



## Looking Back at 2019

By Michael Belarmino

Learn about 2019's legislative priorities and advocacy efforts, exploring how unlocking municipal bond potential can help drive local investment; and GFOA's MiniMuni event.

As we approach 2020, it's time for GFOA's Federal Liaison Center — which organizes industry events, issues advocacy reports, and collaborates with partners that share GFOA's values — to take a look back at 2019 to see what the past year has brought us and where we might be heading in the future.

### LEGISLATIVE PRIORITIES AND ADVOCACY EFFORTS

**Advance Refunding.** A top priority for GFOA members, and vital to modernizing municipal finance tax law, GFOA has led the charge in restoring the ability for public issuers to advance refund municipal bonds. A fiscal tool made unavailable through the Tax Cuts and Jobs Act of 2017, we produced multiple research pieces in support of restoring advance refunding. On May 15, 2019, the *Investing in our Communities Act of 2019* (HR 2772) was introduced by members of the Municipal Finance Caucus, led by Dutch Ruppersberger (D-MD) and Steve Stivers (R-OH).

**Bank Qualified Debt.** Before the annual Congressional recess in August, Terry Sewell (D-AL) and Tom Reed (R-NY) introduced the *Municipal Bond Market Support Act of 2019* (HR 3967), another important part of modernizing municipal finance. Through persistent canvassing and innovative advocacy, GFOA played a major role in the intro-

duction of this legislation. GFOA supports HR 3967 and expanding the use of bank qualified debt by substantially raising the qualifying threshold for “small issuer” and setting that limit at the level of the individual borrower. By introducing this legislation, Congress has the chance to extend the benefits of the tax-exempt bonds to more small public issuers.

**Policy Issues and Publications.** In anticipation of another push for comprehensive infrastructure legislation, GFOA was ready with research and analysis that put our members' interests in the spotlight.

- *Understanding Financing Options Used for Public Infrastructure* details the importance of the municipal bond market and the power of federal tax exemption. The report details the critical role the municipal bond plays in both infrastructure development and the financial markets by examining capital project financing and market trends.
- *Infrastructure Funding in the New Budget Environment* attempts to explain the fiscal conditions that public finance officers navigate in relation to infrastructure policy. As federal funding for infrastructure has stagnated, state and local governments are being forced to search for alternatives, while their reliance on existing Congressionally appropriated resources grows.

Additionally, GFOA analyzed data showing the impact of specific policy issues.

- *Advance Refunding* analyzed bond issuance data that illustrate the effects of removing advance refunding, enhancing advocacy efforts by mapping out just how much state and local governments stood to benefit if the practice of advance refunding were to return.
- *Bank Qualified Debt (Small Issuer Exception)* catalogs the instances in which the small issuer exception was utilized, allowing GFOA to show Congressional offices just how widespread its use is, and how much more good could be done if its use were expanded.

These publications (all available at [gfoa.org](http://gfoa.org)) allow the Federal Liaison Center to meet with Congress armed with compelling evidence for our members' policy positions.

## WINTER MEETING 2019

The year started with the annual Winter Meeting in Washington for GFOA standing committee members. The Winter Meeting provides an opportunity for committee members to discuss best practices, consider future policy changes, and reassess the environment they work in with their fellow committee members.

The two-day event includes meetings to discuss best practices and current issues. Industry experts and leaders, including House Committee on Ways and Means member Gwen Moore (D-WI) and Bloomberg contributor Joe Mysak, made remarks.



*Duane Pitcher, finance director for the City of Ames, Iowa, and Cindy Harris, chief financial officer for the Iowa Finance Authority, on Capitol Hill.*

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On the last day of Winter Meeting 2019, GFOA members took to the Hill to personally advocate for policy changes. Dozens of members of Congress and their staffs met with GFOA members to discuss the issues that are important to fiduciaries of public finance across the country.

## ON CAPITOL HILL

Advocacy comes in different forms, but the most effective method might be the old fashioned way: on foot. Once policy concerns are identified and the research has been done, GFOA takes the issue directly to the Hill. We visited more than 100 Congressional offices in 2019, including the new members and members already targeted for specific issues.

Canvassing offices in the House and Senate helps establish relationships and build consensus over policy issues. The best way to guarantee that your compelling information is delivered to decision makers is by physically handing it to them. These meetings can and do lead to meaningful partnerships with colleagues and lawmakers. Having several minds to work through a policy issue in person often spurs new ideas that can cultivate policy innovation. GFOA provides technical data and analysis, and Congressional staff often has questions about it. Canvassing offices directly allows GFOA Federal Liaison staff to handle questions in real time, instead of losing the attention of an interested party.

## UNLOCKING MUNICIPAL BOND POTENTIAL

Capturing the attention of lawmakers and their staff is difficult — they have thousands of issues that require attention and hundreds of stakeholders to consider. To set GFOA issues apart from the others, GFOA initiated a project to detail and explain our most important policy issues through visual media. In July, we released two “whiteboard explainer” videos to Congressional offices and our advocacy partners, getting the attention of officials from all levels of government. Hosting the event was



*(From left) Ryan Lawler, GFOA senior manager; Kristine Brock, assistant city administrator/chief financial officer for the City of Franklin, Tennessee; Geoff Buswick, managing director and sector lead in the U.S. Public Finance Governments team at S&P Global Ratings; and Tom Kozlik, director and head of municipal strategy and credit at HilltopSecurities, discuss current trends in muni disclosure, including cybersecurity and climate.*

Chris Morrill, GFOA's executive director, who led a panel of public finance leaders in discussing the potential that municipal bonds have in infrastructure development. With industry partners and Congressional offices in attendance, the event was a watershed moment for GFOA's top legislative priorities.

In a testimony to how coalitions and events can make progress, a bill supporting GFOA's position over the expansion of bank qualified debt was introduced directly after this GFOA-sponsored event. The issues our members care about can be complicated and technical, but through well-organized events and creative advocacy, every issue that matters to GFOA members can receive the attention it deserves.

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#### **MINIMUNI**

As the federal calendar proceeded beyond the August recess, the table needed to be set for the following

year. GFOA hosted the MiniMuni, *Best Practices and Current Topics in the Municipal Market for Issuers*, in its Washington offices in November 14 to prepare public finance officials as they head into the new year. SEC Commissioner Jay Clayton and Congressman Dutch Ruppersberger (D-MD) gave remarks and fielded questions afterward in a day of panel discussions covering issues that affect the municipal bond market. Panels included Kenton Tsoodle and Kristine Brock, chair and member, respectively, of GFOA's Committee on Governmental Debt Management, as well as GFOA Executive Board member Dan Huge. The event reached capacity as public finance officers signed up to get the latest news and analysis from industry experts.

#### **LOOKING AHEAD**

Taking a moment to consider what we've accomplished helps us plan our strategy for the future. Winter Meeting 2020 is coming up on January 27, 2020, and GFOA will review 2019 and prepare its goals for the new year, when GFOA plans to take its legislative priorities to the next step. Two bills have been introduced, and GFOA will work to build support for the policy changes detailed in the legislation. We will pursue further research and collaboration as more members of Congress are urged to sign on to both bills. Along with those efforts, new legislation will be targeted and analyzed. ■

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