NNIP Baltimore 2017

Plenary Session: Navigating in the New Federal Environment

May 17, 2017

Panel

Gary Painter, University of Southern California (Moderator)

Michael Wallace, National League of Cities

Benjamin Orr, Maryland Center on Economic Policy

Notes

**Gary:** Director of Sol Price Center at USC. Purpose of this panel is to address our current context. All seeking to understand what the new federal administration means for work locally. Concern over what happens when funds get cut in certain areas and with certain partners. In LA for example, most concerned with what increased ICE presence means within 100-mile area. See their communities stop function when there is high % immigrants (unauthorized or not), due to increased fear of enforcement. Also, concerns related to funding for affordable housing - how to preserve affordable housing because we are not imagining ourselves getting more funding from HUD or HCV. We don’t know how LITCH will work itself out. Partners in LA are thinking about new ways to catalyze new resources due to lack of funds and cuts at federal level.

Purpose of the panel is for us to reflect on what’s happening at the federal level, don’t have a budget, but do expect a contractionary not expansionary budget environment.

Joined by:

Michael Wallace, Director of Federal Advocacy from National League of Cities &

Ben Orr, Executive Director, Maryland Center on Economic Policy

*What are you NLC member cities looking for under new administration?*

**Michael**: Cities want actionable agenda in this admin. on issues of economic development and infrastructure. Under Obama administration there was an important on local voices and municipal level leadership. We saw how local leaders were brought into federal government, built important capacity at federal level for local leadership. Additionally, Obama changed frame form cities as problem to be solved vs cities as solutions; and local leaders don't want to take a step back and have cities to be viewed as a problem to be solved. We see cities as being a real risk of that, due to Trump discourse on campaign and actions on sanctuary cities. This is not the type of help we are looking for,

**Gary**: *From perspective at state level, how is new change affecting states and localities?*

**Ben**: The challenges are many, list of issues that have put out there, cuts to HUD, etc, represent a real threat. Here in Maryland and Baltimore, I’m working around partners and groups across the state to see what the opportunities are. There is a greater demand for type of serves that researchers offer to help policy makers decide who to help and focus on. In an environment where cuts are likely to be made, policymakers will need data.

**Gary**: *Given the room and the type of NNIP partners, is there a role of NNIP partners to support cities and states?*

**Ben**: Definitely, we talked about budget cuts. We were successful to stop that in FY17, well see what happens in FY 18, and FY 19 will depend on elections. Republicans ran on cuts so we will see cuts, but we are working with cities to put local leaders in front to talk about how important these programs are.

**Michael**: We also want to prepare cities, to be prepared to manage the cut. We know it will be difficult because there will not be new funding. Cities will be looking more closely at community partners. It is the small and medium sized cities that will need the most help as big cities have tax base and can choose to make new taxes and revenue streams to fill the gap. So we are trying to help small and medium sized cities and those cities will be looking to your organizations.

**Ben**: Policy makers need data to understand what and how to cut, who is helped and who is left behind. Opportunity to partner with orgs such as mine through the State Fiscal Policy Network, tracking how money flows from federal governments and states; potential partnership and synergies. As researchers, we have to help policymakers to track what happens. For ex. in MD, after welfare reform in 1990s, UMD School of Social Work set up longitudinal study called Maryland Life After Welfare. Now school makes presentation annually to policy makers about who that population is and who welfare helps and want to see what long-term outcomes are. Setting up those efforts now.

**Gary**: *Have you noticed cities making these types of decisions?*

**Michael**: Yes, where you see these cuts there is also some opportunities. Cities get used to the way they spend out and how they support their partners. Take CDBG for example. Flexible grant, but certain groups are very territorial. It can be very difficult to do something innovative if groups expect the same thing year after year. Now mayors can say, “we are not in a position to do the same thing year after year,” So, mayors will need to innovate and have political capital to do that. Important for neighborhood stakeholders to be vocal about what they want their city to do.

**Gary**: Are there particular kinds of data that we need now or what new data are most important moving forward?

**Ben**: I’m not sure we know exactly what data will be most important yet. Advocates, researchers and policymakers are starting to identify areas: affordable housing, food stamps/Medicaid being turned into block grant. We know categories but not necessarily data. We are seeing a trend at federal level to make data not accessible or harder to access. So, at community level, what can we do at local and state level to protect data and prepare and respond?

**Michael**: Two sea-changes that impact the way we use data. At federal level, data being taken down, not sure if that is looking to censor information, or if it just a disinterest in data. If you look at leadership position and the president, there is not expertise being installed in government. Our current leaders come at government with a business lens, looking at return on investment, not as much human interest. This is very different from Obama administration, which was expertise driven and huge priority on data. This administration is narrative driven and is not persuaded by data. For example, carrier plant, go in and save a bunch of jobs. In this context, groups like NLC have to do a better job of telling a story of our data so that it gets across to the federal government and administration. However, local and state governments still care.

**Ben**: I’d double down on that point. In an era of fake news and governing by tweet, having the data being right is necessary but not anywhere close to sufficient. We have to message and explain out data in ways that are relevant and captures people imagination. Have to make it clear and not mislead our data, but people have to be able to turn around and talk to their neighbor or policymaker.

**Gary**: There was a lot of proof of concept work that Obama admin did in Urban areas, through programs like Promise/Choice. Whether or not there are new things under current administration, have you seen cities becoming more enthusiastic partners in this type of collective impact work?

**Michael**: Yes, cities are determined not to take a step back. For example, the Mayor of St Paul has been very active in Cop 21 and climate agreements. He has reached out to other mayors to keep local network of cities that are going to continue to honor international commitments. More and more mayors and council presidents are reaching out to each other. For example, promise and choice, bringing in school system. City leaders are thinking it’s up to them, and will need intermediary orgs to succeed.

**Gary**: *What is the silver lining? How to spur innovation?*

**Michael**: City leaders want to be innovative, but they hear two messages: you should be innovating, but if you are innovative and fail there is a consequence. Tough to take risks with money and budget at these times. Cities need help explaining to residents and voters why it is important to take that kind of risk. Also, important to remember that local ballot initiatives passed overwhelmingly; transportation ballots 90% of time get approved, people want that kind of spending.

**Ben**: For ex. if affordable care act is repealed and Medicaid goes away, it gives an opportunity to have a conversation about what we can do here in MD. Do we build on our hospital/community partnership? Can we pick up on the overtime rules for example? The other point that Mike alluded to, is that states and local jurisdictions need more revenue and in general they have capacity to do that. For example, those at the top pay a much smaller share of their income than those at bottom. It becomes more and more apparent when federal government disinvests that states and localities need to pick up the slack to invest in

**Gary**: In California, we had a system of Community Redevelopment Agencies, but that ended for various reasons. Folks in affordable housing had to react. LIHTC potentially less accessible. LA is almost explicitly focused on housing preservation, both for Section 8 expiring and natural occurring affordable. How to get some CRA credits to have a model to rehab and conserve, not necessarily with all the rules that were in the section 8 rehab program. In rethinking the model, how do we think about capitalizing capital? In LA, local context has changed, in the last elections, we voted to tax ourselves for transportation and affordable housing. Local reaction to the retrenchment, this is to say this is the community we want.

*Questions*:

**Joe, Pinelles County, Actionable Analytics**: *How do we manage our nonprofit role and capacity to lobby? Suggestions for how to address issue of federal data?*

**Michael**: Think about constituents and how to communicate need. For example, if we just send local leadership to the hill, it is not effective. We don't want government helping government. But government helping people yes. If politicians can talk about pathway to middle class. Get local elected official and data person out of the way, so beneficiary can say what this means for them.

**Ben**: Even though we are nonprofits, we can still advocate our issues. We just can’t engage in partisan politics. We are within our rights and our limits. Best resource on how to navigate rules on lobbying is Alliance for Justice. It is entirely within our wheelhouse and point of view to provide recommendations about how to act and respond to that data.

**Susan, Austin, TX**: Take it back to sanctuary cities. In Travis country, see the impacts of head of sheriff department taking a stand in favor of sanctuary status. Governor has already eliminated state dollars to city. What are you hearing at federal level about the threat that federal $$ will be pulled back?

**Michael**: I don’t think federal dollars will be linked to sanctuary policies. They have already lost in court. The policy was a terrible draft. The President doesn't have authority; it would take an act of congress for President to take back and pull out funds. Mayor of Gary, Indiana is leader, think this is already done, she is calling her city a sanctuary and not to stick it to federal government, they just want to reassure their residents that their neighborhoods are safe, and we are going to do keep your neighborhood safe. We’ve had a hard time communicating that to the administration, when they hear cities calling themselves sanctuaries, they see leftist cities that are making it difficult to do their work. Texas has it rough with alignment between administration and governor.

**Sarin, CURA@VCU**: Considering the difficult times, this is the right time for local governments to get together and collaborate more to solve these problems. Is there any role that we can play to bring fragmented localities together or is there someone else playing that role and we can be a supporting entity?

**Ben**: I do think that data can be helpful to spurring those conversations. In MD, we have a unique example with DC. Crosses across 3 states, 10 counties + cities, but economy doesn't happen in one place, it happens across all those jurisdictions. Being able to track how economy works at regional scale through data is helpful to bring policy makers together, because it helps them to understand how much they depend on how much their neighbors.

**Michael**: For example, transportation: there are structures in place that support regional thinking. There are not those kinds of structures expect in unique places to think about housing, poverty and health. Even though we know that housing is also a regional issue, there is less traction on those issues. Maybe there is a role for NNIP partners to help create structures like those in transportation for other sectors.

**Louise, King County/Seattle**: Comment on sanctuary cities, before election King County was a sanctuary and Seattle was a sanctuary. Then governor spoke up that we were going to make WA in a sanctuary state. But then people were worried about WA being a target, and immigrant communities starting dropping out of community life - clinics etc. Since then, I learned that we are backed off, we are now a “welcoming community.” The policies haven't changed but it’s been couched in different language.

**Gary**: In our work, legacies of institutional racism, impossible not to shape these conversations around race. When we are presenting data about disparities, also want to show how and why are communities successful, talk about shared community outcomes, cities as engines of growth. We need to use data to not only highlight where inequality exists and investment is needed, but how communities are successful when they have overcome these challenges.

**Allison, St Petersburg, FL**: Neighborhood as social systems that are more than sum of individual residents, and importance of story and connecting to city/state/federal policy makers*. How does the collective story of neighborhood rather than the sum total of individual resident stories, how might that be communicated? What is role of children as change makers in their own right?*

**Michael**: To first question, you have to get that lawmaker into those neighborhoods to see what the challenges or creative solutions. Those site visits are huge. You’ll see them - they’ll go to a factory and then they are the workforce candidate. Create opportunities to get the member or district office to that area, and get a snapshot of it and make sure it gets in the paper.

**Ben**: Stories are really important. 2 local examples: 1. Food stamps and the minimum benefit. We were at hearing and a partner brought food stamps recipients, all elderly people who had time to attend that hearing. The lawmakers proposed 65 as age cut off for increased min. benefit, however one person stood up and said “I'm 62 that won’t help me” and then law changed to 62. 2. Curtis Bay Neighborhood in Baltimore, proposal on the table to add trash incinerator even though the neighborhood has been time and time again the site of environmental polluters; Students at local schools organized, collected data and fought for years to defeat that effort. Some of those student organizers have won some pretty big awards.

**Leah, National League of Cities, Youth Programs**: We work with Mayors across the country on Mayors youth programming and youth ambassador programs. Think about how data fits into that conversation and do small projects with youth. Photo voice projects, videos. Small ways to get youth in the conversation.

**Kathy, Urban Institute**: *For most of our partners, analyzing the city budget info is new. Do you have advice for partners that want to start analyzing city budgets and spending?*

**Ben**: Highly recommend identified who the local state priorities partner is. We are in 43 states. We are good at translating state budgets in layman terms. Also, identify, one or two advocates within municipality who are well versed on city budget. For example, there are a couple key players who understand education and housing budgets here in Baltimore. Visit: [statepriorities.org](http://statepriorities.org)

**Fabrizio, CURA@VCU:** Understand mitigation efforts already in place, what is long term permanent change that this federal administration could cause? What are we facing in next 5-10 years (assuming impeachment doesn't happen)?

**Michael**: Cities have shown they are willing to go to court. Cities ability to raise revenue. There are cuts looming at federal level, most of the states went republican too. There is political and policy alignment being built across state and federal admin. Very important that some states are limiting local governments ability to raise revenue through threats to property tax caps, state and local tax redemption, etc. Keep an eye on those preemption efforts because there will be a tipping points where cities will no longer be able raise their own revenue.

**Ben**: Preemption is a huge red flag to watch out for in your state. One other thing is the economic and tax revenue of immigrants. If we passed real immigration reform, they’d pay a lot more taxes and we’d have more money to invest in the things we all want. There are certainly a lot of human reasons, but important to add revenue conversations with certain audiences.

**Michael**: Would like to draw one distinction. If you are a city with a full-time council and mayor, the future for those cities is bright. But part time council cities have a much harder time, they don't have the same capacity and staff. One of the things that happened when mortgage bubble broke is that cities had to lay off a lot of staff. In those places, what capacity was there was lost and it is difficult for them to bounce back. Concern about impact of federal admin in smaller sized cities.

**Gary**: Going back to comment about ICE scenario. In last raid, 70 percent arrested were citizens. But people are being afraid to participate in life - business. Also, worry a lot about EPA lack of regulation, especially for small cities. In CA as a state we have the most stringent environmental rules, and we have that ethos locally in LA. Worry a lot about permanent environmental damages especially for places that have dealt with repeated sittings.

**Peter Tatian, Urban Institute**: *How well is the news media doing in covering the issues of your constituents? Any change in how news media is functioning?*

**Michael**: There are two kinds of media. People are not reading the same things. President certainly very transparent about what he is watching. I don't know if there is anything in particular that the media can do. I’m glad that media is being tough, but does that matter to the president? It only seems to strengthens his voting base.

**Ben**: I’d add the decimation of the media workforce impacts this work. We have a major role in helping the media. Because there is a real lack of institutional knowledge. Have to help the media get up to speed on the various issues that we care about. Helping them to explain to their readers. Data + stories that are so useful for media. The media needs us and we can learn to engage with them better.