

NEW ADMINISTRATION: STRATEGIC OPPORTUNITIES FOR THE COMMUNITY ACTION NETWORK



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Purpose: To analyze Community Action outcomes and identify effective, promising and innovative practice models that alleviate the causes and conditions of poverty.

BUILD OUR CAPACITY TO FIGHT POVERTY!



As a network, we must be focused on the “right” issues to address poverty today. We have to be in-tuned with these issues and reflect on and CREATE strategies that have Impact.

—Jeannie Chaffin

New Administration: Strategic Opportunities for the Community Action Network: Topic Areas

- Big Challenges in the Past
- What's Different Now
 - The Global perspective
 - The Domestic perspective
- Currently announced goals and policies
 - President-elect Trump
 - House speaker Paul Ryan
- What CAA's should be doing now – group participation (approx. 20 minute exercise)

We Have Experienced Big Shifts in the Past

- Nixon in 1972 (defeating McGovern and Shriver). Effort to close OEO
- Reagan in 1980 and 1984. Zero budgets.
- George Bush in 2000 and 2004. Zero budgets.
- Obama in 2008. 50% cut. Competition.
- The next 4-8 years of Trump

Global Perspective

- Job loss in other economies like what is happening in the U.S.
- Brexit and rise of conservative parties in Europe mostly due to migration causing reactions against ethnic/religious “others”.
- EU member economy stresses: Greece, Portugal, Spain, Italy, etc.
- Middle East instability. Yemen, Syria. Iraq. Afghanistan, Tunisia, Egypt, etc.
- Looking backward to idealized, mythical pasts.

US perspective (Senator Mark Warner, VA)

- There is a widespread belief that our once great institutions are unable, or at least unwilling, to work together to address today's economic challenges.
- Congress and the President have failed to respond adequately to the seismic shifts that have been occurring for some time across our economy, many of them triggered by increased automation and global, competitive pressures.
- The populist tide (Sanders and Trump) is fueled by Americans who believe they are just one or two paychecks away from disaster. Indeed, too many of them are.
- About one-third of working Americans today are involved in some form of contingent work, and that's expected to swell to nearly 50 percent over the next decade.
- Workers without traditional long-term jobs typically have limited access to social insurance such as health care, disability insurance and retirement savings, which provide peace of mind and a safety net to protect them if needed.
- At the same time, we have never made it easy for even successful independent contractors, such as consultants and lawyers, to find or fund their own social insurance.

Possible Opportunities (Senator Mark Warner, VA)

1. Encourage more innovation and experimentation around portable benefits: a 21st-century safety net tied to the individual, not the job. This approach could provide greater income stability and protection for workers who hold multiple jobs — whether across a single day or an entire career.
2. Government-driven, top-down programs to train workers for today's jobs simply don't function well enough. The jobs available today and the jobs expected tomorrow are higher-skill positions that will require targeted and continuous learning to allow workers to adapt to changing technology.
3. Congress should be talking about ways to incentivize businesses to provide additional training, especially for their lower- and middle-skill workers. We should discuss the appropriate metrics to make sure this training actually results in higher skills and better pay.
4. U.S. public companies today are preoccupied with short-term profits at the expense of longer-term investments. While we used to see 50 percent of corporate profits reinvested in a business, today about 95 percent are redistributed as dividends or stock buybacks. This short-term focus robs companies of the investments in capital and people that make them a source of longer-lasting, well-paying jobs.
5. Investors, too, have increasingly displayed this short attention span. In the 1960s, the average hold of a share of public stock was eight years; today, it's four months. If Washington is serious about tackling tax reform next year, we should be looking for constructive ways to encourage more public companies and their shareholders to make longer-term investments.
6. Encourage greater transparency around: stock buybacks and executive compensation would help restore public confidence in U.S. businesses, too.

Trump's plans for rebuilding our infrastructure

- Trump has made a \$1 trillion infrastructure investment over 10 years one of his first priorities as president, promising in his victory speech “rebuild our highways, bridges, tunnels, airports, schools, hospitals.”
- His proposal would offer \$137 billion in federal tax credits to private investors who want to back transportation projects, which would unleash up to \$1 trillion worth of infrastructure investment over 10 years.
- These will be public-private partnerships that will allow private firms to bid on transportation projects, build and maintain the project for a set amount of time, and recover costs through tolls or set state payments.
- Trump's transition team said it was exploring whether to establish a national infrastructure bank, which has long been [favored by Democrats](#) but gone nowhere under a GOP-led Congress.

Trump's Maternity and Sick leave proposals

- Proposed six weeks of paid maternity leave, which he said would offer “a crucial safety net for working mothers.” Currently, 87 percent of workers get no paid family leave, and 95 percent of those in the lowest quarter of earners get none, [according to](#) the Bureau of Labor Statistics.
- Proposal would apply only to new mothers, and he said he would pay for it with savings from reducing unemployment insurance fraud, though it's unclear how that would work.
- [The Family Act](#), a Democrat-sponsored bill stalled in Congress, proposes paying for it with a small increase in payroll taxes. Republicans have previously proposed giving businesses a tax credit for providing paid leave, but making it voluntary.
- [Paid sick leave](#), so that workers can care for themselves or for ill family members. It's unclear whether Mr. Trump will push for it. Thirty-five percent of workers over all and 66 percent of those in the bottom quartile of income get no paid sick leave. Some Republicans have instead [proposed](#) letting certain workers — those in the private sector who are not exempt from overtime laws — substitute time off for overtime pay.

Trump's Child Care Proposals

- His proposal would allow parents earning less than \$250,000 individually or \$500,000 jointly to deduct the average cost of child and [elder care](#) from their income taxes.
- Parents who stayed home with children would also get the child care tax deduction.
- For low-income families, he proposed child care spending rebates as part of the earned-income tax credit.
- He also said he would make pretax dependent care savings accounts available to everyone, not just people whose employers offer them, and give tax deductions to employers that offer on-site child care.

Job Development – Apprenticeships?

- Mr. Trump has pledged to create 25 million jobs over the next decade - 18m more than is forecast today.
- Experts say one route toward that goal is apprenticeships.
- They would be possible in a range of fast-growing industries, like health care and information technology, he said, and in white-collar jobs like hotel management.
- They could also be useful in putting people to work building the [new infrastructure](#) that Mr. Trump has promised.
- But, according to the [Economist Magazine](#) even if the labor-force participation of 25- to 54-year-olds returns to its record high, only 4.3m new workers will appear by 2024.
- To achieve consistently their economic growth target of 3.5-4%, Mr. Trump's new team must instead hope for an unprecedented surge in productivity, driven, perhaps, by deregulation?
- Some experts suggest that growth of 2.5%, or, at a stretch, 3%, should be the goal.

Paul Ryan's Plan



Poverty, Opportunity, and Upward Mobility

June 7, 2016

better.gop

“A Better Way” Poverty Agenda by Paul Ryan 6/2016

- Expect Work-capable Adults to Work or Prepare for Work in Exchange for Welfare Benefits
- Get Incentives Right So Everyone Benefits When Someone Moves From Welfare to Work
- Measure the Results
- Focus Support on the People Who Need it Most.
- Improving the Skills and Knowledge of our Workforce
- Strengthening Early Childhood Development
- Supporting At-Risk Youth
- Improving Career and Technical Education
- Strengthening America’s Higher Education System
- Improving Nutrition for Students and Working Families
- Building Retirement Security through the Private Retirement System
- Ensuring Access to Banking Services



10 Proposed Changes to ACA (part 1)

The Ryan plan rescinds the ACA mandate to buy health insurance, its key feature is that ACA spreads the cost of insurance across generations. So healthy young people subsidize older people who use more health care.

1. Move people to insurance policies that carry high deductibles.
2. To pay those deductibles and other health care costs, people would have tax-free health savings accounts.
3. The individual, government or employer could contribute to such an account. That could keep premium costs down for young, healthy people.
4. Limit the tax breaks for employer-based insurance to nudge companies into buying cheaper, high deductible, policies for their employees



10 Proposed changes to ACA (part 2)

5. The new system with a single open enrollment period, rather than the annual sign-up windows offered under ACA.
6. People with ongoing medical conditions who maintain their coverage continuously can't be cut off, or see their prices raised.
7. But if your coverage lapses, you could be denied a policy due to pre-existing medical condition (i.e. diabetes, high blood pressure, etc).
8. Next time you could get coverage again would be when you turn 65 and become eligible for Medicare.
9. Ryan proposed creating high risk pools — special government subsidized coverage for hard to insure people like those with cancer or other chronic illnesses. However, says high-risk pools have been tried already, in 35 states, and failed.
10. Ryan's plan covers fewer people and offers fewer benefits.



Trump's possible proposed changes to ACA

Appointment of Tom Price, MD from Congress to head HHS as the point man to dismantle ACA

- State coverage may be eliminated (example: Covered California)
- However,
 - Congress may repeal ACA with a 2-4 year date before it goes into effect to allow Congress to come up with a replacement
 - Trump said he wants to keep the provision allowing children up to age 26 to be on the parents policy,
 - Continue to allow federal funds to provide birth control? Hugely contentious issue

Proposed Changes to Medicare

Paul Ryan isn't ruling out Medicare privatization, he firmly believes that Medicare funding will run-out in 10 years.

- Convert the 50-year-old public health insurance program for seniors and the disabled into a system that would help beneficiaries purchase private insurance.
- Republicans tend to call such a model “premium support,” saying it is the best way to control Medicare’s long-term costs, while Democrats refer to it as “voucherization” or privatization and argue that it would mean less comprehensive coverage for vulnerable Americans.
- It is similar to what federal employees have: You get to choose among plans that are comprehensive and guaranteed to meet your benefits.
- Current traditional plans will also be offered.

Additional Proposed changes to Medicare

- Raise the eligibility age for Medicare from the current 65 to 67, beginning in 2020.
- Ryan has also supported limiting Social Security benefits by raising the retirement age for full benefits to as high as 69 or 70. (Under current law, it's now 66 and will rise gradually to 67.)
- House Republican plan is to cut Medicaid spending by \$500 billion over a decade by turning it into a capped “block grant” payment to the states.

Rollback of Obama's Executive Orders

Only 256 executive orders have been issued under the Obama presidency through October 20, 2016. In comparison, Ronald Reagan issued 381, Bill Clinton issued 364, and George W. Bush issued 291 executive orders.

- **Immigration**— Deferred Action for Childhood Arrivals program, which provides a path to legal status for children 16 or younger who arrived in the U.S. after 2007. “According to the Migration Policy Institute, 1.3 million young adults age 15 and older were eligible for the program as of 2016. Sixty-three percent of this group population had applied as of March 2016, of whom 89 percent were approved.”
- Presidents can invoke Section 212(f) of the Immigration and Nationality Act, which says, “Whenever the president finds that the entry of any aliens or of any class of aliens into the United States would be detrimental to the interests of the United States” the president can keep them out for “such period as he shall deem necessary” – this gives Trump authority to block Muslims from entering the US.
- **LGBT Rights**—There are a variety of executive actions that expanded LGBT rights under the Obama administration, including protections against [discrimination in housing](#) and health care, as well as [barring discrimination by federal contractors](#) in their dealings with LGBT employees.

Executive Order Rollback (part 2)

- **Climate Change and Energy**—The [UN Paris Climate accord](#), which Obama ratified on behalf of the U.S. in September, could be dead on arrival. Although the accord’s provisions call for a three-year process for a signatory nation to withdraw, President Trump has the option to simply not implement the provisions.
- The Keystone XL pipeline project may be revived. The EPA regulations reducing the use of coal in electricity generation, referred to as the “Clean Power Plan” by supporters and as “the war on coal” by detractors, will be vulnerable as well.
- Can block EPA regulations that haven’t been finalized, but undoing existing regulations (or [abolishing](#) the agency altogether) would require cooperation from Congress (and a lengthy legal battle).



Executive order rollback (part 3)

- **Trade**—The pending [Trans-Pacific Partnership](#) (TPP) agreement will not be approved in its present form. Trump has proposed amending or rescinding NAFTA, which was effective January 1, 1994.
- He has also said he'll direct the Secretary of the Treasury to declare China a currency manipulator and implement excise taxes on Chinese-made goods to counteract the effects of alleged manipulation.
- An excise tax of 35 percent or 45% has been widely quoted, based on an example Trump made of what level of currency manipulation may be determined to be present.
- **For-profit Colleges**—Trump has already signaled support for [ending administrative rules](#) that make it more difficult for [for-profit colleges](#) to attract students relying on federal student loan support.

Opportunities for CAAs -- Defend

1. CSBG
2. SNAP
3. ACA – insurance, Medicaid, pre-existing conditions, youth insured until age 26, etc.
4. TANF
5. Others?

Opportunities for CAAs – Create nationwide

1. If the Trump administration is successful in securing funding for improving infrastructure, CAAs can serve as an advocate for minorities and people with low-incomes to find jobs. Create opportunities for minority owned construction businesses.
2. Investment in ECD and child care programs -- a natural for CAAs.
3. Improvements in family leave policies.
4. CAA's as worksites for people on TANF, SNAP, Medicaid, drug treatment, etc?
5. PREPARE for increases in homelessness. Parking lots.
6. Conduct experiments on universal basic income.

Opportunities for CAAs – Create local

1. Help create resilient communities. Transition towns, <http://www.transitionus.org> Barter systems, co-ops, time dollars (alternative currency). Lower expectations.
2. Housing -- tiny homes, tent cities, other configurations of living arrangements.
3. State/city minimum wage, EITC, child care, infrastructure.
4. REVISE community assessments to show how work is changing. Describe structure of economy. Number/% who dropped out of the workforce. Number/% working full time below poverty level, number of part-time, temps. Etc.
5. Prepare for 2020 census and redistricting

What Should CAA's Be Doing Now

- An on-line brainstorming session produced these ideas....
- Jim Masters and John Buckstead handout
- Others

What are Your Ideas?

- Lists on the wall show opportunities to:
 - 1. DEFEND existing national programs. (List others.)
 - 2. CREATE new – national. (List others.)
 - 3. EXPAND approaches – local. (List others.)
- Stand up, go to sheets. PRINT your ideas.
- You have 20 minutes.
- Select a reporter who will summarize what is on the sheets.

Q & A Inquiring minds want to know



Many Thanks for Your Interest and Participation

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