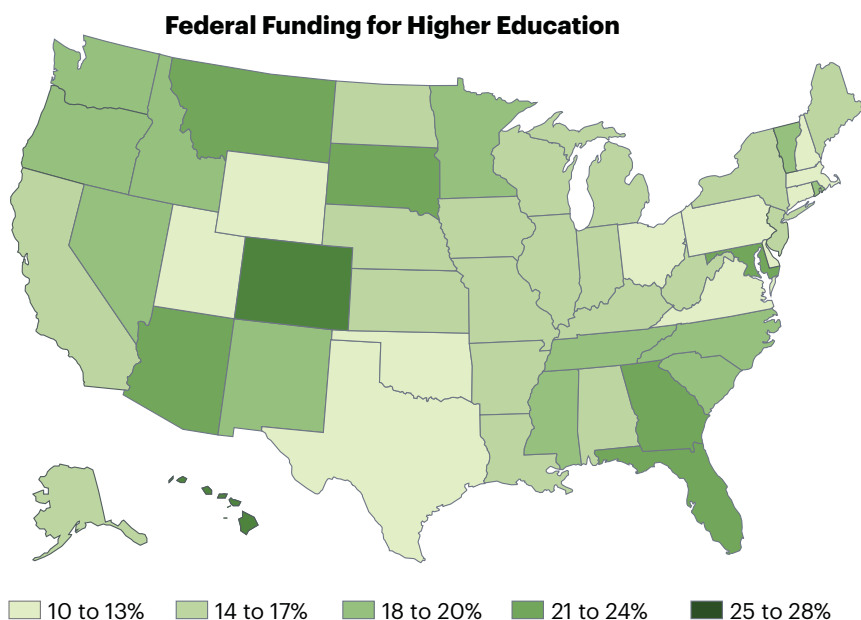
Even so, Robbins says Adams and CDC officials were able to sell the program to local leaders by calmly explaining how needle exchanges would work and how the community center would provide a place to help people get treatment services.

Beyond the HIV outbreak and opioid crisis, Adams says he hopes to focus more on two public health issues he’s passionate about: income- and race-related health disparities and workplace wellness programs.

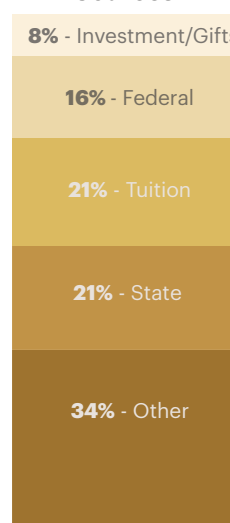
— Marissa Evans

## Uncle Sam in College

The federal government spends \$76 billion on higher education programs, excluding loans, and on average provides 16 percent of state higher education budgets — ranging from less than 14 percent in 10 states to 28 percent in Colorado.



### Average Revenue Sources



Randy Leonard/CQ Roll Call Graphic

SOURCE: The Pew Charitable Trusts



**IN STYLE:**  
The team at Houston's  
Hair Revolution loves  
crowdfunding.

Hair Revolution

## It Takes a Crowd to Fund

The Securities and Exchange Commission is considering rule changes to make it easier for small companies to raise capital through in-state crowdfunding, even as SEC Chairwoman Mary Jo White remains committed to a broader federal standard that could supersede state rules.

The number of states allowing the new fundraising approach — where companies seek money over the Internet — is growing despite roadblocks keeping some firms from using the strategy, says Michael Pieciak, deputy commissioner of Vermont's Securities Division.

Before 2014, only Georgia, Idaho, Kansas and Michigan had established rules for intrastate crowdfunding. Since then, similar rules have taken effect in 12 other states, with at least six others set to finalize rules this year.

Pieciak, who represented

the North American Securities Administrators Association in meetings with the SEC on the rule, says residency issues and uncertainty over what defines doing business in a state have potential users shying away.

Sixteen states and the District of Columbia have implemented intrastate crowdfunding laws, while nine more states that have passed crowdfunding legislation are now devising regulations. Crowdfunding bills are pending in another 10 states.

Most of the state laws rely on Section 3(a)(11) of the Securities Act of 1933, which exempts securities offerings from federal registration requirements if the issuing company does business in the same state as its investors.

To date, 91 intrastate securities offerings have been launched under the nascent intrastate laws, Pieciak said at

a meeting this month of the SEC's Advisory Committee on Small and Emerging Companies. Requirements under Rule 147 of the Securities Act, which clarifies key concepts in the intrastate offering exemption, are preventing wider use, he said.

A Houston hair salon was the first business to use equity crowdfunding rules in Texas when it closed a \$25,000 offering in May through Next Seed.com. Hair Revolution issued "revenue sharing loans," that entitle 17 investors to a share of gross revenues until they recoup their initial investment and a preset return.

The salon plans to use the new funds to launch social media-driven marketing events such as hair shows and photo shoots. Crowdfunding rules in Texas became effective last November, but Hair Revolution is

still the only company to close a crowd-funded offer in the state.

Another recent deal involved the Washington, D.C.-based restaurant and bar firm Prequel, which issued \$200,000 of Class B LLC membership interests to 326 investors on EquityEats.com, another crowdfunding platform. The investors were promised a share of portions of Prequel's quarterly cash flow. Prequel is using the funds to set up its restaurant in downtown D.C., budgeting for costs like furniture, construction and staff salaries.

Advertising on social media or the Internet, which don't respect state borders, could run afoul of Rule 147's residency requirements for investors, Pieciak said. Also, under the exemption, a company must be incorporated in the state of the offering, which is a big deterrent according to several people who spoke to the SEC advisory committee.

Others wondered why the panel was discussing intrastate crowdfunding at all, given that White reiterated a commitment to implementing a federal standard that could end up superseding intrastate efforts.

Title III of the Jumpstart Our Business Startups Act, enacted in April 2012, directed the SEC to implement crowdfunding rules within 270 days, a deadline long since passed.

"To some extent these problems have been solved, they just haven't been enacted yet," says David J. Paul, founder of a consulting firm specializing in crowdfunding regulation, implementation and business development.

"If we had national crowdfunding, we would not be discussing how to make it easier for the states to do financial calisthenics," he says.

— Will Ardinger