

Finance, Administration and Intergovernmental Relations (FAIR)

Federal Advocacy Committee

Sunday, March 9, 2025 – 1:00 to 3:30 p.m. Room: Capitol/Congress Room, Level M4

1:00 - 1:05 WELCOME, INTRODUCTIONS AND MEETING OVERVIEW

- o The Honorable Blaine Griffin, Chair Council President, City of Cleveland. Ohio
- The Honorable Mary Dennis, Vice Chair Mayor, City of Live Oak, Texas
- The Honorable Clare Kelly, Vice Chair Council Member, City of Evanston, Illinois

1:05 - 1:20 ECONOMIC IMPACT ANALYSIS OF FEDERAL FUNDING IN CITIES

- Christine Baker-Smith Director of Research, Research and Data Analysis, National League of Cities
- Matthew Crespi Program Director, Civic Mapping Initiative. Research and Data Analysis, National League of Cities

1:20 – 1:30 REMARKS FROM NLC's SECOND VICE PRESIDENT MAYOR VAN JOHNSON Mayor, Savannah, Georgia

1:30 - 1:50 MUNICIPAL DATA TOOL DEMO

- Farhad Omeyr Program Director, Research and Data, Research and Data Analysis, National League of Cities
- Harshita Tanksali Senior Research Specialist, Research and Data Analysis, National League of Cities

1:40 - 1:55 AMERICAN COMMUNITY SURVEY: WHY IT'S IMPORTANT AND CONGRESSIONAL UPDATE

 Mary Jo Mitchell - Co-Director, The Census Project; Director of Government Affairs, Population Association of America and Association of Population Center

1:55 - 2:05 BREAK

1:55 - 2:20 FEDERAL ADVOCACY UPATE

 Dante Moreno - Legislative Manager, Finance, Administration and Intergovernmental Relations, National League of Cities

2:20 – 2:30 NATIONAL MUNICIPAL POLICY DISCUSSION

Dante Moreno

2:30 - 3:00 FAIR DISCUSSION TIME

- o Chair Blaine Griffin
- Dante Moreno

3:00 – 3:30 ROUNDTABLE DISCUSSION WITH THE FEDERATION OF CANADIAN MUNICIPALITIES (FCM)

- o Councillor Tim Tierney City of Ottawa, FCM's 1st Vice President
- Mayor Pam Mood Town of Yarmouth, Nova Scotia, President Nova Scotia Federation of Municipalities
- o Mayor Marc Doret City of Dorval, Québec
- o Andreanne Baribeau Multi-Media Manager
- o Matthew Pelletier Policy Advisor
- o **Sherri Hanley -** Senior Manager, Policy and Research

3:30 CLOSING REMARKS FROM CHAIR

o Chair Blaine Griffin

Enclosures:

- NLC Policy Development and Advocacy Process
- 2024 City Summit FAIR Executive Summary

- 2025 FAIR Workplan
- NLC Federal Advocacy 2025 Action Agenda
- 2025 Finance, Administration and Intergovernmental Relations Committee Roster

Next FAIR Committee Meeting

April 17 (3-4 ET) – Virtual Summer Board and Leadership Meeting – July 15-18 – Columbus, Ohio

CCC Sessions of Interest

- Workshop: Unlocking Federal Funding: Find the Keys that Fit Your Community
- Workshop: Financing Your Climate Action Goals
- Federal Agency Expo, Monday, March 10, 12:30 2:00 p.m.; Tuesday, March 11, 2:15 3:30 p.m.

NLC POLICY DEVELOPMENT AND ADVOCACY PROCESS

As a resource and advocate for more than 19,000 cities, towns and villages, the National League of Cities (NLC) brings municipal officials together to influence federal policy affecting local governments. NLC adopts positions on federal actions, programs and proposals that directly impact municipalities and formalizes those positions in the <u>National Municipal Policy</u> (NMP), which guides NLC's federal advocacy efforts.

NLC divides its advocacy efforts into seven subject areas:

- Community and Economic Development
- Energy, Environment and Natural Resources
- Finance, Administration and Intergovernmental Relations
- Human Development
- Information Technology and Communications
- Public Safety and Crime Prevention
- Transportation and Infrastructure Services

For each of the seven issue areas, a Federal Advocacy Committee advocates in support of NLC's federal policy positions. Members of each Committee serve for one calendar year and are appointed by the NLC President.

Federal Advocacy Committees

Federal Advocacy Committee members are responsible for providing input and advocating on legislative priorities and reviewing and approving policy proposals and resolutions. Additionally, Committee members engage in networking and sharing of best practices throughout the year.

Federal Advocacy Committees are comprised of local elected and appointed city, town and village officials from NLC member cities. NLC members must apply annually for membership to a Federal Advocacy Committee. The NLC President makes appointments for chair, vice chairs, and general membership. In addition to leading the Federal Advocacy Committees, those appointed as Committee chairs will also serve on NLC's Board of Directors during their leadership year.

At the Congressional City Conference, Federal Advocacy Committee members are called upon to advocate for NLC's legislative priorities on Capitol Hill, as well as develop the committee's agenda and work plan for the year. Committee members meet throughout the year to further the plan, hear from guest presenters, discuss advocacy strategies and develop specific policy amendments and resolutions. At the City Summit, Committee members review and approve policy proposals and resolutions. These action items are then forwarded to NLC's Resolutions Committee and are considered at the Annual Business Meeting, also held during the City Summit.

<u>Advo</u>cacy

Throughout the year, Committee members participate in advocacy efforts to influence the federal decision-making process, focusing on actions concerning local governments and communities. During the Congressional City Conference, Committee members have an opportunity, and are encouraged, to meet with their congressional representatives on Capitol Hill. When NLC members are involved in the legislative process and share their expertise and experiences with Congress, municipalities have a stronger national voice, affecting the outcomes of federal policy debates that impact cities, towns and village

2024 CITY SUMMIT

FAIR EXECUTIVE SUMMARY

Policy:

- **Section 1.02 Municipal Administration**
 - A. Employee Relations and Benefits
 - 1. Municipal Pension Plans and Social Security
 - B. Municipal Decision Making
 - 1. Civil Rights/Equal Opportunity

Resolutions:

- ❖ NLC RESOLUTION 2025-1: Support for the John Lewis Voting Rights Advancement Act
- ❖ NLC RESOLUTION 2025-2: Support for Reforms of Opportunity Zones
- ❖ NLC RESOLUTION 2025-3: Support for Housing Finance Legislation
- ❖ NLC RESOLUTION 2025-4: Calling to Preserve and Enhance Voting by Mail
- ❖ NLC RESOLUTION 2025-5: Support for Voter Protections and Promoting Access to the Ballot Box
- ❖ NLC RESOLUTION 2025-6: Urging Congress to Ensure Accurate Counts for All Municipalities in the 2030 Census
- ❖ NLC RESOLUTION 2025-7: Support of Legislation to Streamline the Federal Grant Processes

Finance, Administration and Intergovernmental Relations Federal Advocacy Committee

2025 Work Plan

The main purpose of the Finance, Administration and Intergovernmental Relations (FAIR) Federal Advocacy Committee is to 1) provide input and advocate on legislative priorities, 2) review and approve policy proposals and resolutions, and 3) engage in networking and sharing of best practices.

NLC's <u>2025 Federal Action Agenda</u> is a biannual agenda mapped to the Congressional cycle to guide local advocacy efforts on Capitol Hill and with the Administration. The 2025 Action Agenda aims to support cities, towns and villages of all sizes in successfully accessing federal grant opportunities and to push Congress and the Administration to action in helping to solve some of the most pressing challenges at the local level.

The charge to each of NLC's federal advocacy committees is to develop a work plan to further the Federal Action Agenda. Core FAIR issues fall under several pillars of the 2025 Action Agenda. The committee will meet over the course of the year to engage in advocacy activities and develop policy recommendations, as necessary. Committee members will also share best practices, successes and challenges in utilizing these new federal funding opportunities.

FAIR PRIORITY AREAS

Tax Bill: Tax-Exempt Municipal Bonds and City Finance

What to watch in 2025:

- Tax-Exempt Municipal Bonds and Private Activity Bonds are on the chopping block during this year's tax bill. A tax-extension bill is the highest profile bill expected to pass Congress this year through the <u>Budget Reconciliation process</u>. This bill is expected to only garner Republican votes, which will make it a squeaker given the House's two seat majority. In January 2025, the <u>House Budget Committee's menu of pay fors</u> was released, which included getting rid of the tax-exemption on both municipal bonds and private activity bonds. The House Ways and Means' tax writer has previously <u>come out against the tax-exemption of municipal bonds</u> (and then <u>defended himself</u>). As a reminder, the initial version of the Tax Act (released on November 2, 2017) <u>proposed</u> to eliminate the tax-exemption for all private activity bonds, advance refunding bonds and certain stadium financings. Six weeks later, a final bill was signed, and cities lost the ability to use advance refunding.
- State and Local Tax (SALT) Deduction cap is expected to increase. The SALT cap of \$10,000, put in place during President Trump's first term, is expected to increase this year. If Congress does nothing, the cap expires allowing unlimited deduction of state and local taxes. Given the small Republican majority in the House, <u>Blue State Republicans</u> (primarily in New York, New Jersey, and California) have immense negotiating power. A final number has yet to be negotiated, but <u>enough Blue State Republicans vowed</u> that they would not vote for a tax bill without a sizeable SALT increase to tank the bill.
- There are very real threats to funding for cities allocated under the inflation Reduction Act (IRA). Provisions under the Inflation Reduction Act, which created Elective Pay (a tax reimbursement program) as well as federal grant programs, are particularly <u>vulnerable</u> to cuts this year. Last Congress there were over 50 votes in the House and one vote in the Senate to repeal parts of the IRA. While the House passed 20 bills last Congress to repeal or constrain the IRA, several House Republicans <u>signed a letter</u> to Speaker Mike Johnson (R-LA) expressing "support an all-of-the-above approach to energy development and tax credits that incentivize domestic production, innovation, and delivery from all sources." However, the

<u>President, as well as Members of Congress, have made it clear that they would like the IRA completely undone.</u>

Census

What to watch in 2025: 2030 Decennial:

- President Trump looks ready to fight to put a citizenship question on the
 decennial census. As a reminder, President Trump tried to include a citizenship
 question in 2020 which was shut down by the Supreme Court for "procedural reasons"
 teeing it up as a question for 2030. On President Trump's first day in office (1/20/2025)
 he revoked ("Initial Rescissions of Harmful Executive Orders and Actions") a President
 Biden Executive order that affirmed the longstanding practice of including the total
 number of persons residing in each state in those census results.
- Legislation and litigation are also focusing on the 2030 decennial. The Equal Representation Act (H.R. 151) was introduced on 1/3/2025 and calls for using the next head count to tally non-U.S. citizens living in the country and then subtract some or all of those residents from what are known as the congressional apportionment counts. Last year, this bill had 114 cosponsors and passed the House. It was stopped in the Democratically controlled Senate. And the state attorneys general of Louisiana, Kansas, Ohio and West Virginia filed a lawsuit in January asking a federal judge to ban the bureau from including in those official numbers, residents without legal status and those with visas.
- Process issues, which severely damaged the 2020 Census, are cropping up. Fiscal Year (FY) 2026 is a crucial year in the ramp up to the 2030 Census in which preparations and costs begin to exponentially increase. In FY 26, the Census Bureau will conduct the 2026 Census Test in six geographically and demographically diverse sites nationwide. The test is a critically important component of the decennial census planning cycle in which the Bureau evaluates new enumeration strategies and data collection technologies in the field. However, instead of focusing on adequately funding the Census Bureau, it looks like the government is headed toward a shutdown. Last decade, the Bureau canceled or delayed many of its planned tests and justified the decisions citing budgetary issues, such as sequestration in 2013 and continuing resolutions in fiscal year 2017. These canceled tests have been cited as a large component for the failures in 2020. Additionally, all Census Advisory Committees for 2030 were canceled on 3/4/2025.

American Community Survey:

- The American Community Survey (ACS) is already being targeted. The Freedom from Government Surveys Act (S. 265), introduced in February 2025, would make the ACS voluntary. Canada attempted to make census responses voluntary, which was a complete failure. Rural areas and small and mid-sized towns ended up being severely underrepresented, which harms access to federal and state funding. The bill also attempts to limit the questions asked. Each and every question is asked for a specific reason. One of the questions that this bill's cosponsor highlighted in their press release was "What time [does the respondent's] trip to work usually begin, and how many minutes [does] it usually take [the respondent] to get from home to work?". It was used as an example of government overreach. This question is asked to help city planners understand transportation routes to ensure that the roads are safe, to mitigate as much traffic as possible, and understand how folks are flowing in and out of cities.
- ACS data has been caught up in the "DEI Executive Orders" and a large amount of data has disappeared or been reintroduced on the website in an altered manner.

American Rescue Plan Act

What to watch in 2025:

- It seems likely that at some point the House and Senate Oversight Committees will start to target ARPA State and Local Fiscal Recovery Funds (SLFRF). We should be prepared to defend the use of funds and demonstrate their impact and effectiveness. This may include identifying cities that can be available to testify and/or to highlight in news stories.
- We need to ensure that cities, towns and villages are reporting and closing out the funds in the next two years.

Streamlining Federal Grants

What to watch in 2025:

• There are already multiple bills released to streamline the federal grants process. There is great appetite among Members of Congress to reform the federal grants process in a bipartisan manner. Certainly, the federal funding freeze and DOGE adds some complications around the matter. However, Members of Congress are beginning to consider asserting their constitutional power over the purse. The Streamlining Federal Grants Act is likely the bill that NLC will champion this year, given FAIR's Resolution. It was a bipartisan, bicameral bill that passed the Senate Homeland Security and Governmental Affairs Committee last Congress.

Federal Debt

What to watch in 2025:

- Federal elected officials are beginning to grapple with exploding federal debt. Over the past decade, government spending has surged, driven by pandemic relief, rising costs for entitlement programs and increased defense budgets. The U.S. debt today is so high that interest payments alone cost the government almost \$1 trillion per year. Federal spending is mostly composed of four familiar categories:
 - 1. **Medicare and Medicaid:** Makes up approximately 23 percent of annual spending, or about \$1.4 trillion.
 - 2. **Social Security:** Makes up approximately 21 percent of annual spending, or \$1.3 trillion
 - 3. **Defense:** Makes up approximately 12 percent of annual spending, or approximately \$750 billion
 - 4. **Interest Payments:** Make up approximately 11 percent of annual spending or approximately \$700 billion (Note: \$700 billion is a historical average, the current value is \$1 trillion).

Collectively, these four expenditures make up 67 percent of annual spending. To tackle the deficit, officials must: (A) substantially reduce spending on Medicare, Medicaid, Social Security or Defense, (B) substantially increase government revenues, or (C) completely dismantle almost every other government program down to only 20 percent of current spending. Republicans and DOGE are currently focused on the (C) option and also believe that tariffs will produce significant increased revenues.

Congress needs to raise the debt ceiling. The US has been operating under
"extraordinary circumstances" since January 2025. The nation will likely default on its
debt around early Summer. Congress needs to pass a bill either raising the debt ceiling
or suspending it but doing so normally requires Democratic support which seems
unlikely at this point. The House Republicans have put it in the tax bill instructions which
passed in February, but the Senate would like to deal with it separately. It is currently
unclear how the debt issue will be handled.

Insurance

What to watch in 2025:

• Congress is beginning to consider federal interventions or support for the insurance market given the skyrocketing rates for many across the country. The House Finance Services Subcommittee on Housing and Insurance's Chair, Mike Flood (R-NE), has recently stated that they "obviously...need to start taking a close look at some of the challenges in some state insurance markets like California." Sen. John Kennedy (R-LA), who serves on the Senate Banking Committee, said that he wanted to advance legislation "setting up some sort of national program. I hate to see the federal government get into the insurance business — but my God, it looks like we're going to have to." The insurance market will be a focus in Congress this year.



FEDERAL ADVOCACY 2025 Action Agenda

STRENGTHENING LOCAL ECONOMIES THROUGH FEDERAL PARTNERSHIP

America's prosperity depends on thriving local economies. By streamlining federal programs and empowering local governments, we can ensure a strong national economy. Local leaders are best positioned to understand the needs of their communities and should be key partners in shaping federal policies that meet local needs, while maximizing federal resources.



CORE PRINCIPLES

- ◆ **Strengthen Local-Federal Partnerships** Ensure federal decisions reflect local priorities by fostering robust collaboration and empowering local governments.
- Avoid Unfunded Mandates Federal rules and regulations must be practical, cost-effective, and free of undue burdens on local governments.
- Safeguard Local Authority Oppose over-regulation by the federal government and protect the ability of local leaders to make decisions that reflect their communities' different needs.



FEDERAL PRIORITIES TO STRENGTHEN AMERICA'S COMMUNITIES

Streamline Federal Programs for All Communities

◆ Simplify grant applications and compliance processes to improve access for all communities, particularly those that are small and rural.

Increase the Nation's Housing Supply

- Expand funding for successful affordable housing programs such as CDBG,
 HOME and Housing Choice Vouchers.
- Support local efforts to develop housing through technical assistance, federal grants, and increased flexibility within federal housing programs to enhance public-private partnerships.

Promote Public Safety

- Fund recruitment and retention of a comprehensive public safety workforce.
- Enhance mental health crisis response and violence prevention programs.
- Strengthen tools to combat substance trafficking and improve disaster response and recovery resources.

Solidify Infrastructure Investment

- Maintain and reauthorize essential federal infrastructure funding to address local needs and expedite environmental reviews for infrastructure projects.
- Protect tax-exempt municipal bonds and provide direct funding to local governments.

Close the Digital Divide

- Preserve local control over broadband infrastructure and ensure affordable, high-speed internet for all communities.
- Expand cybersecurity grants to safeguard against rising cyber threats.

Build Community Resilience

- Provide additional support for pre-disaster mitigation to reduce taxpayer costs and protect public safety.
- ♦ Invest in clean energy initiatives to bolster energy independence and economic growth.
- Preserve existing funding, financing, tax credits and programs that support local governments.

Reduce Legal and Financial Burdens on Local Governments

 Provide liability protections for local governments managing PFAS contamination and reduce or eliminate other unfunded federal mandates.

The National League of Cities (NLC) is committed to fostering a strong local-federal partnership to drive economic growth, enhance public safety and ensure efficient governance by advocating on behalf of local government interests with all branches of the federal government – executive, legislative and judicial. Together, we can position America's communities for a secure and prosperous future.



2025 Finance, Administration and Intergovernmental Relations Federal Advocacy Committee

Leadership

Committee Chair Blaine Griffin, Council President, City of Cleveland, OH Vice Chair Mary Dennis, Mayor, City of Live Oak, TX Vice Chair Clare Kelly, Council Member, City of Evanston, IL

Members

Lindsey Adams, Intergovernmental Relations Officer, City of Midland, TX Jason Ashmore, Mayor, City of Sesser, IL

Larry Avery, Council Member, City of Gadsden, AL

Tatiana Baena, City Councilor at Large, City of Central Falls, RI

Thomas Barnhorn, Councilor, City of Seminole, FL

Chris Benson, City Administrator, City of Pembroke, GA

Curtis Bethany, Vice Mayor, City of Newport News, VA

Tomeka Butler, Mayor, City of Eudora, AR

Ian Cain, Councillor, City of Quincy, MA

Leondrae Camel, City Manager, City of South Bay, FL

Staycie Coons, Intergovernmental Affairs Officer, City of Greeley, CO

Brian Dehner, City Administrator, City of Edgewood, KY

Gay Donnell Willis, Council Member, City of Dallas, TX

Dany Fleming, Council Member, City of Harrisonburg, VA

Curtis Gardner, Council Member, City of Aurora, CO

David Goldman, Deputy City Administrator/Finance Director, City of Oak Harbor, WA

Raul Gonzalez, Council Member, City of Arlington, TX

Ruth Grendahl, Council Member, City of Apple Valley, MN

William Harris, Commissioner, Town of Fuquay-Varina, NC

Lance Haynie, Government Affairs Director, City of Santa Clara, UT

Don Hudson, Assistant City Manager/Finance Director, City of Tualatin, OR

Tangela Innis, Town Manager, Town of Dumfries, VA

Lisa James, Mayor Pro Tem, City of St. Marys, GA

Kurt Johnson, Council Member, City of Grand Prairie, TX

Brandon Jones, Council Member, City of Lewisville, TX

Cleophus King, City Council Member, City of Bessemer, AL

James Kole, Councilmember, City of Laurel, MD

Jacob LaBure, Councilmember, City of Lakewood, CO

Adam Layne, Treasurer, City of St. Louis, MO

James Marsh-Holschen, Council Member, City and County of Broomfield, CO

Mike Miller, City Administrator, City of Tulsa, OK

John Mirisch, Councilmember, City of Beverly Hills, CA

Cassandra Nelson, Councilmember, City of Richmond Heights, OH

Sue Osborn, Mayor, City of Fenton, MI

Steve Powers, City Administrator, City of Mukilteo, WA

Daphnee Sainvil, Public Affairs Manager, City of Fort Lauderdale, FL

Jennifer Scott, Town Manager, Town of Braselton, GA

Crystal Smitherman, Councilmember, City of Birmingham, AL

Julie Spilsbury, Councilmember, City of Mesa, AZ

Mike Sutherland, Council Member, City of Centennial, CO

Kyonzte Toombs, Council Member, City of Nashville - Davidson County, TN

James Vanderpool, City Manager, City of Anaheim, CA

Steve Wright, Mayor, City of Seaside, OR