

GOVERNING

THE STATES AND LOCALITIES

A Strategy for Conflict

By Mark Funkhouser
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I used to play tournament chess, and the best players would deploy strategies with names like “the Spanish Opening” or “the Sicilian Defense.” I had neither the talent nor the time to learn those approaches. When I occasionally won a game, it was because I had successfully executed what some would call a positional strategy. I tried to keep my moves generally sound, I watched carefully what my opponent was doing and I managed to avoid stupid mistakes.

In reading this year’s “[Issues to Watch](#),” it occurred to me that the approach I used in chess might be a pretty wise one for state and local government leaders in the year ahead, since it seems clear that a dominant theme will be conflict between localities and the new government in Washington.

Most of the issues we identify seem ripe for that. Take financial stress. State revenue growth is sluggish at best, despite the fact that we’ve been in an economic expansion for several years. In the second quarter of 2016, state collections actually dropped by 2.1 percent, according to the Rockefeller Institute of Government. A number of states have routinely struggled to balance revenues with expenses. When states are in financial trouble, they often

pass some of the hurt on to local governments. And there’s little evidence that the incoming presidential administration will be an ally for fiscally stressed cities.

Then there’s the Affordable Care Act (ACA). Changes to the federal health-care law could produce a considerable financial impact on county governments. In 17 states, counties pay a share of Medicaid costs, which could increase if the feds cut back. Counties also run about a thousand hospitals, and the ACA has picked up a significant portion of uncompensated-care costs.

Immigration is another area of obvious conflict. More than 330 cities have some sort of “sanctuary” policy protecting undocumented immigrants, and the incoming president has warned that he’ll cut off their federal funds. The list goes on.

It seems doubtful that the unpredictability Donald Trump displayed as a campaigner will change once he’s in the White House. So, over the next year, I think city and county officials ought to adopt something like the positional strategy I used in chess. When you realize you cannot predict the future, you need to be prepared to defend against unanticipated threats and exploit unexpected opportunities. My advice: Make moves that would be sound regardless of the circumstances. Keep your head up and keep your eyes and options open.