

## Lilly Is Council Board's New Chairman

Diane P. Lilly, executive vice president with Wells Fargo & Co., is the Council's new chairman. She succeeds John Himle, founder of Minneapolis-based Himle Horner Inc.

At Wells Fargo, Lilly is responsible for the global diversified financial services company's state, federal and international legislative efforts and political action programs. She helps develop corporate positions on legislative and reputation issues in consultation with senior management. She also oversees the company's Community Reinvestment Act Risk Management Department.



**Diane P. Lilly**

A graduate in English literature from Newton College of the Sacred Heart in Massachusetts, Lilly worked in the research department at the Federal Reserve Bank in Minneapolis for nine years. Later, Lilly spent 11 years as president of Norwest Foundation, managing its \$25 million giving program. She also spent nine years as vice president of Norwest Government Relations, directing federal and state government relations efforts in Norwest's seven-state region and in Washington, D.C. Lilly joined Wells Fargo's government relations division in 1998.

"Reputation has become a very important factor in public policy work," Lilly says.

"How we're perceived by our stakeholders, whether locally or at the national level, greatly impacts our effectiveness with policymakers. Our focus this upcoming year will be working within this new reality."

In addition to her work with the Council, Lilly has served as chair of the Legislative Liaison Advisory Committee for the American Bankers Association. An executive committee member of the National Association of Affordable Housing Lenders, she has served on the Minnesota Business Partnership Political Effectiveness Committee and the American Bankers Association Government Relations Committee.

An active civic leader in Minneapolis-St. Paul, Lilly is a member and past chair of the board of trustees of Twin Cities Public Television. She is also past chair of the board of trustees of the Minneapolis Institute of Arts, a member of the National Association of Public Television Stations' board and a member of the Minnesota Economic Roundtable. She has served on the board of the Minnesota Council on Foundations, Minnesota Citizens for the Arts, Hennepin Center for the Arts, Guthrie Theater Foundation and the Minnesota Private College Council as well as the YMCA Board of Trustees.

"Diane Lilly has a wealth of experience chairing nonprofit organizations," said Council President Doug Pinkham. "She knows how to help a group focus on its major goals and bring together diverse constituencies to help meet those goals. When she serves in a voluntary role, it's not

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## A Personal Dimension To State and Local Ties

Succeeding at state- and local-level government relations goals often comes down to interpersonal relationships.

On the first day of the Council's State and Local Government Relations seminar Sept. 19 in Washington, that was the prevailing message of presenters ranging from David Thornburgh, executive director of the University of Pennsylvania's Fels Institute of Government, to Dawn Arteaga, digital strategist at Porter Novelli.

Thornburgh, the son of former Pennsylvania Gov. and U.S. Attorney General Dick Thornburgh, advised attendees to look upon states as "laboratories of democracy" and upon public officials as customers rather than public servants. He also said that in an era in which we're losing institutional memory largely as a result of a "throw the bums out" mentality, it's more important than ever to "invest in the next generation of public leaders."

Speaking on information overload, Rusty Paul, director of government affairs and public policy at Arnall Golden Gregory, recommended the direct approach in researching bills and their potential impact, advising public affairs practitioners to call a bill's author personally to ask what problems he or she was trying to solve with the legislation. Paul also noted that, in deciding which bills are urgent and which can be relegated to the back burner, contract lobbyists, state associations, the state Chamber of Commerce and local industry leaders can be helpful allies.

Of course, having a clear, compelling narrative helps, too. John Davies, founder and CEO of Davies Public Affairs, underscored the value of this: "It's got to become a story to break through the clutter," he said.

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## One Minute With...



**Kathy Jeavons**  
Partner, Ketchum

### Your favorite sitcom?

*Seinfeld*. I can watch it over and over, and it still holds up. Every day in the workplace, something happens that gives you the opportunity to refer to something

on *Seinfeld*, and everyone gets it, whether they are one of the younger staff or more senior.

### All-time favorite movies?

I have a lot of favorites, but the standard for me is it has to take me to another place and time, and it has to make me cry or make me laugh, or both. So, I guess, *The Sound of Music*. At the other extreme — this one doesn't make me cry, of course — would have to be *Animal House*.

### What's on your iPod?

A mix. Lady Gaga, Jackson 5, Van Morrison.

### Who do you think will win the Republican presidential nomination? Not necessarily who you want to win, but who you think will win.

Mitt Romney.

### A book you'd recommend?

Definitely *Country Driving* by Peter Hessler. Its subtitle is *A Journey Through China from Farm to Factory*, and it is a wonderful window into China's past, present and future. It is beautifully written and reads like a novel. The author, who started as a Peace Corps volunteer in China, goes back, gets his driver's license and explores the countryside, the cities, the workplaces — it's great.

### Best advice you've ever received?

A wonderful CEO of a firm I once worked for told me there were two things you should always be able to admit. You need to be able to say, "I was wrong." You also need to be able to say, "I don't know." The ability to say these things is an important sign of true leadership. It's OK not to know the answer. This applies not just to politics or public affairs but to work and life itself. ■

Reach Kathy at [kathy.jeavons@ketchum.com](mailto:kathy.jeavons@ketchum.com) or 202.835.7260.



## When a State Official Moves to Washington, Does Anything Change?

Two little-remarked-upon results of two controversial federal laws get a good hearing in a recent Stateside Associates Inc. blog post. Both will affect the way policy is made and influenced.

The Patient Protection and Affordable Care Act (PPACA) and the Dodd-Frank Wall Street Reform and Consumer Protection Act "have created new law in policy areas previously directed by the states," writes Robert Holden, vice president, Stateside Associates. "For the first time, the federal government will be taking a lead role in insurance regulation and, accordingly, experienced state insurance regulators have made the jump to Washington, D.C."

### Filling Key Positions

The language of PPACA "recognized the need for direction from the states by specifically requiring recommendations from the National Association of Insurance Commissioners (NAIC) on a variety of topics. As new departments were established in the United States Department of Health and Human Services (HHS), current and former state insurance commissioners were logical candidates to fill key positions."

Kathleen Sebelius, a former Kansas governor as well as insurance commissioner, is now Secretary of Health and Human Services, while Steve Larsen, former Maryland insurance commissioner and director of the federal division of insurance oversight, is now deputy administrator and director of the Center for Consumer Information and Insurance Oversight (CCIIO) in the Centers for Medicare and Medicaid Services.

Joel Ario, once the insurance commissioner for Pennsylvania, has been appointed to direct the new Office of Insurance Exchanges within CCIIO. Meanwhile, Michael McRaith has left his position as Illinois Department of Insurance director to head the Federal Insurance Office, created under Dodd-Frank.

"Ultimately, states will be increasingly dealing with policymakers at the federal level that have emerged from their own ranks," Holden writes.

### Champions of the States?

But it would be a mistake to assume these officials will be champions of the states from which they come — or of state autonomy in policymaking.

"Let us not assume that they are the federalism fans [that] states hope for," says Constance Campanella, president and CEO of Stateside Associates. "Witness all the former governors presiding over markedly state-squeezing initiatives, including PPACA."

Read the original blog post at [statesideassoc.wordpress.com/2011/08/page/2](http://statesideassoc.wordpress.com/2011/08/page/2).

