

Understanding the State Legislative Process

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In recent years, we have seen a dramatic shift in responsibility for domestic policy from the federal government to state governments. In order to complement the work at the federal level that Opportunity Finance Network provides for its Members, it is important to look at local politics and consider changes at the state and local levels.

Before starting any legislative effort, you must first become familiar with the organization and structure of your state government. While it may appear that there is no system at all, there is a standardized system of operation.

Although each state legislature is unique, they often have several things in common. Most state legislatures meet every year, although a few still meet every other year. With a couple of exceptions, most state legislatures are part time and the elected officials have other jobs in professions outside the state government. Although most are not full time, many state legislatures have study committees that hold hearings between sessions.

Information about your state legislature is available from a variety of sources. One invaluable source is the National Conference of State Legislatures: <http://www.ncsl.org>. Another place to turn for information is the Council of State Governments: <http://www.csg.org>. Additionally, the public information office of your state legislature can be a useful tool for tracking legislation. This office often has handbooks for new legislators or publishes booklets designed for the general public.

Government Branches

Just like the federal government, states are made up of three branches: Judiciary (courts), Executive (Governor), and Legislative. Of these, the legislative branch creates law. All state legislatures are bicameral (consist of two chambers) with the exception of Nebraska, which is unicameral (one-house chamber). The two chambers are the Senate and the House of Representatives (or Delegates or Assembly). Representation is typically apportioned based on population in both chambers. Almost all legislatures begin in January and end by May or June. Nine state legislatures meet year round,¹⁵ and the legislatures in California and Virginia adjourn in late summer.

Committees

Most legislative work is done through committees, which carry out the day-to-day operations of the legislature. Committees determine which bills move through the process and which “die” without any further action. Each chamber has its own committees and the number of committees varies from state to state. There are several common committees found in many legislatures, such as a budget committee, which determines how much money the state can spend during the fiscal year, and an appropriations committee to decide how the available funding is allocated.

Committee chairpersons yield a tremendous amount of power since they determine when and if a bill is considered by the committee or if it is referred to another committee. If a bill has several components, it may have to go to more than one committee for consideration. For example, if a bill has a budget component, it will likely have to go to the state’s fiscal committee, which considers and votes on legislation that has a financial implication for the state.

Leadership

Every legislative body has a hierarchy. In the Senate, the top position is either the president or the president pro tempore. In states where the Lieutenant Governor presides over the Senate, the majority of the Senate elects a president pro tempore, who normally is the true presiding officer. Other important positions in state legislatures include majority leader, majority floor leader, minority leader, and minority floor leader.

In the Assembly, the leader is usually the speaker of the house. The speaker is elected by a majority vote, so he or she is usually a member of the majority party. Other important positions include the speaker pro tempore, majority floor leader, minority leader, and minority floor leader. In addition to legislature leadership, other key players include committee staff, personal staff, and heads of state departments, including those preparing the state budget, monitoring state expenditures, and analyzing the fiscal impact of proposed legislation.

Finally, the Governor should never be overlooked in discussions about the legislative process. Because a particular piece of legislation typically must be signed into law by the Governor, he or she is vital to the legislative process. In most states, the Governor has the power to veto or kill a bill once it is passed by the legislature. Several Governors have line-item veto power that allows them to veto certain sections of legislation.

The Governor, usually with the advice and consent of the Senate, also appoints directors of departments, commissions, and boards. The Governor is also responsible for preparing the state’s budget and submitting it to the legislature for approval.

Making the Case

In order to get a bill introduced, it is imperative to first identify a legislator who is willing to introduce the bill. It is generally more effective to introduce the bill for consideration in both the Assembly and Senate at the same time, thus requiring a sponsor (author) for each chamber.

The best potential sponsor is someone with knowledge of the issue, particularly if that sponsor is a member of the majority party, and a member of the committee that will consider the bill. It is also helpful to identify simultaneously co-sponsors from both parties, so the bill's sponsor will know that he or she has support even before the legislation is officially introduced.

Before asking an elected official to introduce your bill, it is important to garner a thorough understanding of the proposed legislation. Make sure to double check your data before presenting to the potential sponsor. Because of limited staffs, state legislators must often trust outside resources to provide them with all the information to make a decision. Do not abuse this opportunity by not presenting all the facts, including the pros and cons, flaws, and hurdles that the bill must overcome. This way the sponsor will not be subjected to any unwelcome surprises.

The most important thing of all is committing to supporting the bill through the entire process. It is usually a very long road to success, often taking years of hard work and dedication. It is much easier to "kill" a bill than it is to get it passed. Supporting legislation and the sponsor of the bill includes providing information about the bill, attending hearings, and securing co-sponsors for the legislation. Other activities include writing to legislators, testifying, and meeting with members of both chambers. This can mean the difference between success and failure.

Meeting with State Legislators & Staff

Meeting with legislators personally is the most effective way to communicate. Contact the legislator's office by phone, fax, or e-mail and ask for about 15 minutes of the legislator's time at his or her convenience. The two tips to a useful and productive meeting with an elected official sound deceptively simple, but can make all the difference between success and failure:

- 1. Ask the official to do something, and**
- 2. Give the official a reason to care about doing it.**

Preparing for the meeting

- Know what you want from the meeting, including specific action you want from the legislator.
- Find out what matters to the legislator and information about his or her background, such as what kinds of issues the legislator tackles or on which committees he or she serves.
- Prepare materials to bring to the meeting, including a one-page fact sheet outlining the issue, your position on it, and the action you want from the legislator. Bring information about your organization and borrower stories. Don't forget your business cards.

Writing a Letter

One of the easiest ways to communicate with legislators is to write a letter. As few as three letters on an issue can get a legislator's attention. The letters may not change his or her mind, but it's a sufficient number to have a staffer assigned to look into and follow the issue.

When writing a letter to an elected official, keep the following points in mind:

- Keep the letter short and to the point. One page is best.
- Be clear about what you want the legislator to do: support an appropriation, vote for or against a bill, etc. Include the bill numbers, if appropriate, and inform the legislator when the bill is scheduled for a committee hearing or vote, if known.
- Use one brief paragraph to talk about your organization, its mission, and the results produced in your community.
- Include an example or two of borrowers who have benefited from your organization's financing. If possible, choose stories that are relevant to the legislator.
- Close with an offer to be a resource for more information.

Monitoring Legislation

After the legislation of interest has been introduced, it becomes important to monitor the bill as it travels through the legislature. In order to identify, assess, and influence legislation, it is important to develop an efficient monitoring process. Many state legislatures publish records of daily legislative activities including committee schedules and votes. You can usually request the records from the Secretary of State's office, the Secretary of the Senate, or the Chief Clerk of the Assembly or ask to be placed on their e-mail or mailing lists.

Additionally, every state now has a website with the ability to access vital information about the legislature including calendars, upcoming hearings, and contact information for your representative. Many sites are also equipped with a bill finder function that enables constituents and other interested parties to search for bills by keyword, session number, sponsor, or subject

matter. However, some websites can be much easier to navigate than others, but in general, the websites are useful tools for unearthing pertinent information about the state legislature. There are also numerous subscription services available such as Westlaw and LexisNexis that provide searching and bill tracking functionality for all 50 states; however, these services are very expensive. Finally, local media can be a source of information because many publications post schedules and summaries of proposed legislation.

Committee Testimony

As the bill moves into committee, public hearings are often held to help the committee members hear more about the issue from interested parties. Committee hearings are excellent opportunities to provide legislators with information about issues that matter to you and your organization. It also helps you gain experience and credibility with important public officials. Most committees will set deadlines for acceptance of applications to testify, so as soon as possible, notify the committee of your desire to present testimony.

Here are some tips on testifying before a legislative committee:

- Find out the rules established by the committee. These include time allocations, filing your testimony in advance, and the number of copies of your testimony that should be provided.
- Study the legislation for which you'll be providing testimony (and amendments and commentary).
- Prepare your testimony well in advance of the hearing. Make sure you have consensus on your statements if you are representing other groups in addition to your organization.
- If possible, meet with members of the committee prior to the hearing to gain insight into the types of questions that will be asked and where committee members stand on the topic.
- Provide copies of your remarks to the local media.
- Make your testimony personal. Relate your own experiences with the issue being debated. Inform the committee of the effect that the proposed legislation has on your borrowers.
- File a written statement if you are not able to present your testimony in person.
- Do not be disappointed if only a few committee members are present. Staff and department officials are always present and will relay your comments.
- If you don't know the answer to a question, say so. Offer to research and write a detailed response. Many times, the member asking the question will already know the answer and an incorrect guess can be deadly to your testimony.
- Write a thank you letter to committee members for the opportunity to testify.

Position Papers & Fact Sheets

It is important to express why a particular issue should be important to the elected official, both in person and in writing. Preparing documents to leave behind is always a good idea because they can be used for future reference. Supporting documents provided to a lawmaker should be factual, brief, concise, and to the point. It is best to bring your organization brochure (make sure it includes your website address), a position paper, and fact sheet to leave behind at any meeting with legislators or their staff. Position papers and fact sheets should be one-page in length. A fact sheet should start with a sentence that states your position (support/oppose) and lists the bill number, if appropriate. The rest of the document should be bullets that list the most important facts about the issue. Fact sheets provide the most important information and talking points about the topic.

Position papers should represent ONE issue only. If you have more than one issue, write a separate paper for each topic. Explain clearly what position you are taking on the issue. You should briefly explain both what you are for and what you are against. Be short but specific. A “call to action” is a good idea, tell people what you think they ought to do. A position paper should include the following:

- Issue: A brief statement that describes the topic.
- Position: A one-sentence statement that clearly summarizes your position (support/oppose) and lists the bill number, if appropriate.
- Background: Two to three paragraphs explaining the issue, where it stands, and why you have taken your position.
- Summary: One to two paragraphs summarizing key issues and the impact of the proposed legislation on your community.

Borrower Profiles

Borrower stories—anecdotes that highlight the end users of your financing and illustrate the impact of your work—are one of the most effective means of showing legislators the difference you make. An Opportunity Finance Network Member Profile is a great way to highlight your organization’s work.

Site visits

Nothing gives your elected officials a better picture of opportunity finance at work than seeing it firsthand. One way to show them that picture is to host a site visit to meet borrowers and tour the sites of your projects. A site visit can take several forms. It can be a short addition to a ribbon cutting, groundbreaking, annual meeting, or other planned event or a half-day tour developed specifically to host legislators. It can be a quick meeting with borrowers and

policymakers, or a short briefing about your impact. Host the visit with a borrower who underscores the success of your organization who will attract the interest of your legislator.

You may want to invite press participation in your site visit, especially if you are hosting a legislator. At the very least, make sure you have assigned someone to take pictures for your website, newsletters, and annual report.

After the visit send a thank-you note. The thank you should express your appreciation for the legislator's time, briefly reiterate any action you'd like the legislator to take and why, and offer your organization as a resource for opportunity finance. Think of the site visit as one step in a long-term relationship. Add the staffers who attended to your mailing list, make sure they receive copies of any press coverage, and invite them to future events.

Coalition Building

Coalitions provide a structure for groups with similar goals to focus effectively collective resources. Coalitions are usually created for a specific purpose (i.e., passage of a particular bill) and for a defined period of time. This can prevent duplication of efforts and present a united front for the greatest impact. Coalitions are especially helpful for building volunteer support, gaining allies, and achieving goals that may not be possible otherwise.

Coalitions should encourage diverse membership including for-profit companies and industries that might be interested in the issue (home builders, small business associations, etc.) You should invite all potential supporters to be involved. If a coalition name is needed, it should be issue related, i.e., The Coalition for the Illinois CDFI Fund.

When forming a coalition, it is important to delegate duties: designate someone to be responsible for all communication, someone to facilitate consensus building, and someone to assume fiscal responsibilities (if any). The coalition should:

- Create a purpose statement and outline an action plan,
- Clarify the decision-making process,
- Specify achievable goals,
- Hold regular meetings,
- Define and assign tasks,
- Establish short-term goals to maintain enthusiasm for the project,
- Measure actual results against planned goals,
- Address concerns early, and
- Produce tangible products (fact sheets, position papers, etc.).

Coalitions can be powerful tools for promoting issues and coordinating efforts. The key to success is commitment by all involved.

Grassroots Network

One of the most effective ways to interact with your state legislature is by getting other individuals and groups involved through a grassroots network. The goal is to identify others who are interested in your issue and actively engage their participation.

Grassroots lobbying takes a lot of work and effort, but it is an extremely effective way to influence the legislative process. The goal is to identify persons who have a personal relationship with a state legislator or who is willing to establish a relationship to promote your issue. You may be surprised to know that legislators welcome this opportunity to have a key contact as a resource to whom they can turn to for advice and counsel.

Developing a grassroots network takes a lot of coordination and you should assign someone to this task. The first step is to identify interested individuals and groups. A good starting point is Opportunity Finance Network's Membership locator (<http://www.opportunityfinance.net>) to identify other CDFIs in the state that will likely share your interests. Responsibilities for the network coordinator include:

- Identify key legislators,
- Contact potential participants and identify personal relationships,
- Recruit participants for all key legislators,
- Create a database of participants, including notes from meetings,
- Provide each participant with Opportunity Finance Network's advocacy guide¹⁶ as well as legislative contact information, and outline exactly what you need (please meet with Senator X and report back on the meeting),
- Stay in contact with participants. Provide them with progress updates, sample letters, and other important information that they can relay to the elected officials, and
- Coordinate all key activities and meetings.

Working with a Lobbyist

As opportunity finance specialists, your time is valuable and limited. Effective lobbying can be expensive and resource intensive. Legislative efforts take a great deal of time and it may be more cost effective in the long run to consider hiring a professional lobbyist. A lobbyist that is brilliant with homeland security may not be good at opportunity finance. Finding the right match is the key to success.

Working with Regulators

Legislators create laws and regulatory agencies interpret, implement, and enforce the laws. On the one hand, legislative gains can be reversed through adverse interpretations and rulings. On

the other hand, these agencies can also be strong allies, especially guarding against adverse legislation.

In interpreting the law, regulators sometimes use inaccurate, problematic terminology, so it is important that you work closely with them. Also, where no law exists, many states give their regulatory agencies significant power and latitude in enforcement. There are two opportunities for influencing regulatory language: during the drafting of proposed language and when the proposal is submitted for public comment. Luckily, most regulators are committed to their work and are receptive to the opinions of those who have expertise or are most affected by the regulations. Suggestions for working with regulators include:

- Keep coalitions together through the issuance of final regulations.
- Emphasize the public good, not just the good for your organization.
- Provide accurate, complete, and timely information.
- Providing draft language can expedite decisions since agencies are often short staffed.
- Ensure suggestions and requests are permissible within the agency's legal authority.
- Offer to continue to work with the agency as issues arise.

Checklist for Success

In General:

- What will be included in the bill and what will it accomplish?
- What is the political climate in your state as it applies to the possible success of the effort?
- Do you need funding for this project? If so, how much?
- What is the breakdown of expenses (at least a one-year budget)?

Coalition/Grassroots:

- Which groups (both for- and nonprofit) are likely allies to this effort?
- Which groups (both for- and nonprofit) will likely oppose this effort and why?
- Is a coalition needed? Which groups are likely to join?
- Who has key contacts with legislators?
- Is a professional lobbyist needed? Where will the funding come from to hire a lobbyist?

Legislative:

- What is the legislative process for your state?
- Who are the legislative leaders in your state (both Senate and Assembly)?
- What are the committees that this legislation will likely go through?
- Which legislators are on the committees of interest?
- Who is the committee chair(s)?
- Which legislators are likely to support this legislation?
- Which legislators are likely to oppose this legislation?

Administrative:

- Will the Governor likely be for or against this legislation?
- Does the Governor have line-item veto authority?
- Who are the key staffers in the Governor's office?
- Which state department(s) will this legislation affect? Who are the directors/key staffs?