

10 Issues to Watch in 2018.



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To say the past year ushered in policy changes that affect Advocacy & Communication Solutions' (ACS) clients is an understatement. But what does it mean going forward? At the federal and state levels, we've seen shifts in funding and policy priorities that are promising in some areas of interest but concerning in others. Here are ten issues where action (or inaction) is likely to have an impact on our clients' work in 2018.



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ISSUE #1: Criminal Justice Reform

States led the way in criminal justice reform during 2017, and that work will hopefully continue to evolve

Criminal justice reform and the impact on the criminal justice system received much attention during the course of 2017, as states recognized that alternatives were needed to the number of overcrowded prisons and to increase the long-term potential of individuals for rehabilitation, family stability, and economic security. State legislatures played a significant role in developing and implementing sentencing and corrections policies that prioritize public safety, provide accountability for offenders, and make the best use of limited public resources. Many states have pursued reform efforts to expand eligibility for community diversion and treatment programs and to revise mandatory prison sentences.

California Governor Jerry Brown signed many criminal justice reforms into law in 2017, including provisions to make young and elderly prisoners eligible for earlier parole. Other reforms limited sentencing enhancements (years automatically added on to the sentences of people with prior criminal history, such as minor drug crimes) and allowed judges the discretion to add extra jail time if a gun is used in the commission of a crime. The new law also makes it easier for adults and juveniles arrested for minor crimes to have their records sealed.

The work of the Oklahoma Justice Reform Task Force resulted in the enactment of three significant pieces of legislation in 2017. Governor Mary Fallin signed a bill that requires all offenders to receive a validated risk and needs assessment to enable the state corrections department to create an individualized plan for each offender. Additional bills signed by Governor Fallin provided training for law enforcement related to safety for victims of domestic violence and training for district attorneys, judges, and public defenders on substance abuse, behavioral health and the impact of domestic violence.

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In 2017, several states advanced reforms around issues such as criminal justice, marijuana legalization, sanctuary cities, and drug pricing. It is likely this trend will continue in 2018 as federal funding decreases and the shift toward deregulation persists.

ISSUE #2: Reauthorizing Head Start and Implementing New Performance Standards

Head Start and Early Head Start continue to await reauthorization, even as new performance standards begin.

Head Start and Early Head Start programs were not reauthorized in 2017, and despite an \$85 million increase in funding included in the final 2017 omnibus¹ budget signed by President Trump on May 5, 2017, future funding for the program is at risk. President Trump’s proposed budget for Fiscal Year (FY) 2018 funds Head Start at the same

level as FY 2016 and does not include the \$85 million increase in the omnibus amendment. If adopted, this approach would represent a significant decrease in Head Start funding at a time when program operators are implementing new, increased performance standards.

In addition, the U.S. Department of Health and Human Services (HHS), the federal agency responsible for overseeing Head Start, has seen a change of leadership. HHS Secretary Tom Price, a former legislator who advocated for state control of Head Start programs, resigned in September, and Eric D. Hargan was appointed as acting secretary. Hargan was part of the Trump administration transition team and held leadership positions at HHS for several years during the George W. Bush administration. President Trump nominated Alex Azar (former George W. Bush HHS administration official) to head the agency, but Azar has yet to be confirmed.

¹An omnibus budget packages many of the smaller regular appropriations bills into one larger single bill that could be passed with only one vote in each house.





ISSUE #3: Tax Reform

Congress explores cutting safety net programs to pay for tax cuts. Meanwhile, decreases in deductions threaten local school districts.

President Trump signed a comprehensive tax reform bill into law on December 22, 2017. The federal tax overhaul is estimated to increase the federal deficit by \$1.5 trillion and included significant cuts to public education and higher education. The tax reform plan drops the corporate tax rate down from 35% to 21%, repeals the corporate alternative minimum tax, nearly doubles the standard deduction for individuals, and restructures the way pass-through businesses are taxed. Republicans in Congress already have indicated a willingness to look at reforms in programs such as Medicare, Medicaid, and Social Security to help pay for the tax reductions.

The new tax law hurts local school districts that primarily rely on the support of their local tax base for school funding. By increasing the standard deduction for individuals, the tax law significantly decreases the number of taxpayers who can take advantage of itemized deductions, including the deduction of state and local taxes. This means that local school officials may find it more difficult to garner support from taxpayers who will no longer see a tax benefit from deducting the local taxes that support education funding. The National Education Association estimates that the elimination of this important tax deduction will lead to a loss of approximately \$370 billion in state and local tax revenue during the next ten years, and could result in the loss of over 350,000 education jobs.

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eliminated some subsidies, cut the insurance enrollment period in half, significantly reduced marketing efforts for the program, and provided a regulatory landscape that experts say will undermine the federal program. Most notably, the tax reform effort signed into law in December 2017 will repeal the individual mandate in 2019.

Analysts predict chaos in the insurance marketplace due to repeal of the individual mandate. With premiums expected to increase dramatically, some insurers could leave the marketplace altogether. States may have little time to prepare for and control the fallout from the repeal of the individual mandate. Some ACA supporters have called for states to implement their own state mandates or penalties, but while the mandate was a central part of the ACA it also remains one of its most politically unpopular features. Therefore, it is uncertain whether state leaders, especially in conservative states, will embrace this approach.

ISSUE #9: Every Student Succeeds Act (ESSA)

Amid criticism, the U.S. Department of Education requests more information from states before approving some state ESSA plans.

All 50 states (and the District of Columbia) have submitted plans to the U.S. Department of Education, which has approved 15 of them. The Department, however, has come under fire from education advocates who have claimed that many state plans ignore their legal obligation to identify and fix low-performing schools, according to an analysis highlighted by a recent report from the Education Trust. Secretary Betsy DeVos also has been criticized for approving plans that fail to address a central part of the law requiring states to identify schools for improvement based upon three distinct categories and to identify student sub-groups to measure student progress across a variety of demographic information, including minority students and students in poverty.

As a result of such criticism, the Department has asked some states (Alabama, Alaska, Georgia, Kansas, Maryland, Montana, North Carolina, South Dakota, Utah, and Wyoming) for additional information and responses before approving their plans. With a federally mandated 120-day approval window, most

states had until January 8 to revise and resubmit their plans, after which the U.S. Education Department will have a short window to re-review and either approve or deny those plans. Existing plans, even when approved, are a snapshot in time. If history is any indicator of the future, as states implement their plans, in the coming months and years there will be significant state-federal interaction, monitoring, requests for clarification and modification.

ISSUE #10: Role of Philanthropy

Philanthropy will wrestle with the impact of tax reform on the charitable sector and the effects of policy changes that undermine public support for populations in need.

The new tax bill rolls back the estate tax and eliminates the charitable deduction for most taxpayers, and therefore is expected to significantly reduce the overall amount of charitable giving. As a result, philanthropic grantmaking organizations may see increased requests for grant support from nonprofits. For community foundations, a reduction in giving also may have a negative impact on the creation of donor advised funds or continued gifts to existing funds.

The question of how to pay for tax cuts still looms large, and Republicans in Congress have indicated that many of the federally funded social programs that help meet the needs of low-income individuals and communities may be considered for budget cuts. If these cuts occur, foundations may feel the strain as public partners who deliver services are weakened. Some may begin to look more to state and local agencies as partners for community investment. The success of these efforts may largely depend on political will at the state and local level. In addition to increased partnership, some foundations may invest in advocacy efforts to increase political will at the state and local levels.

On a more positive note, the field of philanthropy has displayed a growing interest in issues of equity in the past year. Amid tightened public investment and social tensions, philanthropic attention to issues of equity in many forms – health equity, educational equity, racial equity, gender equity, etc. – is likely to grow.

What Did We Miss?

The issues listed above are but a few that are currently in play in our country's dynamic policy environment. If there's another policy issue that will consume your organization in 2018, please share your story with us by emailing us [here!](#)

15 Years Strong

2018 is shaping up to be a year in which strategic advocacy and persuasive communication will be more important than ever. Celebrating 15 years as a successful, award-winning, and women- and minority-owned, ACS has the know-how to handle any challenge. Throughout 2018 ACS will celebrate and highlight many of the people and issues that have inspired our work and allowed us to play a part in their success. Be on the lookout for stories, resources and surprises as 2018 unfolds!

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