

THE SAFETY NET DEFENSE FUND PROJECT

January 2018

The Safety Net Defense Fund project, created by the Center for Community Change (CCC) and the Center on Budget and Policy Priorities (CBPP) in partnership with the New Venture Fund (NVF) after the 2016 elections, is launching a second year of the initiative to defend the key anti-poverty programs that comprise our nation's safety net. We seek to raise \$6.5 million in 501(c)(3) support to continue our campaign. The Safety Net Defense Action Fund (SND AF), a separate 501(c)(4) initiative of the Center for Community Change Action (CCCA) and the Sixteen Thirty Fund, will conduct direct and grassroots lobbying activities to directly connect impacted people with their members of Congress.

STATE OF PLAY

We begin 2018 with increasing clarity that the safety net for tens of millions of low-income families and individuals will face grave threats again this year. The Trump Administration and Republican leaders in Congress ended the year by enacting a massive tax bill that widens inequality and squanders billions in tax breaks for wealthy corporations and individuals. The deficit-financed tax cuts were the first in a two-step process; as the second step, the President, Speaker Ryan, and other senior Congressional leaders have talked publicly about cutting social programs, justifying their plans as necessary to reduce the deficit, which has greatly increased because of their tax cuts. Their agenda for 2018 is likely to include

harmful structural changes and substantial budget cuts to anti-poverty programs such as SNAP, Supplemental Security Income, low-income housing, and TANF among others. Even after a year of attempts to repeal and replace the Affordable Care Act, we expect these lawmakers will continue to threaten Medicaid and seek to unravel the ACA, building on the repeal of the individual mandate included as part of the tax package.

We anticipate that both legislative and administrative threats will emerge to target the core programs that serve struggling individuals and families—working families, those who are out of work or between jobs, seniors, and people with disabilities, including some of the nation's poorest individuals and families and millions of children. Congressional leaders have already put forward various proposals that would adopt capped funding or block grants, weaken federal protections and standards,

and institute so-called “work” requirements that put up barriers to needed housing, nutrition, and health care rather than helping people succeed in the labor force. Proposed changes to these programs' funding mechanisms and requirements could have sweeping consequences for access to core support for millions of families. Legislation, if not stopped, also could grant states sweeping flexibility to cut programs to fit within inadequate funding allocations with little accountability for whether they

“We're looking very strongly at welfare reform, and that will all take place right after taxes -- very soon, very shortly after taxes.” President Trump (11/20/2017)

“We have a welfare system that's trapping people in poverty and effectively paying people not to work. We've got to work on that.” Speaker Paul Ryan (12/6/2017)

“ObamaCare premiums are going up, up, up, just as I have been predicting for two years. ObamaCare is OWNED by the Democrats, and it is a disaster. But do not worry. Even though the Dems want to Obstruct, we will Repeal & Replace right after Tax Cuts!” President Trump (via twitter) (11/23/2017)

adequately serve poor families. Without strong federal rules, people of color, women, and children will be disproportionately vulnerable to harmful policies.

If enough members of Congress conclude that cuts in critical health and basic assistance programs will help them improve their standing with the public, such cuts will be aggressively pursued and ultimately enacted. This is similar to the dynamic that led to the passage of the tax cut legislation in December 2017. Our campaign is designed to challenge that calculation. By educating the public on the harm caused by proposed cuts and policy changes and by generating strong, early, and on-going push-back against them, we will show the deep unpopularity of this direction. Changing the debate in this way will be key to persuading Congress to avoid a major confrontation on these issues in the first place or to successfully opposing them if they do.

The stakes are high and potentially sweeping for millions of struggling Americans. Medicaid provides health coverage to more than 70 million children, parents, pregnant women, seniors, people with disabilities, and others, which means 1 in 5 Americans depend on it. About 41 million people are struggling to put food on the table and receive help from the Supplemental Nutrition Assistance Program (SNAP). Because of the cash assistance that Supplemental Security Income (SSI) provides, 8 million elderly people and people with disabilities live in dignity. These programs not only help mitigate near-term hardship, but research shows that income support, food assistance, and health care help children succeed in school and then later in life. Research shows that safety net programs improve a child's long-term development, so the impact of current proposals will be generational and constitute a serious threat to our collective futures.

Adding to the threat to families, federal funding cuts and structural changes to core assistance programs could have profound ripple effects on public investments at the state and local level. If costs for assistance programs are shifted to states, states will in turn have fewer resources for key investments, including education across the age spectrum from early childhood education to college, child care, job training, transportation, and economic development. Alternatively, structural changes could provide new flexibility to states to withdraw state funding from basic assistance programs, deepening the cuts experienced by families.

In 2017, the SNDF project began as a mechanism for philanthropic leaders to support a targeted and strategic effort that emphasized field and communications capacity to influence these debates. Over the past year, the initiative catalyzed non-partisan engagement at the state and local level, including grassroots voices from impacted communities, influential stakeholders, state policy and issue advocacy groups, and other constituency organizations. A key component of generating effective engagement by a broad group of state and local stakeholders is the support provided to these groups by CCC and CBPP. This support ensured that messaging was both coordinated with national efforts and targeted for particular audiences and that state and local groups' efforts were well-timed and fit within a broad strategy. The public outcry and unprecedented mobilization that occurred to protect the ACA against very great odds bolster our confidence to tackle another year of battles.

We face some of the same challenges we had to overcome in 2017 and some new ones:

- **Framing of the Debate:** Debates focused on anti-poverty programs are often framed by those who want to cut them around a belief that the safety net creates dependency for people who could otherwise be working. This belief has been used to justify a set of policies designed to shrink critical federal programs and impose unworkable and harmful eligibility and work requirements (even within Medicaid). It is often linked to racialized stereotypes of

beneficiaries. In 2018, as attacks extend beyond health care, we anticipate that race will be increasingly used to divide the public and foment racial anxiety. The power of data and stories fundamentally changed the debate in 2017. We must continue to communicate the hard numbers behind policy proposals and link them to real human impact by elevating beneficiaries' stories and voices.

- **Highly Partisan Budget Processes:** Policymakers could employ a budget reconciliation process, which is designed to obviate the need for bipartisan negotiation. A reconciliation bill requires only a simple majority in the Senate, and it cannot be filibustered. Congress used this process to enact the tax cut legislation and in attempts to repeal the ACA. The past year has shown that we can make even securing a simple majority a laborious and slow process. Tactics to divide and delay have been highly effective and we will replicate this strategy again in the year ahead.
- **Constantly Shifting Terrain:** The ACA and Medicaid were clear targets in 2017, although the specific legislative proposals and timing turned out to be unpredictable. Both the ACA and Medicaid could come under attack again this year, and the President and many Congressional leaders are indicating that their priority is to cut key supports for low-income families potentially as part of “Welfare Reform 2.0.” Congress may aim to “keep their options open” by working on multiple potential proposals before deciding whether to utilize the reconciliation process and what policies to package together into legislation. The SNDF will need to build campaigns that are nimble and have the capacity to pivot across a range of issues and priority states given the murkiness of the precise threats at hand – and the threat that uncertainty could remain for a number of months. The approach we developed in our 2017 campaign is well-suited for this kind of uncertainty. We balanced laser-like targeting of our field programs with a 50-state narrative strategy, which we will continue in 2018.
- **Growing & Deepening Alliances:** During the health care debate, powerful stakeholders including hospital groups and insurers engaged heavily in well-resourced opposition efforts, adding much-needed capacity to opposition efforts. In the upcoming campaign to protect programs like SNAP, we cannot count on the resources or support of powerful allies to the same extent. Although field efforts proved enormously successful last year, capacity constraints pose challenges to strong and sustainable state-level initiatives that will involve a broad, but less influential array of constituencies.
- **Election Year:** Issue campaigns in election years can become highly charged in unpredictable ways and political considerations are even more likely to overshadow sound policy judgments. All SNDF strategy choices will be nonpartisan and non-electoral, but we recognize that our messages on the safety net will need to break through a noisier media and more politicized environment.

2018 GOALS

Given these challenges and our expectations for the debates ahead, the SNDF project will continue to focus on protecting and building support for core safety net programs, including Medicaid, SNAP, and other programs that come under attack. If we are successful:

1. **Medicaid, SNAP, SSI and other core assistance programs retain their core structure and are protected from deep cuts and harmful policy changes.** The SNDF project fills an important role

at the national level to defend these and other anti-poverty programs from cuts, structural changes, and new rules that limit eligibility and access like work requirements.

2. **Field partners are stronger and increase their influence.** The SNDF project's tailored field and public education campaigns – supported by hands-on assistance from CBPP and CCC – will build the communications and organizing infrastructure for what could be another protracted debate.
3. **The base of public support for the safety net is stronger.** We aim to challenge the myths and stereotypes used to disparage anti-poverty programs and their beneficiaries, create visible pushback at the state level, and humanize the national conversation.

2018 STRATEGY

Our strategies are interrelated, and we aim to:

I. SUPPORT STRATEGIC FIELD CAMPAIGNS IN PRIORITY STATES

The SNDF supported a diverse array of grasstops and grassroots state partners in 25 strategically important states in 2017. Partners in these states received extensive technical assistance from CCC and CBPP, which bring deep expertise, experience, and complementary approaches to influencing policy decisions. Both national partners devoted a team of full-time staff to provide leadership and intensive support to the SNDF grantee, and neither national partner received SNDF support for these activities. In addition, a parallel 501(c)(4) fund supported a more modest investment in direct citizen communications with policymakers.

In 2018, the SNDF project will continue to be highly targeted while also maintaining flexibility to respond to an unpredictable landscape. Our up-to-the-minute analysis of the state of play will guide the selection of strategically important states for investments as well as the issues on which to focus. Together CCC and CBPP will conduct thorough assessments in these states to determine the partners best positioned to influence the outcome of these high-stakes debates. In some cases, we will continue to resource groups whose expertise, partnerships, or relationships demonstrate their capacity to be highly influential on a specific program like SNAP or Medicaid. In others, we will support partners with capacity to work on multiple issues and who have strong ties to grassroots voices and leaders and/or diverse allies and coalitions. This approach will enable us to build capacity and engagement in a range of states with partners who can act quickly and nimbly as the specific dynamics of the debates begin to emerge. At the same time, investing in these issue campaigns can strengthen organizational capacity for the longer-term.

The SNDF will support local groups that employ a variety of nuanced strategies. This will include resourcing for grasstops and grassroots groups, organizations that employ insider and outsider tactics, strategic communications and narrative change initiatives, earned and paid media, and public events and action.

We will support innovations and experimentation in new constituency organizing of directly impacted people, including low-income seniors, people with disabilities, people struggling with opioid addictions and their families, and rural working class communities, and we will support efforts to build broad coalitions to defend the safety net. State partners will mobilize a diverse, informed and influential base by engaging faith leaders, social service agencies, doctors and hospital leadership, and small business leaders and ensuring strategic alignment and coordination among the organizations. At the national

level, the SNDF will also prioritize peer learning opportunities so that groups in each state can learn from one another and replicate successful strategies.

CBPP and CCC will continue to provide state partners with updates of legislative developments and ongoing and intense technical assistance and strategic support. This includes: (a) guiding tailored strategies and workplans, and helping groups respond to emerging developments; (b) helping to produce research, state-specific fact sheets and other products; (c) assisting in the creation of media materials and offering guidance on messaging, digital tactics, and technologies (d) helping to recruit diverse partners, influencers, state elected officials, and unusual allies to weigh in publicly or privately, and (e) sharing effective strategies and lessons among organizations and across states. CBPP provides all SNDF partners with extensive state-by-state data, and when possible, data by Congressional district, to demonstrate the impact of proposals on state residents, different populations and state budgets.

2. ENGAGE AND MOBILIZE A BROAD BASE

The Safety Net Defense Fund project is uniquely positioned to both mobilize public pressure at the state level and elevate that pressure to the national level. In each state, partner groups will engage low-income people alongside policy organizations and other influencers. They will broaden engagement on anti-poverty issues by working closely with traditional allies and identifying new stakeholders whose voices would make a difference in the current debate.

In 2017, SNDF field partners engaged business groups; the disability community; health care and human service providers, parent groups; educators; elected officials; organizing networks; faith, civil rights, labor, veterans and women's groups; and others. To defend SNAP, for example, the SNDF has provided resources to food banks in some states, not only because they serve populations who rely on SNAP to feed their families, but also because they often have board members with ties to the business community and lawmakers from both parties.

Proposed changes to social programs would impact tens of millions of people who come from communities that cross lines of race, gender, faith, and ideology. Many are white and live in rural communities, and SNDF partners in a number of communities are equipping program beneficiaries to lead grassroots strategies. By connecting them with grassroots constituencies that already shape local decision making — such as small business owners and rural communities in Maine and West Virginia—the SNDF project can create a powerful coalition that defies conventional wisdom. The SNDF project goes a step further by linking this grassroots organizing with grassroots engagement and broader state coalition efforts.

At the national level, CCC and CBPP are uniquely able to amplify the SNDF field campaigns and connect them with broader national campaigns and advocacy. The health care fight drove broad participation from national organizations, and we coordinated the SNDF grantmaking and strategies with others including Protect Our Care, Community Catalyst, Georgetown Center for Children and Families, Families USA, and HCAN. On SNAP, we continue to collaborate closely with the Food Research & Action Center and Feeding America, who are key partners nationally and in states and communities. We are also collaborating with long-time national allies of CCC and CBPP, including the religious and disability communities, Moms Rising, Planned Parenthood, the Leadership Conference on Civil and Human Rights, the Coalition on Human Needs, the ARC, the Center for American Progress, and the Center for Popular Democracy, as well as groups that emerged after the 2016 elections, including Indivisible. These national partnerships will be equally important in 2018.

In Practice: MAINE

Maine's rich advocacy infrastructure and long history of collaboration allowed for a sophisticated and comprehensive approach for the SNDF project in 2017. We worked with existing partner groups such as Maine Equal Justice Partners and Maine People's Resource Center to engage rural voices, mobilize the Maine Small Business Coalition, and drive outreach to key influencers such as state legislators, health providers, and hospital voices.

The strategic and effective work of SNDF partners in the state helped build public pressure against the repeal of the ACA and harmful cuts to Medicaid. The partners sustained a consistent, high capacity campaign to defend the safety net in the state. Their strategy to activate and educate Mainers on the impact of the latest repeal and replace attempt included:

- Working with civic engagement groups that emerged after the 2016 elections, including local Indivisible chapters, to galvanize support in northern and rural Maine, expanding our partners' reach beyond their strongholds in Portland, Bangor and Lewiston.
- Engaging the Maine Small Business Coalition to become an outspoken ally.
- Using a range of tactics to reach the community and key decision-makers, including calls, digital organizing, earned media, and public events (press conferences, marches, rallies, and direct actions).
- Working with important stakeholders in the state, including legislators and their staff, health care providers, and the media.
- Turning out bi-partisan groups of constituents in support of the ACA. Senator Susan Collins, whose vote was pivotal, cited the feedback she received during a Fourth of July parade in Eastport, Maine, which MEJP and MPRC helped to organize during her visit, as important to her decision.

The partnership of the SNDF partners in Maine also anchored Mainers for Health Care, the statewide coalition dedicated to expanding Medicaid in the state; and on November 7, voters in Maine overwhelmingly chose to expand Medicaid, making it the 32nd state to adopt the expansion and the first state to do so through a ballot initiative. This victory means that more than 70,000 people will gain access to health coverage in the state, and we hope it will embolden Sen. Collins to continue to be a strong champion of Medicaid in the federal fights to come.

3. DRIVE A LOCAL, STATE, AND NATIONAL COMMUNICATIONS STRATEGY

The SNDF project combines the power of story with the hard data of economic and policy analysis to drive its communication strategy. Personal stories—backed up by the facts—humanize the debate and help the public understand the impact of changes on families in their communities. Our efforts paint a compelling picture of why the debate matters for millions of families, children, low-wage workers, seniors, people with disabilities, and other people who struggle to make ends meet.

In 2017, the media strategy helped to shape the policy debate, particularly in policymakers' home communities. We used the best available public opinion data to shape our communications, and we drew on years of message research that provided a road map for how to frame these issues. The SNDF-supported media outreach across the country resulted in thousands of op-eds, print stories, editorials, columns, television segments and other media placements as well as digital mass communications strategies that both informed and engaged targeted audiences and the public at large.

Building on our success, CCC and CBPP will provide communications support for the SNDF field campaigns and engage national communications firms to augment original content and data analysis. They will ensure the production of a steady stream of tailored materials and stories pitched in state and regional markets to bring these issues before the public. Materials produced will include: blogs, fact

sheets, talking points, press release and op-ed templates, and other written content, as well as compelling shareable charts, graphs, and other visual displays that highlight the very real human impact of proposals to slash the safety net.

In 2018, the SNDF project will do even more to elevate the impact of local groups and the voices of directly affected people. By bringing national attention to these issues and the state campaigns, we will vividly illustrate the distinction between “who wins/benefits” from the tax bill and “who loses/suffers” from contracting the safety net. State grassroots partners will engage people from communities across the country to talk about how federal changes will hurt their neighbors, their communities, and their own families. Their stories will be a powerful complement to strategies designed to educate decision-makers on the importance and scope of safety net programs using data and analysis. To do this, the SNDF project will rely on CBPP and CCC’s communications resources.

BUDGET

The vast majority of the SNDF will support field infrastructure primarily through grants to partner groups in these states or through contracted support where needed given a state’s capacity. Communications support will amplify field efforts and expand our strategic communications to a 50-state narrative change effort. The remaining budget includes a contingency fund to support nimble responses to rapid changes, national coordination expenses to support a project coordinator position housed at CCC, and the fiscal sponsor fee that covers the New Venture Fund’s support. Toward this \$6.5 million budget, the SNDF has raised \$1.25 million for 2018. To date, our core funders have requested proposals of an additional \$1.25 million in renewed funding and committed \$1 million as a match for new revenue raised.

Expenses		
Field Support	<i>25 states @ \$185,000 avg. c3 investment</i>	4,625,000
Communications		1,000,000
Contingency Fund		485,000
National Coordination		90,000
Fiscal Sponsor Fee		300,000
		6,500,000
Revenue		
2018 Commitments	<i>Received</i>	1,250,000
Renewals	<i>Proposals in Process</i>	1,250,000
Matching Commitment	<i>Pending new commitments</i>	1,000,000
TBD		3,000,000
		6,500,000

FUND STRUCTURE

The Safety Net Defense Fund project consists of a c(3) fund managed by the New Venture Fund and a companion 501(c)(4) Safety Net Defense Action Fund (SNDAF) that supports lobbying activities managed by the Sixteen Thirty Fund. Arabella Advisors houses both funds.

The New Venture Fund, a 501(c)(3) established in 2006, provides support to institutions and individuals seeking to foster change through strategic philanthropy and high-impact grant-making programs. NVF executes donor-developed projects, and provides full fiscal sponsorship, including grants and contracts management. To date, the New Venture Fund team has managed over 300 projects across a range of issues, including global health and development, economic equity, conservation, education, civic engagement, women's empowerment, and disaster recovery.

The Sixteen Thirty Fund is a nonprofit, 501(c)(4) organization that provides a platform to launch projects that promote social welfare policies through public education and advocacy. The SNDF project can only be used for influencing legislation and not to participate or intervene in any political or electoral campaign.

The SNDF has a decision-making structure that is designed for rapid response and expedited grantmaking, as well as ensuring due diligence and strategic alignment of project activities with the project's purpose, discussed more below. As with all projects of the New Venture Fund, final expenditure decisions are approved by the NVF board of directors.

These decisions will be based on recommendations through one of two pathways:

1. An SNDF Advisory Committee, comprised of anchor funders of the project and the Presidents of CCC and CBPP, will make recommendations for grants at a significant level, typically more than \$150,000.
2. CCC and CBPP, as the implementing partners, will make recommendations for smaller grants, which will be provided to the Advisory Committee and approved by the NVF Board of Directors.

The SNDF Advisory Committee guides the strategy and purpose of the fund and delegates the day-to-day implementation to the national partner organizations. The fund's Project Coordinator, who is housed with CCC, assists the Advisory Board and helps manage daily project activities, reviews project financials, and works directly with NVF to ensure smooth operations.

As mentioned earlier, both CBPP and CCC devote significant capacity to support the SNDF grantees. The two national partners maintain a close and mutually accountable relationship with these groups; they are committed to responding rapidly to their requests for assistance, and the groups are committed to providing timely feedback to CCC and CBPP on how their efforts are progressing. For these efforts, neither organization receives financial support from the SNDF. CCC receives a modest level of resources from the fund to support the project coordinator who manages this initiative and is a liaison between the two organizations, Arabella Advisors, the state grantees, and communications consultants who support the project.