

LET'S GET IT DONE:

Moving a Divided Congress
Toward Solutions



**SAM
LICCARDO**



WHY I WROTE THIS

Dear Neighbor,

I WROTE THIS FOR A SIMPLE REASON: before you vote, you deserve to know how your representative in Congress thinks about solving problems. Too many in Congress seem convinced that voters sent them to Washington merely to rant against the opposing party. We have problems to solve.

When divorced from solving problems, our political discourse suffers. Enter the modern political campaign, which supplants generative public conversation about solutions with platitudes, posturing, and slogans. Voters should demand more. I suspect that's why you're reading this.

As a mayor, I was accountable to residents to solve problems. People rarely blame legislators for nearby burglaries or homeless encampments. If they did, many legislators would just point at the other party, and say, "their fault." Congress dismisses national crises like homelessness or the high cost of housing as mere "local concerns," unworthy of its attention. Mayors have to respond—imperfectly, or well—and be accountable. We need more mayors in Washington.

We also need better ideas. I'm not going to magically transform all of these ideas into reality. We have a deeply divided Congress, but they *are* unified around one time-honored tradition: that first-term members are better seen and not heard. I'll push for these ideas, and with your partnership, we'll be heard.

In case you're wondering, yes, I wrote this; it wasn't written by a consultant. Political consultants usually advise candidates against offering specific proposals. Specificity invites criticism, while vagueness keeps opponents at bay—and voters in the dark. Vagueness and superficiality are dishonest, suggesting illusory solutions, and avoiding difficult truths.

Many in our community yearn for more honest conversations about how to solve our problems. Maybe we'll agree. We'll also disagree, but we'll disagree better. That would be a hopeful start.

Let's get it done!

SAM LICCARDO



CONTENTS

INTRODUCTION	6
An Important Note About Balancing Budgets and Bipartisanship	6
HOUSING AFFORDABILITY	7
The Rent Is “Too Damn High”	7
Revitalize Empty Downtown Commercial Buildings.....	7
Empower Homeowners to Become Housing Providers.....	9
Reducing Costs and Expanding Access to Homeownership	11
Boost Sales Inventory by Doubling the Exemption on Capital Gains Taxes.....	11
Stop Rubbing SALT in the Wound for Middle-Income Homeowners	12
THE HIGH COST OF LIVING	13
Reducing Utility Bills by Going Green	13
The Resilience Savings Plan	14
Saving on Water Bills	16
Saving on Insurance While Preparing for Disasters: the Resilience Savings Plan, Redux....	17
Our Food and Groceries	18
Impacts of Retail Grocery Consolidation on Costs	18
End Subsidies That Make Food Cost More.....	19
Reduce Tariffs.....	19
Our Medicine and Health Insurance	21
Pharmacy Benefit Managers: Why Shopping at Costco Saves Billions	21
Paying Less for Paper: Administrative Costs	23
Addressing the Shortage of Primary Care Physicians.....	24
Our Child Care	25
HOMELESSNESS	28
Why Homelessness Isn’t Merely a “Local Issue”	28
Building Housing Faster and at a Lower Cost	28
Leveraging the Power of Housing Vouchers	31
More Flexibility.....	32
More Vouchers	33
Financing Affordable Construction More Nimbly	34
An Ounce of Prevention Can Save a Pound of Misery	37
Eliminating Barriers to Mental Health and Drug Treatment	39
More Treatment Beds: The Imperative for Inpatient Care.....	39

CRIME	41
Breaking the Connection Between Addiction and Crime	41
“Tough Love” Parole for Addicted Non-Violent Offenders	42
Providing Addiction Treatment in Jails and Prisons	44
Preventing Sexual Assault and Domestic Violence	45
Rape Crisis Centers and Victims of Crime Act Funding	46
Telling Survivors the Truth	47
A Sensible Gun Strategy with a Bipartisan Path	48
Keeping Guns From Dangerous Hands: “Red Flags,” Loopholes, and Enforcement	49
Enabling Law Enforcement to Use Purchasing Records	51
Regulate Ammunition Like It’s Dangerous—Because It Is	52
Nothing Stops a Bullet like a Job, and Nothing Unites Us Like Service	52
Retail Thefts: A Federal Role	54
OUR ENVIRONMENT AND CLIMATE	57
My Record	57
My Priorities	59
Accelerate the Transition from Fossil Fuels	59
Protect Our Precious Coastline, Shoreline, and Hillsides	59
Focus on the Grid	60
Prepare Our Communities for Climate Impacts	60
Kick Our Plastics Addiction	60
Fund the American Climate Corps	61
REPRODUCTIVE RIGHTS	62
Protecting Reproductive Freedoms	63
Can We Gain Ground in a Divided Congress?	63
DEFENDING DEMOCRACY	65
Voting Rights	65
Prohibit Election Sabotage and Intimidation of Workers and Officials	65
Restore the Full Protections of the Landmark Voting Rights Act of 1965	65
Create Baseline Standards for Voter Access	66
Constrain Extreme Partisan Gerrymandering	66
Modernize Voter Registration	66
Reforming Campaign Finance	66
Overriding <i>Citizens United</i> by Constitutional Amendment	67
Mandating Immediate Disclosure	67

EDUCATION: OUR YOUTH AND OUR WORKFORCE	68
Child Care	69
Boosting Public Education	69
Reversing the Teacher Exodus.....	69
A Federal Teacher Tax Credit—and Paying for It.....	70
Fulfilling Congress’ Promise to Children in Special Education	72
Boosting Tutoring After the Pandemic Funding Expires	74
Post-Secondary Education: the Imperative of Innovation	75
Educating the Future Workforce More Nimbly: Colleges and Universities	75
Outside the University: Expanding Access to Upskilling, Credentials and Badging.....	76
The Community College Partnership Tax Credit.....	77
OUR INNOVATION ECONOMY	<i>Please go online to SamLiccardo.com/plan</i>
Immigration: A Pro-Work Agenda for Reform in a Divided Congress	
The Cost of Indecision: Online Privacy, Child Safety, and Blockchain	
Financing Innovation: Taxes, Research and Development, and Antitrust Enforcement	
Artificial Intelligence: Balancing Innovation and Safety	
Defense Procurement: Getting Better Technology for Less	
ACKNOWLEDGMENTS	78

AN IMPORTANT NOTE ABOUT BALANCING BUDGETS AND BIPARTISANSHIP

EVERY ELECTION SEASON, politicians in both parties parade proposals for government programs that sound great but lack any clear means to pay for them. The result: our current \$1.9 trillion deficit.¹ In addition to burdening future generations with \$35 trillion in debt, deficit spending crowds out private borrowing, resulting in higher interest costs, and constraining future problem-solving.²

Mayors, in contrast, have to balance budgets. If we have a new, brilliant idea, we have to find a way to pay for it—including cutting somebody else’s good idea. In my final year in office in 2022, I worked with our city team to leave my successor with a \$30 million surplus,³ while San José reduced street homelessness by 11%⁴ and recorded the lowest homicide rate of any major U.S. city.⁵ That’s what people expect from mayors. We should expect the same from Congress.

Admittedly, some of my proposed measures will require more funding, such as expanding vouchers to address homelessness. For that reason, I’ve designed other proposals to provide budgetary savings, such as cutting agricultural subsidies, reforming Pentagon procurement, and reducing Medicare costs for pharmaceuticals.

The common theme is that we need to find bold solutions that both Democrats and Republicans can agree upon and support, within our budget. We have a divided Congress, and that reality will likely persist. As Mayor of a city of one million residents, I routinely reached out to people who disagreed with me to find common ground. From my first day in the Mayor’s Office, I had to resolve pension reform and budgetary battles that had left San José City Hall—already the most thinly staffed city hall of any major city—with 1,000 fewer employees. We spent the next year negotiating with eleven city unions on a pension reform measure, and voters approved the settlement in 2016 with Measure F. As a result, we’re now saving taxpayers \$3 billion over the next two decades, while restoring services and city staff, with much higher salaries.

As with pension reform negotiations, I usually found that there was at least one goal that every key stakeholder could agree upon: the need to solve a problem.

Let’s start with a problem that’s particularly acute in the Bay Area, but has gripped virtually every major metropolitan area in our nation: housing affordability.

1. “An Update to the Budget and Economic Outlook: 2024 to 2034.” *Congressional Budget Office*, 18 June 2024.

2. “Fiscal Data Explains the National Debt.” *Understanding the National Debt*, U.S. Treasury.

3. Mahan, Matt. “March Budget Message for Fiscal Year 2023-2024.” *City of San José*, 13 Mar. 2023.

4. Kadah, Jana. “San José Sees Small Drop in Homelessness.” *San José Spotlight*, 30 May 2023.

5. Fox, Justin. “Pandemic Murder Wave Has Crested. Here’s the Postmortem.” *Bloomberg*, 3 Mar. 2023.

HOUSING AFFORDABILITY

THE LACK OF HOUSING affordable to our residents comprises our region's greatest challenge, one felt intensely by thousands of working families. It's also felt by every employer who struggles to hire and keep good workers here. About half of all renters fit in the category of "rent-burdened" by traditional measures, and 70% of younger Americans say that buying a home will be harder for them than for their parents.⁶

Despite the national scope of the housing crisis, Congress has largely abdicated any responsibility to do anything about it. Several federal tools—such as housing choice vouchers and Low-Income Housing Tax Credits—have endured since their creation decades ago, but Congress needs to step up with new ideas to address our current housing crisis.

The Rent Is “Too Damn High”

Renters have suffered disproportionately from our region's housing crisis.⁷ Despite the very high rents, new multifamily housing construction has ground to a halt in the Bay Area, due to very high costs of construction and financing.⁸ Accordingly, we should expect already-painful rents to skyrocket in the years ahead, fueled by severe housing supply constraints.

The federal government has amounted to only a supporting player in the multifamily housing market since the 1970s, but it can and must do more to address the dearth of multifamily housing. Why? Because this isn't simply a crisis of affordability in the Bay Area but in nearly every major metropolitan area in the nation.⁹ Yes, this is a federal problem.

Revitalize Empty Downtown Commercial Buildings

In the Bay Area, the steep cost of construction and financing has stalled multi-family housing development, but there's another real estate crisis afoot: commercial real estate. Nationally, almost 20% of office space sits vacant.¹¹ In San Francisco, the vacancy rate is almost 40%, while in San José, the vacancy is almost 30%.¹² This has spurred news coverage of downtown “doom loops,” as restaurants, retail stores, and other small businesses shut their doors in central business districts due to a lack of foot traffic and increases in crime, two mutually reinforcing phenomena. Hotels have similarly suffered, and retail vacancies persist in most markets.¹³

We can find opportunity in this crisis, however, by rehabilitating some of those empty office, hotel, and retail buildings into apartments and condos. According to SPUR, if we converted just

6. Kaysen, Ronda. “More Renters Than Ever Before Are Burdened by the Rent They Pay.” *The New York Times*, 22 May 2024.

7. “Housing burden: Nine-County Bay Area vs. California.” *Bay Area Equity Atlas*.

8. Cull, Ian. “Here's why apartment construction has stopped in South Bay.” *NBC Bay Area*, 28 Aug. 2023.

9. Schaeffer, Katherine. “Key facts about housing affordability in the U.S.” *Pew Research*, 2022.

10. “Q4 2023 Preliminary Trend Announcement.” *Moody's Analytics*, Jan. 2024.

11. Budman, Scott. “Bay Area office vacancy rates hit all-time high.” *NBC Bay Area*, Jan. 2024.

12. Karlamangla, Soumya. “How Did San Francisco Become the City in a ‘Doom Loop?’” *The New York Times*, Nov. 2023.

13. Mehta, Neil. “San Francisco Is Sinking in Bad Hotel Debt.” *Wall Street Journal*, 11 Aug. 2024.

40% of San Francisco’s vacant office square footage to housing, the city would see more than 14,000 new housing units.¹⁴ The struggles of office markets in San José, Mountain View, Palo Alto, and Redwood City present smaller but similar opportunities.

What are the advantages of focusing federal investment in our office-rich, occupancy-poor downtowns? Retrofitting already-built high-density buildings won’t ruffle the feathers of suburban neighbors, so we can streamline approvals and public processes. The addition of thousands of new residents into Bay Area’s downtowns will revitalize many retail districts. We’ll dramatically reduce greenhouse gas (GHG) emissions by repurposing existing buildings—better for the planet than building new—and ensuring that their new residents will live within walking distance to transit, retail, services, and jobs. We can add housing without adding to traffic.

So, why aren’t more folks doing it? The cost. Converting offices to housing—particularly on the West Coast—is prohibitively expensive. Installing plumbing in every apartment, retrofitting windows, separating utilities and the like drive up construction costs. Even worse, regulatory requirements that accompany a change in a building’s use, such as seismic retrofits, fire sprinkler installations, and additional stairwells, bloat the project budget.

That’s not to say it’s too costly everywhere. In prior decades, with lower construction costs and interest rates, both Los Angeles¹⁵ and New York¹⁶ launched successful office conversion efforts, and lower-cost metros such as Cleveland and Cincinnati still do so today.¹⁷ Other commercial uses—such as hotels and retail—offer promise for conversion to housing as well.¹⁸

Admittedly, only about 15 to 20% of office buildings in most downtowns can be feasibly converted into housing, for various structural reasons.¹⁹ But here’s the good news: it appears most feasible to rehabilitate the least desirable buildings for continued office uses—typically, the older, pre-1960s buildings with small floor plates and many small windows.²⁰ Struggling hotels appear much easier to convert, so provide a strong case for federal focus as well.

That should be the focus for federal action. While the Biden Administration recently announced some regulatory improvements to facilitate more office conversions, there are no new resources to help builders bridge project funding gaps, especially in today’s high-interest-rate environment.²¹ There are also no federal tools that will incentivize local jurisdictions to streamline permitting or reduce fees.

14. “From Workspace to Homebase.” *SPUR and ULI San Francisco*, Oct. 2023.

15. Goodrich, Andrew Robert. “Heritage Conservation in Post-Redevelopment Los Angeles: Evaluating the Impact of the Community Redevelopment Agency of the City of Los Angeles (CRA/LA) on the Historic Built Environment.” *USC School of Architecture*, Dec. 2013.

16. Beauregard, Robert A. “The Textures of Property Markets: Downtown Housing and Office Conversions in New York City.” *Urban Studies*, vol. 42, no. 13, 2005.

17. “CBRE Analysis: Cleveland Has Highest Percentage of its Office Stock Targeted for Conversion.” *CBRE*, Sept. 2023.

18. “The Rise and Fall of Office to Multifamily Conversions: A Real Estate Investigation.” *CBRE*, 14 Mar. 2023.

19. Gupta, Arpit, et al. “Converting Brown Offices to Green Apartments.” *National Bureau of Economic Research*, 2023.

20. Beauregard, *supra*.

21. “FACT SHEET: Biden-Harris Administration Takes Action to Create More Affordable Housing by Converting Commercial Properties to Residential Use.” *The White House*, 27 Oct. 2023.

Congress can dramatically reduce the financing costs by authorizing tax credits (similar to the existing New Markets Tax Credit and Low-Income Housing Tax Credit programs) to help builders finance the costly conversion of vacant office and commercial buildings to housing. Developers would supplant high-cost debt with the tax credits, and equity investors typically take a lower return in exchange for tax benefits.

It's not simply the tax credit that would boost housing production, however. Congress could leverage these dollars to clear red tape, reduce construction costs, and accelerate production. Specifically, the law could require state and local governments to reduce regulatory burdens as a condition of receiving federal tax credit allocations. For example, the Treasury could condition any issuance of tax credits on the city and state's commitment to streamline approvals, allow by-right zoning changes in downtowns, waive or reduce local fees, and exempt the downtown projects from environmental review processes like the California Environmental Quality Act (CEQA). Builders might even receive an abatement on property taxes by including a defined percentage of rent-restricted, affordable units.

If cities don't want to participate, they don't have to. Those willing to lean in on their local housing crisis will revitalize their downtowns with new housing and private investment, typically \$8 of private investment for every federal dollar of New Markets Tax Credit.²² Some low-income renters will benefit from the rent-restricted units, and all renters in the city will benefit from the injection of a new housing supply to ease rents citywide.²³ By rehabilitating existing buildings, we'll eliminate blight, improve the climate, create jobs, and even reduce crime.²⁴ Best of all, we'll build housing.

Empower Homeowners to Become Housing Providers

We can expand housing supply in other ways that don't require destroying hillsides or steamrolling single-family neighborhoods. For cities and towns that choose to participate, we can launch a federal program to help modest-income homeowners—those who struggle most to get financing for home improvements—to install accessory dwelling units (ADUs), also known as backyard homes or granny units. These homes enable naturally affordable rental housing while providing rental payments that can help struggling homeowners pay their mortgage.

We've already seen how cities can dramatically expand ADU production by simplifying permitting processes and reducing fees for homeowners. In San José, for example, the planning department worked with prefabricated ADU builders to pre-approve two dozen models of different layouts and sizes, and homeowners could select any of those options online and receive a permit within a single day.²⁵ As a result, our ADU permitting spiked from about a dozen per year in 2015 to 525 by 2022.²⁶ In 2020, ADUs comprised one-third of our new housing permits.²⁷

22. "New Markets Tax Credit Program." *U.S. Department of the Treasury Community Development Financial Institutions Fund*, Sept. 2020.

23. Li, Xiaodi. "Do New Housing Units in Your Backyard Raise Your Rents?" *NYU Wagner and Furman Center*, 2019.

24. "New Study Finds that Providing People Experiencing Homelessness with Housing has Positive Impacts on Health, Crime, and Employment." *National Low Income Housing Coalition*, 2021

25. "Preapproved ADUs." City of San José.

26. "ADU Permit Activity Dashboards." *City of San José*.

27. Klein, Nanci, et al. "Housing Crisis Workplan Update." *San José Legistar*, Oct. 2020.

Some of those permitted units didn't actually get built, however. The obstacle for many homeowners is financing: if they lack sufficient equity in their home, they can't get a loan. My team and I spent hours talking with decision makers at several banks and credit unions, seeking to find a way to facilitate lending. They all pointed to problems with recourse, where mortgage lenders already had a first lien on the home. They agreed that it was a "good risk" to lend to a homeowner who seeks to add value to their property and potential revenue to their income, but those lenders told us they couldn't issue large quantities of such loans that would satisfy conventional lending standards.

Federal intervention can help. Government-sponsored entities like the Federal National Mortgage Association ("Fannie Mae") and Federal Home Loan Mortgage Corporation ("Freddie Mac") have shown how to reduce risk and broaden access for the millions of homeowners they serve. Fannie Mae and Freddie Mac repackage diverse pools of conventional mortgage loans for investors, and then provide a "backstop" guarantee for this new, diversified pool of assets.²⁸ This process reduces risks for lenders, reduces interest and financing costs for borrowers, and expands lending capacity in the market. Congress can establish a similar loan guarantee program for homeowners who want to add a backyard home at no or little cost to the federal budget.²⁹

Can this make a difference in housing supply? For California towns, ADUs can provide a community-friendly way of satisfying state mandates. A 2019 survey of San José homeowners revealed that nearly one-third of them would have seriously considered building a backyard home if they had financing to do so.³⁰ If only half of those homeowners actually follow through, that would amount to 30,000 new homes—or more than have been built in a decade. Cities like Vancouver, where 35% of single-family lots have ADUs, show us what can be possible, at least in those cities that choose to support ADUs.³¹ We'd expect far fewer in more suburban towns.

Many ADUs might simply be used to permit more multi-generational living—to care for an aging parent, or to prevent adult children from being pushed out of the Bay Area. That's certainly not a bad thing. To better target the program, federally-backed lending might be restricted to homeowners willing to lease their units for some minimum duration, such as five years, at a restricted rent affordable to a nurse or a teacher. Even at those levels of rents—a bit more than \$2,000 today for someone who makes about 60% of our area median income in Santa Clara or San Mateo counties—a Bay Area homeowner could have ample rent to pay off the financing and still have something left to reduce living expenses. Regardless, backyard homes can provide a mechanism to produce thousands of units of rental housing in a housing-starved Bay Area and lessen the burden of mortgage payments for homeowners.

28. Lee, Matt. "Are mortgage-backed securities backed by any guarantees?" *Investopedia*, May 2022.

29. "Estimates of the Cost of Federal Credit Programs in 2023." *Congressional Budget Office*, Jun. 2022.

30. "San José's "Yes, In My Backyard" Affordable Housing Program." *Institute for Local Government*. Accessed 2 Sept. 2024.

31. Bertolet, Dan. "Why Vancouver Trounces the Rest of Cascadia in Building ADUs." *Sightline Institute*, 2016.

Reducing Costs and Expanding Access to Homeownership

Of course, most young families cannot buy a home in our region. To afford the median home price in the counties of Santa Clara or San Mateo requires an annual salary of nearly \$360,000.³² Yet this is not merely a local problem. Typical home ownership expenses remain beyond the reach of average local wage earners in nearly 80% of America's 578 largest U.S. counties.³³

Here are a couple of ideas about what the federal government can do about it, that could actually get passed in a divided Congress:

Boost Sales Inventory by Doubling the Exemption on Capital Gains Taxes

Many homeowners who might otherwise happily sell their homes to downsize have felt “locked in” in recent years by the steep tax consequences of that decision. This has left the market with a very thin inventory of homes for new buyers. High mortgage interest rates have exacerbated the problem, but even as they ease, most homeowners will still shun paying the tax on the capital gain of their home.

Decades ago, Congress created what's called an “exclusion” from capital gains taxation for older homeowners up to \$125,000, but it was eliminated in 1997. It instituted a universal \$250,000 per individual, or \$500,000 per couple, exclusion instead.³⁴

The problem: the exclusion has not changed since. If adjusted for inflation—and home values have increased far faster than inflation—it would be twice as high today. Since the exclusion hasn't been adjusted for inflation in over two decades, many CPAs advise their older clients not to sell, and simply pass the home on to their heirs, who can sell the home without paying any capital gains tax at all, through what is known as “stepped-up-basis.”³⁵

As a result, the current system presents us with a lose-lose-lose. Younger home buyers encounter a much smaller inventory of less-expensive older homes, while the U.S. Treasury loses revenue due to fewer home sales and diminished tax revenue.

The last time that Congress updated the exclusion in 1997, the housing market saw a substantial boost in home sales.³⁶ Congressman Jimmy Panetta proposed a sensible bill last year to double the exclusion with bipartisan support, but it has languished in committee.³⁷

We need to pass that bill to expand the inventory of older homes.³⁸ We should also consider getting ahead of the next “freeze-out” by indexing the exclusion for inflation in the future, and “kick-start” the housing market by making the exclusion expansion retroactive.

32. “Home Affordability Gets Even Tougher Across U.S. During Third Quarter As Home Prices And Mortgage Rates Rise Further.” *ATTOM Team*, Sept. 2023.

33. *Id.*

34. “Topic no. 701, Sale of your home.” *IRS*, 2024.

35. “Step-Up in Basis.” *Tax Foundation*.

36. Shan, Hui. “The Effect of Capital Gains Taxation on Home Sales: Evidence from the Taxpayer Relief Act of 1997.” *Journal of Public Economics*, vol. 95, 2011.

37. “U.S. Representative Jimmy Panetta, Rep. Panetta Introduces the bipartisan More Homes on the Market Act.” *U.S. Representative Jimmy Panetta*, 2022.

38. Klein, Robert. “Doubling the Residential Exclusion Amount is a Win-Win.” *The Street*, 2022.

What about the cost, and how to pay for it? The current exclusion will account for about \$52 billion in lost tax revenues 2024, according to the U.S. Treasury Department.³⁹ The Congressional Budget Office has not yet published an estimated cost of the Panetta bill, but there are several reasons to believe that doubling the exclusion will add only a fraction of that amount to the deficit.⁴⁰ Congress could pay for it with a commensurate reduction in the exclusion for capital gains on death, which exempts estates from paying tax on the increased value of assets left to heirs. What is the impact of these changes? In the aggregate, U.S. taxpayers won't pay anything more, but we'll see more housing supply, improved affordability, and increased economic activity. That's not a bad trade-off.

Stop Rubbing SALT in the Wound for Middle-Income Homeowners

In the last major changes to the tax code in 2017, President Trump sought to achieve corporate tax reduction as part of a larger tax bill, but needed to find ways of paying for it. He and Congress landed on several ways to do so, including imposing a limit on the income tax deduction for state and local taxes (“SALT”) to \$10,000. Since married couples filing jointly remain subject to the same \$10,000 cap, this provision is sometimes described as a “marriage penalty,” because two people individually could claim a \$20,000 deduction.⁴¹ The SALT reduction was met with groans from many homeowners living in Silicon Valley, the Peninsula, and Coastside, where even homeowners with modest incomes have high property taxes to pay.

Eliminating the cap altogether, as some have proposed, would irresponsibly inflate the annual deficit by nearly \$170 billion, and nearly 80% of the benefit would accrue to the wealthiest 20% of taxpayers.⁴² Both equity and fiscal sensibility argue for a more modest approach. By merely doubling the cap, and including all but the wealthiest 5% of home-owning taxpayers, the cost would drop to less than \$2 billion annually, and provide many middle-class families with thousands of dollars of tax relief.⁴³ A targeted restoration of the SALT deduction for married couples can provide fairness at a reasonable cost.

39. “Tax Expenditures FY 2024.” *U.S. Department of the Treasury*, Mar. 2023.

40. First, there will be offsets with new revenue accompanying a boost in home transactions in the early years of the change, relative to the discounted future years of foregone revenue. Second, many selling homeowners won't have capital gains of less than \$250,000. Third, the U.S. Treasury will benefit from the reduction in the exempted capital gains for heirs if more homes are sold prior to the owner's death.

41. Shaw, Tim. “House Blocks SALT Marriage Penalty Relief Bill.” *Reuters*, 20 Feb. 2024.

42. Wamhoff, Steve. “Weakening the SALT Cap Would Make House Tax Package More Expensive and More Tilted in Favor of the Wealthiest.” *Institute on Taxation and Economic Policy*, Aug. 2023.

43. “Lifting the SALT Cap: Estimated Budgetary Effects, 2024 and Beyond.” *Penn Wharton Budget Model*, 8 Feb. 2024.

THE HIGH COST OF LIVING

OUR TRADITIONAL ECONOMIC INDICATORS like the unemployment rate and GDP growth tell a very different story about the economy than how Americans feel.⁴⁴ People continue to express frustration despite historically high levels of wage growth, employment, and economic output.

Of course, it's the very high cost of living which weighs most on Americans' moods. The tide of inflation may have receded from its highwater mark, but the rising sea of bills has done its damage. Inflation-adjusted wages grew in 2023,⁴⁵ but the lasting impact of recent years' inflation has hit families hard.⁴⁶ Prices of some of the more volatile commodities have fallen back to earth, but many Bay Area residents continue to struggle mightily against utility bills, home insurance, grocery bills, health care bills, and child care costs.

In this section, I'll be discussing how Congress can proactively reduce the high cost of living in the Bay Area and across the country. Here are a few of my ideas, and I welcome yours. This list is hardly comprehensive, but these ideas fit into five general categories:

1. **Our Utility Bills**
2. **Our Home Insurance**
3. **Our Food and Groceries**
4. **Our Medicine and Health Insurance**
5. **Our Child Care**

Reducing Utility Bills by Going Green

Skyrocketing utility bills have left too many Bay Area residents struggling to keep the lights and water on. Electricity and gas bills will exceed an average of \$300 per household this year. These cost increases, which we incur at a rate more than double the national average, have little to do with the cost of producing energy.⁴⁸ In fact, technology has made solar and wind-generated electricity cheaper than ever.⁴⁹

Rather, rising bills have everything to do with the cost of maintaining, hardening, replacing, and expanding the infrastructure required to deliver that energy. This infrastructure, "the grid," is the world's largest machine. It's also the most important machine in most climate strategies because we cannot get off fossil fuels without electrifying our transportation, buildings, and economy.

As Mayor, I launched San José Clean Energy to procure cleaner, less expensive power than PG&E for our one million residents and tens of thousands of businesses. We have succeeded so far,

44. Miller, Claire Cain, and Francesca Paris. "The Great Disconnect: Why Voters Feel One Way About the Economy but Act Differently." *The New York Times*, 20 Nov. 2023.

45. Van Nostrand, Eric, et al. "The Purchasing Power of American Households." *U.S. Department of the Treasury*, 14 Dec. 2023.

46. Tanzi, Alexandre. "Inflation Drags Real US Household Incomes by Most Since 2010." *Bloomberg*, 12 Sept. 2023.

47. Avalos, George. "PG&E average monthly bills are set to top \$300 for the first time." *The Mercury News*, 9 Jan. 2024.

48. Cull, Ian. "Bay Area PG&E bills are more than double the national average, new report says." *NBC Bay Area*, 27 Oct. 2023.

49. Evans, Simon. "Solar is now 'cheapest electricity in history,' confirms IEA." *CarbonBrief*, 13 Oct. 2020.

beating the utility's rates with electricity that comes from 95% greenhouse gas-free sources. That's good, but it doesn't shield any of our residents from the skyrocketing costs of transmission and distribution that we all see in our monthly bills. I've repeatedly fought against the additional burdens the Public Utilities Commission places on ratepayers at the behest of investor-owned utilities,⁵⁰ and this past year, I have worked to push for greater accountability in the spending of ratepayer funds.⁵¹

The Resilience Savings Plan

At the federal level, we need to find solutions to a hobbled grid with seemingly limitless maintenance and capital needs in the next two decades. In Northern California alone, the cost of undergrounding transmission and distribution lines may cost as much as \$40 billion, which says nothing about the cost to expand transmission or distribution lines, nor to replace aging transformers and other grid infrastructure.⁵² Who will pay for it? Ratepayers. In both January and March of 2024, local residents saw substantial rate hikes, ostensibly to pay for hardening and expansion of grid infrastructure. Combined with recent hikes, customers will see their monthly bills increase at four times the rate of inflation over the past year.⁵³

We need to find alternatives.

One option is to reduce the load on the grid, especially during the peak hours, to mitigate the rate at which some of those huge capital expenditures will be needed. Our residents can do so by generating more of their own electricity and storing it at home.

Homeowners with rooftop solar panels typically reduce their electricity draw from the grid by 69%.⁵⁴ By deploying batteries in their garage, homeowners save money by storing electricity generated during the daytime to use in the early evening when electricity prices and usage are highest.⁵⁵ Homeowners can also simply use less gas and electricity by installing insulation and upgrading to more energy-efficient heat pumps, electric water heaters, and appliances.

The cheapest energy is the energy we don't use. The combination of solar panels and a heat pump enabled Jessica (my wife) and I to pay only about \$20 for our December and January utility bills.

Of course, before we can save money, we have to spend money. These improvements cost tens of thousands of dollars, even after the Inflation Reduction Act rebates.⁵⁶ The California Public Utilities Commission just made it a lot more difficult to justify the cost of rooftop solar, by reducing the compensation that homeowners receive for generating power for the grid.⁵⁷

50. Liccardo, Sam. "Californians should be seeing red over electricity rate hikes." *CalMatters*, 14 June 2021.

51. Liccardo, Sam. "Liccardo: PG&E must curb wasteful spending before receiving rate hike." *The Mercury News*, 28 Oct. 2023.

52. Penn, Ivan. "PG&E Aims to Curb Wildfire Risk by Burying Many Power Lines." *The New York Times*, 21 July 2023.

53. Avalos, George. "Higher utility bills coming—again—after new PG&E rate request." *The Mercury News*, 12 Dec. 2023.

54. Deason, Jeff, et al. "Empirical Estimation of the Energy Impacts of Projects Installed through Residential Property Assessed Clean Energy Financing Programs in California." *Electricity Markets & Policy*, Dec. 2021.

55. "How can a home battery system help you save on energy bills?" *Panasonic*.

56. "Home Energy Rebates Frequently Asked Questions." *Office of State and Community Energy Program*.

57. Baron, Ethan. "Rooftop-solar industry blames PG&E, Newsom as Bay Area businesses struggle." *The Mercury News*, 7 Jan. 2024.

Every resident should be able to save money while saving the planet. For most of us, though, doing so requires financing. Federally-backed financing programs, similar to what we discussed earlier with Fannie Mae and Freddie Mac, offer one potential avenue to reduce costs for homeowners. Those programs already offer financing for new homeowners who want to include financing for renovations with their purchase.⁵⁸ A stand-alone financing program for existing owners for clean energy improvements could operate as a “second” loan, to ensure no disruption with their primary mortgage lender. Obviously, lending must remain within prudent loan-to-value limitations, but could explicitly acknowledge the enhancement to home value rendered by a new home battery or heat pump.

A federally-backed financing program could also borrow some of the better features of an idea invented here in the Bay Area: property assessed clean energy, or PACE.⁵⁹ Hundreds of thousands of homeowners and multifamily apartment owners in three states have used state and locally-managed PACE programs to invest in energy and water-saving improvements while paying little or nothing up front.⁶⁰ Instead, the cost is amortized over several years through their property tax bills. If they sell their property, the buyer picks up the obligation—and keeps the asset, too.

PACE programs have enabled billions of dollars in new investments in rooftop solar, energy saving appliances, energy storage, and other improvements. Overwhelmingly, studies show that PACE programs have helped homeowners enhance the value of their property more than the mere cost of the improvements, and that such programs have a very positive impact on jobs and the local economy.⁶¹ Increasingly, businesses and commercial property owners have taken advantage of commercial PACE programs (known as C-PACE) as well.⁶²

Locally-regulated PACE programs have encountered challenges, though. They rely on private lenders who must navigate a patchwork of regulations across states, leading to inconsistencies in program design, eligibility criteria, and financial structure. Fraudulent contractors have hoodwinked unwitting homeowners into believing that they’re getting improvements at no cost, only to be surprised by higher property tax bills.⁶³ We’ve seen lawsuits over forged documents and inflated costs for improvements, primarily due to poor oversight in some states. Mortgage lenders expressed concerns about the priority of PACE liens in case of foreclosure (although 2015 guidance from the Federal Housing Administration and two states have clarified that PACE loans remain subordinate to first mortgages).⁶⁴

58. “CHOICERenovation Mortgage.” *Freddie Mac Single-Family*, June 2022.

59. Kirkpatrick, Justin, and Lori S. Benneer. “Promoting clean energy investment: An empirical analysis of property assessed clean energy.” *Journal of Environmental Economics and Management*, vol. 68, no. 2, Sept. 2014.

60. “Residential Property Assessed Clean Energy (R-PACE): Key Considerations for State Energy Officials.” *National Association of State Energy Officials*, Mar. 2018.

61. Goodman, Laurie S., and Jun Zhu. “PACE Loans: Does Sale Value Reflect Improvements?” *The Journal of Structured Finance*, vol. 21, no. 4, Winter 2016.

62. Levantis, Greg, and Lisa Schwartz. “Commercial PACE Financing and the Special Assessment Process: Understanding Roles and Managing Risks for Local Governments.” *Office of Energy Efficiency & Renewable Energy and Lawrence Berkeley National Laboratory*, June 2019.

63. “PACE (Property Assessed Clean Energy): What Homeowners Need to Know.” *California Department of Financial Protection & Innovation*, 5 July 2023.

64. “PACE loans now subordinate to first-lien mortgage.” *National Association of Federally-Insured Credit Unions*, 27 Aug. 2015.

A better approach could form the basis of a federal home improvement financing program; let's call it a Resilience Savings Plan, or RSP. An RSP could enable homeowners across the country to invest affordably in cost-saving retrofits, like solar panels, energy-efficient appliances, and batteries, while improving upon the weaknesses of the state PACE programs.

Congress and federal agencies can work with states to create uniform consumer protections, building on those recently proposed by the federal Consumer Financial Protection Bureau.⁶⁵ Applying Truth in Lending Act consumer protections, particularly for uniform standards for disclosure of information, will help, just as we see today with mortgages. The regulations could be improved by requiring that homeowners see a description of the net effect of the new financing on their monthly obligations. It could establish national standards for the states to certify and regulate contractors eligible to participate in the program, and to investigate fraud. To address lenders' concerns, congressional authority to prescribe rules for government-sponsored entities such as Fannie Mae and Freddie Mac could resolve any remaining differences with the mortgage industry regarding lien priority.⁶⁶ Finally, the high financing costs in some state PACE programs could be reduced through the ability of federal government-sponsored entities to access secondary markets for debt investors, which today reduce interest rates for millions of homeowners.

Whether it takes this form, or a better one, a federal RSP could help millions of homeowners and renters save money each month on their utility bills by facilitating energy-saving retrofits, rooftop solar, and local energy storage. Implementing RSP property assessments would require “opt-in” agreements with individual states willing to offer the program to their residents under federal guidelines. Fortunately many state legislatures—both red and blue—already recognize that enabling homeowners and business owners to save a few dollars while boosting energy efficiency makes for good policy.⁶⁷

Saving on Water Bills

Of course, rising electric and gas bills don't constitute the only source of frustration for ratepayers; water bills have similarly ballooned in recent years. Conservation matters—given California's (and several other states') chronic bouts with drought and the changing climate, a program that helps property owners transition from wasteful water use would benefit the public collectively and each ratepayer's pocketbook. At a time when local water agencies contemplate multi-billion dollar investments for everything from recycling and desalination projects to questionable dam expansions, the cheapest water is the water we don't use.⁶⁸

A comprehensive RSP program could include water-saving retrofits, to help property owners install graywater systems, replace lawns with drought-tolerant plants, install water-efficient toilets, and replace older, leaky pipes. As with energy improvements, government-backed financing can mitigate these one-time cost burdens to reduce monthly bills in the long run.

65. “Residential Property Assessed Clean Energy Financing (Regulation Z).” *Consumer Financial Protection Bureau*.

66. “Coalition PSC Letter.” *Consumer Financial Protection Bureau*, 26 July 2023.

67. “PACE Programs.” *PaceNation*.

68. Rogers, Paul. “San José Mayor Sam Liccardo opposes \$2.5 billion dam project in Santa Clara County.” *The Mercury News*, 7 May 2021.

Saving on Insurance While Preparing for Disasters: the Resilience Savings Plan, Redux

Home insurance coverage for fires, floods, storms, and earthquakes has become more elusive and, where available, more expensive throughout California. Given the march of climate change in the coming years, it will get worse before it gets better.⁶⁹

For homeowners seeking insurance coverage, this raises two problems. Increasingly, just as many of us will go without earthquake insurance—at our peril—due to its high cost, we’ll see more of our neighbors going without coverage, if they don’t have a lender mandating insurance as a condition of their mortgage. That presents the costliest option of course, leaving homeowners unprotected from inevitable natural disasters.

Second, as major insurers like Allstate and State Farm decline to sell new policies in places like California and Florida, we should expect diminished competition, combined with rising climate risks, to compel state regulators to allow increasingly higher premiums among the remaining insurers.⁷⁰

The most direct way to reduce insurance premiums is to reduce risk. Homeowners with the resources to reduce wildfire risk in the hills of Los Gatos or Woodside, for example, might replace a wood roof with noncombustible slate, or install ceiling sprinklers.⁷¹ Homeowners concerned about storm surges in Coastside communities like Half Moon Bay or Pacifica might invest in small modifications like sealing foundations or elevating utilities,⁷² or more costly protections like installing riprap or vacating the living space on the ground floor, as is common in coastal Florida.⁷³ In the thousands of earthquake-vulnerable “soft story” apartments in San José, landlords can mitigate seismic risk for thousands of mostly low-income renters in San José with retrofits.

All of this costs money, of course—a lot of it. If the government footed the bill for millions of retrofits, the cost to taxpayers would balloon the already-bloated federal deficit. On the other hand, property owners motivated to improve the value of their property and reduce insurance premiums can be part of the solution—if we can help them afford it.

Cue RSP—the same plan that we’d use to reduce utilities costs for homeowners. A federal RSP could enable millions of homeowners and apartment owners to affordably upgrade their homes, create thousands of construction jobs, reduce long-term costs for property owners, improve insurance markets and costs for policyholders, and reduce the inevitable taxpayer obligations that accompany every natural disaster that requires Federal Emergency Management Agency (FEMA) reimbursement. RSP borrows from a familiar formula, and one that Democrats and Republicans should be able to agree upon: an ounce of prevention is worth a pound of cure.

69. Picchi, Aimee. “Homes in parts of the U.S. are “essentially uninsurable” due to rising climate change risks.” *CBS News*, 20 Sept. 2023.

70. “California lets insurers factor wildfire risks in rates to widen coverage.” *Reuters*, 22 Sept. 2023.

71. “Protect Your Property from Wildfires.” *FEMA*, Nov. 2020.

72. Martin, Shannon. “How to prevent your home from flooding.” *Bankrate*, July 2023.

73. “Elevating Your House.” *FEMA*.

Our Food and Groceries

Impacts of Retail Grocery Consolidation on Prices

The announcement of the Kroger and Albertsons merger at \$24.6 billion, the largest grocery consolidation in history, followed a parade of regional and national grocery chain mergers in recent months.⁷⁴ Mergers aren't bad in themselves, but consolidation in highly concentrated retail markets, such as the Bay Area, tends to increase the prices we pay at checkout.⁷⁵

As with all questions of economics, the issue comes down to whether the market is working or not—and for whom. Competition generally enables consumers to pay lower prices and get better quality. In the grocery industry, Walmart and the Kroger-Albertsons company now control about half of the national market.⁷⁶ In some communities, they'll likely shutter some of their own stores where they perceive redundancy, which will narrow choices. There may be more food deserts, particularly in lower-income neighborhoods, and less competition. Already in the United States, 76 rural counties lack any grocery store at all.⁷⁷

The age of the small, local grocer, like my grandfather's Notre Dame Market seventy years ago, has largely passed. The Federal Trade Commission (FTC) should not litigate every merger, nor target companies that merely seem "too big." The question comes down to whether sufficient competition exists in the market to enable consumers to benefit from a well-functioning market. Answering that question requires extensive economic analysis and expertise, and won't be resolved in a campaign bumper-sticker.

Nonetheless, it seems indisputable that technology and globalization have had profound impacts on markets in recent decades, and not merely in high-profile, tech-rich industries. The primary sources of federal antitrust laws—the Sherman Act (1890), Federal Trade Commission Act (1914), and Clayton Act (1914)—have seen only modest revisions in that time, and it's time to take a closer look.

Congress has an oversight role with the FTC as well. In the "innovation economy" section of this book, I echo the criticisms of many technologists who believe that an unfocused approach of the FTC to enforcement inhibits the survival of many early-stage tech companies that need acquisition for access to capital. Congress should refocus the FTC on those industries whose price increases have had particularly painful impacts on consumers, and direct enforcement where consolidation creates monopolistic behavior that hurts consumers.

74. Crezo, Adrienne. "Merging grocery giants threaten Americans' food security." *Center for Science in the Public Interest*, 23 Feb. 2024.

75. Hosket, Daniel, et al. "Do retail mergers affect competition? Evidence from grocery retailing." *Journal of Economics and Management Strategy*, vol. 27, no. 1, Spring 2018.

76. Crezo, *supra*.

77. Bonderson, Aaron. "Rural grocery stores are dying. Here's how some small towns are trying to save them." *NPR*, 19 Apr. 2023.

End Subsidies That Make Food Cost More

Agricultural subsidies have long had a controversial role for many economists and policymakers, but one thing we should all agree upon is to stop spending taxpayer money to make our food more expensive.

For example, corn comes to consumers in many forms each day, from cornflakes in the morning, to tacos at lunch, to corn on the cob at dinner. However, billions of wasteful tax dollars spent on ethanol subsidies elevate the price of corn. By artificially increasing the demand for corn for biofuels such as ethanol, corn butanol, and biodiesel, the biofuel industry drives up the cost of corn as a food source.⁷⁸ Consumers pay more for their food, and also pay tens of billions in federal subsidies to benefit an industry that needs to survive or perish on its own.

These massive biofuel subsidies—totaling tens of billions of dollars over the last four decades—come in many forms: favorable treatment under the tax code, tariff protection from foreign competition, and infrastructure subsidies.⁷⁹ The largest subsidy, though, lies in one flaw in the Renewable Fuel Standard (RFS) mandate, which requires refineries to blend a minimum volume of biofuels with U.S. gasoline and diesel each year. Originally intended to wean Americans from fossil fuels, most biofuels have failed to live up to their promise: a recent study from the National Academy of Sciences found that ethanol may contribute to even greater greenhouse gas emissions than gasoline.⁸⁰ While the biofuel industry disputes these studies, technological progress has made electric vehicles a far more promising and certain path to a future of green transportation.

In the meantime, Americans pay for these biofuel subsidies in three ways: through higher prices for corn at the grocery store, higher prices at the pump, and higher taxes for the subsidies. If there are merits in the use of biofuels, let's allow markets and science to decide. We don't need to waste taxpayer money to tip the scale.

Reduce Tariffs

On June 19, 2015, President Barack Obama called a closed-door meeting with me and a half-dozen other mayors at a San Francisco hotel, to discuss a central priority of his economic agenda: the Trans-Pacific Partnership Agreement (TPP). The TPP committed us to reduce tariffs and other trade barriers with a dozen friendly Pacific Rim nations, with strong environmental, labor, and human rights protections, and create thousands of jobs domestically. The President asked us—all Democratic mayors of large U.S. cities—to lobby our own Democratic House members to support the trade agreement; he understood that we understood the imperative of job growth in our communities. After questions and discussion, I looked around the room, each of us nodding in agreement, and we set about making our calls to House members. Sadly, we all fell short of mustering the necessary votes in Congress, and Obama left office in 2016 without ratification of the TPP. After taking office, President Trump promptly withdrew from the agreement.

78. "The Impact of Ethanol Use on Food Prices and Greenhouse-Gas Emissions." *Congressional Budget Office*, Apr. 2009.

79. "Understanding U.S. Corn Ethanol and Other Corn-Based Biofuels Subsidies." *Taxpayers for Common Sense*, May 2021.

80. Douglas, Leah. "U.S. corn-based ethanol worse for the climate than gasoline, study finds." *Reuters*, 14 Feb. 2022.

Unfortunately, both parties have become fond of imposing trade restrictions. To be sure, there can be good reasons to hike tariffs and impose other trade barriers to accomplish specific goals, such as to deter China from engaging in trade secret theft, to penalize violations of labor standards, to enforce environmental requirements, or to protect national security. While I support those goals, we've also seen many protectionist measures that don't appear clearly targeted. Too often, tit-for-tat escalation results. Economies inevitably suffer, and destructive trade wars ensue.

Economists routinely tell politicians that the real losers of any trade battle are consumers, who pay in the form of higher prices. Low-income families disproportionately bear that burden.⁸¹

The most recent trade war, waged by the Trump Administration, illustrates these harmful impacts. In 2018, the U.S. imposed tariffs on steel and aluminum imports from major trading partners, and separate tariffs on a broad range of imports from China.⁸² In response, Canada, China, the European Union, India, Mexico, and Turkey imposed retaliatory tariffs on many U.S. exports, including a wide range of agricultural and food products. Individual products experienced tariff increases ranging from two to 140 percent.⁸³ The overall effect was a substantial reduction in U.S. agricultural exports.

Meanwhile, consumers paid the price. By December 2018, tariffs on imports cost U.S. consumers and importing firms an additional \$3.2 billion per month in higher prices.⁸⁴ The Tax Foundation found that the Trump Administration's tariffs had the equivalent effect of an \$80 billion tax on American consumers.⁸⁵ We felt these impacts directly; for example, homebuilders stalled multifamily housing developments due to spikes in steel and wood prices.

While protectionist proponents would like to believe that the cost of the American tariffs will be borne by foreign manufacturers, U.S. consumers pay the biggest price. A National Bureau of Economic Research study concluded that the 2018 tariffs were "almost completely passed through into U.S. domestic prices, so that the entire incidence of the tariffs fell on domestic consumers and importers...with no impact so far on the prices received by foreign exporters."⁸⁶

Our tariffs impose other costs as well. China's retaliation for the Trump Administration tariffs increased barriers on our own products. The USDA estimated a loss of \$27 billion in American agricultural exports over an 18-month period due to the retaliation from the Trump-era tariffs, depressing economic growth in several midwestern states.⁸⁷ Two Federal Reserve economists concluded that the 2018 trade war resulted in a loss in U.S. economic output and growth.⁸⁸

In short, we all pay for the higher tariffs we impose. Let's do so much more selectively.

81. "Impacts of Section 301 Tariffs on Imports from China: Case Studies of Apparel, Footwear, Travel Goods and Furniture." *Trade Partnership Worldwide, LLC*, Jan. 2023.

82. Aimiti, Mary, et al. "The Impact of the 2018 Trade War on U.S. Prices and Welfare." *National Bureau of Economic Research*, Mar. 2019.

83. Morgan, Stephen, et al. "The Economic Impacts of Retaliatory Tariffs on U.S. Agriculture." *USDA*, Jan. 2022.

84. *Id.*

85. York, Erica. "Tariff Tracker: Tracking the Economic Impact of the Trump-Biden Tariffs." *Tax Foundation*, 26 June 2024.

86. Aimiti, *supra*.

87. Morgan et al., *supra*.

88. Flaaen, Aaron, and Justin Pierce. "Disentangling the Effects of the 2018-2019 Tariffs on a Globally Connected U.S. Manufacturing Sector." *Federal Reserve Board*, 2019.

Our Medicine and Health Insurance

Of all of our expenditures, the cost of medical expenses has become the scariest for many of us with health vulnerabilities. For families fortunate enough to have employer-provided health insurance, health care costs grew at more than twice the rate of inflation—and that was *prior to the pandemic*.⁸⁹

I don't pretend to have all of the solutions to "fix" an enormously complex industry, but a few promising solutions seem worthy of congressional action to reduce health costs.

Pharmacy Benefit Managers: Why Shopping at Costco Saves Billions

It's no secret that the cost of pharmaceutical drugs has ballooned in recent years, increasing by over 15% from 2022 to 2023 alone.⁹⁰ In 2021, an estimated 18 million Americans couldn't pay for needed drugs.⁹¹

The Inflation Reduction Act (IRA) authorized the Biden Administration to directly negotiate with drug manufacturers the prices of ten high-cost, single-source drugs for the first time.⁹² In August 2024, the White House announced that its first round of negotiations for drugs for diabetes, blood clots, heart failure, and other conditions will save an estimated \$6 billion annually, beginning in 2026.⁹³

Yet much of the policy debate has focused on the role of pharmaceutical manufacturers, largely overlooking the role of pharmacy benefit managers (PBMs), the intermediaries or "middlemen" who transmit the drugs and payments between the manufacturer and patients, and every stakeholder in between. PBMs operate in the middle of nearly every financial transaction in the drug delivery system. While they often provide a necessary service to the market, their position also provides them with extraordinary information access and leverage. Under most contracts that govern stakeholders in the drug delivery system, pharmaceutical prices remain confidential, proprietary, or otherwise opaque to regulators, researchers, and the public.

The size and leverage of PBMs—the three largest are among the top 10 in the Fortune 500 and control 80% of the market—enables them to negotiate better prices from drug makers, and that's good.⁹⁴ That same leverage can also enable them to suppress market competition, raise drug costs, and pocket much of the difference.

89. Rae, Matthew, et al. "Tracking the rise in premium contributions and cost-sharing for families with large employer coverage." *Health System Tracker*, 14 Aug. 2019.

90. Bosworth, Arielle, et al. "Changes in the List Prices of Prescription Drugs, 2017-2023." *ASPE Office of Health Policy*, 6 Oct. 2023.

91. Witters, Dan. "In U.S., an Estimated 18 Million Can't Pay for Needed Drugs." *Gallup*, 21 Sept. 2021.

92. Cubanski, Juliette. "FAQs about the Inflation Reduction Act's Medicare Drug Price Negotiation Program." *Kaiser Family Foundation*, 20 Aug. 2024.

93. Anderson-Cook, Anna, and Richard G. Frank. "Impact of federal negotiation of prescription drug prices." *Brookings Institution*, 19 Aug. 2024.

94. "Insulin: Examining the Factors Driving the Rising Cost of a Century Old Drug." *U.S. Senate Committee on Finance*, 14 Jan. 2021.

How much of a difference? Economists at USC’s Schaeffer Center began to quantify that cost about a decade ago, and found that for every \$100 spent on retail pharmaceuticals in 2013, \$41 went to distribution system intermediaries⁹⁵ This happened for several reasons.

Some research has found that PBMs routinely steer patients toward higher-cost drugs, despite the availability of lower-cost generic options.⁹⁶ Economists also point to practices such as “spread pricing,” where a PBM reimburses a pharmacy one price for a prescription, while charging the health plan sponsor a higher price, and pockets the difference (the “spread”). Neither the insurer nor the pharmacy knows what the other side was paid or charged, so the PBM’s high margins remain hidden. The result? We all pay more for insurance premiums, and in many cases, on our prescription copays.

More transparency in the market wouldn’t merely save us money as consumers, but as taxpayers as well. A study published in *JAMA Internal Medicine* found that for the 184 most common generic prescription drugs, Medicare could have saved \$2.6 billion in 2018 if those same medicines had been purchased without insurance at Costco—at about a 21% discount.⁹⁷ Another study by Ohio’s State Auditor found an even larger gap—31.4% on generic prescriptions filled for Medicaid recipients—costing Ohio taxpayers \$208 million in one year.⁹⁸ Much more is spent on branded drugs than generics, likely exacerbating the PBMs’ impacts on taxpayers.

Fortunately, some modest reforms have emerged. For example, in 2018, federal law finally prohibited “gag clauses” that PBMs used to prohibit pharmacists from telling customers that their co-pay for some drugs actually exceeded the retail price of the drug.⁹⁹ But large spreads persist, at the expense of consumers and taxpayers.

What’s needed to make the market work better? Pricing transparency and competition. Senators Chuck Grassley and Maria Cantwell offer a good start with a bipartisan bill that would prohibit PBMs from engaging in spread pricing and another gouging technique known as “pharmacy clawbacks” unless they pass all rebates and concessions received from drug makers to insurers, and disclose all pricing information and all fees, markups, and discounts charged to health plans and pharmacies.¹⁰⁰ Congress must pass it.

More competition could help as well. We could start by reducing the barriers to entry for competitors in many states’ PBM markets—something most effectively done at the federal level—and possibly expanding access to Canadian drug suppliers who meet FDA safety standards.¹⁰¹ Above all, we need to ensure market participants and regulators have fair access to information, by requiring

95. Sood, Neeraj, et al. “Flow of Money Through the Pharmaceutical Distribution System.” *USC Schaeffer Center*, 6 June 2017.

96. Socal, Mariana P, et al. “Favorable Formulary Placement of Branded Drugs in Medicare Prescription Drug Plans When Generics Are Available.” *JAMA Internal Medicine*, vol. 179, no. 6, June 2019.

97. Trish, Erin, et al. “Comparison of Spending on Common Generic Drugs by Medicare vs. Costco Members.” *JAMA Internal Medicine*, vol. 181, no. 10, 6 July 2021.

98. “Auditor’s Report: Pharmacy Benefit Managers Take Fees of 31% on Generic Drugs Worth \$208M in One-Year Period.” *Ohio Auditor of State*, 16 Aug. 2018.

99. Seeley, Elizabeth, and Aaron S. Kesselheim. “Pharmacy Benefit Managers: Practices, Controversies, and What Lies Ahead.” *The Commonwealth Fund*, 26 Mar. 2019.

100. Sood, Neeraj, and Karen Van Nuys. “The Cantwell-Grassley PBM Bill Is Much Needed But More Can Be Done.” *Health Affairs*, 12 July 2022.

101. Essley Whyte, Liz. “Florida Is First State Allowed to Import Drugs From Canada in Bid to Reduce Costs.” *Wall Street Journal*, 5 Jan. 2024.

greater pricing transparency. Markets deliver quality products at competitive prices only when buyers and sellers have information—let’s give it to them.

Paying Less for Paper: Administrative Costs

Administrative costs account for an estimated 25% of U.S. healthcare expenditures, with 82% of administrative costs attributable to billing and insurance-related (BIR) tasks.¹⁰² The United States has significantly higher BIR costs than comparable wealthy nations.

The reason? U.S. health care employees spend many more hours each week on billing tasks, especially coding. The head of the American Medical Association complained that physicians spend on average two hours on paperwork for every hour spent with a patient.¹⁰³ One CEO reported that doctors in his health care system spent 46% of their time resolving issues with coding.¹⁰⁴ Countries with reduced BIR costs—such as Canada, Germany, Singapore, and the Netherlands—standardize how payers compensate providers. Many of them use a single coding schedule to automatically generate billing codes from diagnoses.

By contrast, each U.S. payer requires different sets of codes and documentation. Providers must carefully document patient conditions and diagnoses, then justify treatment using 180,000 billing codes.¹⁰⁵ Coding complexity encourages fraud and insurers’ rejection of claims as medically unnecessary.

Simplifying and standardizing payment contracts would reduce BIR costs and reduce fraud, translating to reduced premiums. One study estimated that this strategy would reduce a \$22,000 annual premium by up to \$2,100.¹⁰⁶

How can Congress help? It could require the Department of Health and Human Services (HHS) to convene industry leaders to come to agreement on standardization of coding and contracts.¹⁰⁷ Thousands of American manufacturers of electrical appliances implicitly agree on a single way for plugging their products into a wall socket, but it always starts with the largest players in the market. To provide an incentive to get to agreement, Congress can condition federal Medicare and Medicaid payments on adoption of industry standards within, say, 24 months. If they fail to agree, then HHS can issue its own framework, and mandate state compliance.

Eliminating the deadweight costs of administrative paperwork from our health bills should provide a win-win-win: more affordable and better care for patients, lower costs for taxpayers, and many health care workers relieved from these administrative tasks.

102. Richman, Barak, et al. “Billing And Insurance–Related Administrative Costs: A Cross- National Analysis.” *Health Affairs*, vol. 41, no. 8, Aug. 2022.

103. “AMA president sounds alarm on national physician shortage.” *American Medical Association*, 25 Oct. 2023.

104. Thomas, Nick. “Coding ‘destroys everything’: Former Mercy Health CEO on where healthcare reform should start.” *Becker’s Hospital CFO Report*, 29 June 2023.

105. Id.

106. Scheinker, David, et al. “Reducing administrative costs in US health care: Assessing single payer and its alternatives.” *Health Services Research*, vol. 56, no. 4, Aug. 2021.

107. “Standardization of a code-editing system white paper.” *American Medical Association*, Nov. 2011.

Addressing the Shortage of Primary Care Physicians

It has become axiomatic that we can reduce medical care costs through a greater emphasis on preventative and primary care, reducing use of costly emergency rooms and endless treatments for chronic illnesses. That strategy, of course, requires primary care physicians, of which the U.S. suffers from an acute shortage. An estimated 74 million Americans live in Primary Care Health Professional Shortage Areas (HPSAs).¹⁰⁸ As with any supply shortage, the dearth of doctors increases costs for patients and taxpayers, and reduces access to care, and its quality.

We have seen several responses to the doctor shortage. In 2020, Congress sought to expand Medicare funding for 1,000 more Graduate Medical Education (GME) slots, to expand residency programs for recent medical school graduates. Experts believe that far more is needed.¹⁰⁹ Debt relief programs can help to counter medical students' wariness of incurring \$250,000 in loans they routinely bear.¹¹⁰ While worthwhile, expanding those programs costs money—in addition to the roughly \$20 billion that the federal government already spends on medical education.¹¹¹

Obviously, it would help to also identify ways to expand primary care access without spending more. For example, preempting state restrictions on telehealth, and making Medicare reimbursements for telehealth permanent, could expand primary care access within many HPSA communities. Federal programs might incentivize the expansion of primary care teams, to employ more nurse practitioners and physician assistants per primary care physician to reduce doctor workloads and deliver care more cost-effectively.¹¹² We could also liberalize J-1 visa and permanent residency requirements (through an expanded “Conrad-30” program) to encourage more foreign medical graduates to stay here to practice. Pulling each of these levers would help.

A less orthodox solution merits exploration as well: shorten medical training. We could expand the number of well-educated primary care doctors, at less cost to both taxpayers and students.

This idea is not my own. Dr. Amol Saxena, a Palo Alto resident who recently received his master's in public health, first suggested it to me, but many fourth-year medical students would readily agree. They envy their peers in Europe and Japan, where aspiring doctors complete their undergraduate and graduate programs in six years, rather than the minimum eight in the U.S.¹¹³ Of course, after U.S. medical school, there comes residency. The average U.S. physician will have incurred 14 years of postsecondary training—college, medical school, residency, and fellowship—just to start their careers.

108. “Primary Care Health Professional Shortage Areas (HPSAs).” *Kaiser Family Foundation*, 1 Apr. 2024.

109. Robeznieks, Andis. “1,000 new GME slots are coming. CMS must not hamper their use.” *American Medical Association*, 16 Mar. 2022; “New AAMC Report Shows Continuing Projected Physician Shortage.” *American Association of Medical Colleges*, 21 Mar. 2024.

110. Tretina, Kat, and Kennedy Edgerton. “Best Medical School Loan Forgiveness Programs For Doctors.” *Forbes Advisor*, 24 Jan. 2024.

111. “Medicare Graduate Medical Education Payments: An Overview.” *Congressional Research Service*, 29 Sept. 2022.

112. “Five Ways to Cure California’s Doctor Shortage.” *California Health Care Foundation*, 11 Jan. 2019.

113. Orr, Robert, and Anuska Jain. “The Case for Shortening Medical Education.” *Niskanen Center*, 17 Mar. 2020.

Bioethicist Ezekiel Emanuel and economist Victor Fuchs argue in the *Journal of the American Medical Association* that the average length of medical training could be reduced by about 30% without compromising physician competence or quality of care.¹¹⁴ Several medical schools, such as Texas Tech and Duke, began experimenting with shorter durations years ago. Today, 28% of U.S. medical schools offer 7-year programs, without adverse consequences. More comprehensive changes, however, will require federal incentives, perhaps as conditions attached to GME appropriations for medical schools and hospitals. We should explore this, even if just for aspiring primary care doctors—and let specialists stay in school.

Reducing the minimum eight-year (or better, 14-year) duration of postsecondary education by one year could produce many systemic benefits. Medical schools could expand their admissions by 25% for the same cost. Promising medical students—particularly those juggling plans for career and family—will feel less daunted by the duration and cost burdens of medical school.¹¹⁵ The reduced debt and shorter schooling may induce more graduates to choose primary care, and feel less compelled to enter a high-paying specialty. Taxpayers will pay less per doctor for training and education. Patients will experience an expansion of access to care, and some mitigation of cost pressures on insurance costs and copays. It's a step worth exploring.

Our Child Care

Child care consumes more than 25% of the incomes of families in California and eight other states.¹¹⁶ The lack of affordable care has become a crisis that prevents many parents—overwhelmingly women—from returning to the workforce.¹¹⁷ Even before the pandemic, more than 60% of California families lived in a “child care desert.”¹¹⁸ The crisis has since become more acute, as child care employment continues to lag behind pre-pandemic levels.¹¹⁹ Action is long overdue.

Two approaches appear essential. First, we must boost support for struggling families that cannot afford child care and must work. Second, we need to expand the supply of qualified caregiving for families of all incomes. Congress can help with both—if it's willing to recognize the urgency of this problem.

Let's start with families who struggle the most financially. There are no better federal investments for our families than child care. In the short term, the economy will benefit from thousands of young parents, particularly women, returning to a wide range of industries suffering from labor shortages. We see this particularly within low-income families, where one study found that higher child care subsidies substantially increased employment rates of mothers with young children.¹²⁰

114. Emanuel, Ezekiel, and Victor Fuchs. “Shortening Medical Training by 30%.” *JAMA*, vol. 307, no. 11, 2012.

115. Pierson, Leah. “Shortening Medical Training Would Help Trainees Balance Family and Career.” *Harvard Law Bill of Health*, 21 Sept. 2021.

116. “Child Care Investment Is Crucial for Future Economic Growth.” *Joint Economic Committee Democrats*. Accessed 9 Sept. 2024.

117. “Childcare Costs, Reduced Work, and Financial Strain: New Estimates for Low-Income Families.” *U.S. Department of Commerce*, 27 June 2024.

118. Malik, Rasheed, et al. “America's Child Care Deserts in 2018.” *Center for American Progress*, Dec. 2018.

119. Crouse, Gilbert, et al. “The Impact of the COVID-19 Pandemic on the Child Care Industry and Workforce.” *Office of the Assistant Secretary for Planning and Evaluation*, 19 Jan. 2023.

120. “The Effects of Child Care Subsidies on Maternal Labor Force Participation in the United States.” *ASPE*, Dec. 2016.

In the long run, high-quality care produces benefits we see in our children’s personal development and education. Many sociologists also find intrinsic value in children seeing their parents going to work each morning, inculcating expectations of responsibility for their own schooling and work in the future.¹²¹

One obvious mechanism for supporting families lies in the child tax credit. The most recent tax package included a refundable \$2,000 Child Tax Credit that passed with strong bipartisan support in the House in January. Although the Senate didn’t adopt the bill, the ability of a deeply divided House to pass such a measure should give us all hope. A larger tax credit, means-tested to reduce its budgetary impact and to target benefits for our poorest families, could do even more, as we saw during the pandemic-era \$3,600 credit that lifted millions of children out of poverty.¹²² Child poverty rates ballooned from 5.2% to 12.4%—or more than 15 million children—when that expansion expired.¹²³

A more direct subsidy for families struggling with child care is provided by the Child Care and Development Fund (CCDF), which provides direct assistance to low-income families who need child care to work or attend school. One study concluded that tripling the scope of CCDF support (currently only 15% of eligible low-income families actually receive help) could lead to the additional employment of more than 652,000 women with young children.¹²⁴ That would dramatically boost the economic well-being of many employers, and more than half a million families.

For middle-income families, changes in the tax code can help. Rep. Salud Carbajal’s recent bill, The Child Care Investment Act, would boost the dependent tax credit—and also make it refundable—while doubling the limits on excludable pre-tax contributions for dependent care flexible spending accounts. The bill is already gaining bipartisan support, in part because it also expands the tax credit for businesses that offer child care, alone or with other employers.

Progress on any one of these ideas would help hundreds of thousands of parents. How do we pay for them? We can start by recognizing the additional tax revenue that could be generated—\$4.2 billion annually, according to one study—when affordable child care enables more parents to work.¹²⁵ Of course, cuts will need to be made. One or more of these ideas could be funded with a fraction of the \$35 billion in annual tax breaks and subsidies that the federal government provides to the oil and gas industry. Every member of Congress should be forced to consider that tradeoff, and explain their position to working parents in their districts.

To expand the supply of child care, we must help care providers overcome barriers of access to affordable spaces. Refocusing existing federal programs—such as the Community Development Block Grants or the New Markets Tax Credit—can help renovate vacant office and retail spaces to create child care-adapted ground-floor spaces in existing buildings. I never saw a more appreciative

121. Kirkpatrick Johnson, Monica, et al. “Work Value Transmission From Parents to Children: Early Socialization and Delayed Activation.” *Work and Occupations*, vol. 47, no. 1, Feb. 2020.

122. Luhby, Tami. “Poverty rate jumps in 2022 after end of enhanced child tax credit.” *CNN*, 12 Sept. 2023.

123. Parrott, Sharon. “Record Rise in Poverty Highlights Importance of Child Tax Credit.” *Center on Budget and Policy Priorities*, 12 Sept. 2023.

124. “The Effects of Child Care Subsidies on Maternal Labor Force Participation in the United States,” *supra*.

125. Gould, Elise, and Hunter Blair. “Who’s paying now?” *Economic Policy Institute*, 15 Jan. 2020.

neighborhood than when I pushed to use city funds to rehabilitate a North 11th Street liquor store to a child care facility. We also saw success helping in-home care providers get their start in San José by investing in training and certification, along with technical assistance for tasks like web design and child safety training. This crisis of child care requires multiple interventions, but above all, it requires Congress' attention.

HOMELESSNESS

Why Homelessness Isn't Merely a “Local Issue”

IN MY MANY HOURS walking the halls of Congress, whenever I advocated for greater attention to homelessness—such as expanding rent limits on Veterans Affairs Supportive Housing vouchers to help homeless veterans get off the street—I routinely was told, “that’s a local issue.”

The data tells us otherwise. 44 of America’s largest 48 cities have at least 1,000 unhoused residents.¹²⁶ Homelessness jumped 12% nationally in the last year alone, and on any given night, 653,000 Americans remain unhoused.¹²⁷

Homelessness is an important “local” issue in virtually every major metropolitan area, from Miami to Anchorage. In other words, it’s a national issue. It’s just that we haven’t seen any significant policy action by Congress in recent memory to address homelessness. Plenty of observers have reasonably asked, “If my city and county are spending all of these resources on homelessness, why isn’t the federal government doing more?”

Here are a few ways that I believe Congress can make a difference, both for homelessness and the related issues of addiction and mental health:

1. **Building Housing Faster and at a Lower Cost**
2. **Leveraging the Power of Housing Vouchers**
3. **Financing Affordable Construction More Nimbly**
4. **An Ounce of Prevention Can Save a Pound of Misery**
5. **Eliminating Barriers to Treatment of Addiction and Mental Illness**

Building Housing Faster and at a Lower Cost

Two years ago, I had the pleasure of meeting Ludia. She and her grandsons had been living in and out of shelters for several months and could not find an available apartment where the landlord would accept her housing voucher. She was relieved to finally land at a recently-opened transitional housing community for families, on Evans Lane in west San José.¹²⁸ She told me that her family enjoyed having a small apartment of their own, with the privacy of her own bathroom, a space in the community garden to grow vegetables, a large community kitchen, and a computer lab where her grandsons could do their homework.

Ludia kept looking for permanent housing, with the assistance of a case worker at Evans Lane. Although it took her more than a year to find a landlord in San José who would accept her voucher, she stuck through it and is now living on her own in West San José.

126. “Which US Cities Have the Largest Homeless Populations?” *USAFacts*, 29 Mar. 2024.

127. “HUD Releases 2023 Annual Homeless Assessment Report.” *National Low Income Housing Coalition*, 18 Dec. 2023.

128. Campbell, Justin. “San José Interim Housing Development Aims to Fight Homelessness.” *KRON4*, 4 June 2022.

QUICK BUILD HOUSING COMMUNITIES



The traditional approach to building housing isn't cheap—constructing an “affordable” apartment building in our area will cost about \$938,700 per unit—and it takes five or six years of planning, city approvals, financing, construction, and inspections before anyone can occupy it.¹²⁹ We can't tackle a crisis that afflicts our 12,000 unhoused residents in Santa Clara and San Mateo counties that way. We need to be much more nimble.

During my mayoral tenure, we worked to find innovative approaches that could help us expand the housing supply faster and less expensively. We began converting two motels into housing in 2016, about four years before Governor Gavin Newsom implemented this approach statewide.

We partnered with Habitat for Humanity to build “tiny home” communities on two sites in 2017, at first with only modest success. With every iteration, we learned, reassessed, and pivoted.

In March 2020, under state orders to vacate our shelters to protect unhoused residents from COVID, I put the challenge to our public works team at the city: How quickly could we build small communities of prefabricated, modular dorms—with private bedrooms and bathrooms—on public land? We had about \$17 million in funds to work with, and I committed to raising money philanthropically. Our team responded—as did Susanna and Peter Pau and Sue and John Sobrato, two generous couples who donated several millions of dollars. We built three “quick-build” communities housing 300 residents in a matter of months, not years.¹³⁰ The cost? Less than \$110,000 per unit, rather than the conventional \$938,700 per unit.¹³¹

Unlike “tiny homes” and “tuff sheds,” these dorms provide residents with private bedrooms and bathrooms, utilities, hot water, a safe lock on their door, and space for their pets and belongings. These features are not mere conveniences; they're essential to persuade many unhoused residents

129. Greschler, Gabriel. “‘Death Spiral’: It's Getting Obscenely Expensive to Build Housing in San José.” *The Mercury News*, 26 Oct. 2023.

130. “South Bay Will Build 300 Housing Units in Four Months for the Homeless.” *KTVU*, 23 Oct. 2020.

131. Liccardo, Sam. “Make Homelessness Investments Where We See the Solutions.” *Medium*, 24 June 2021.

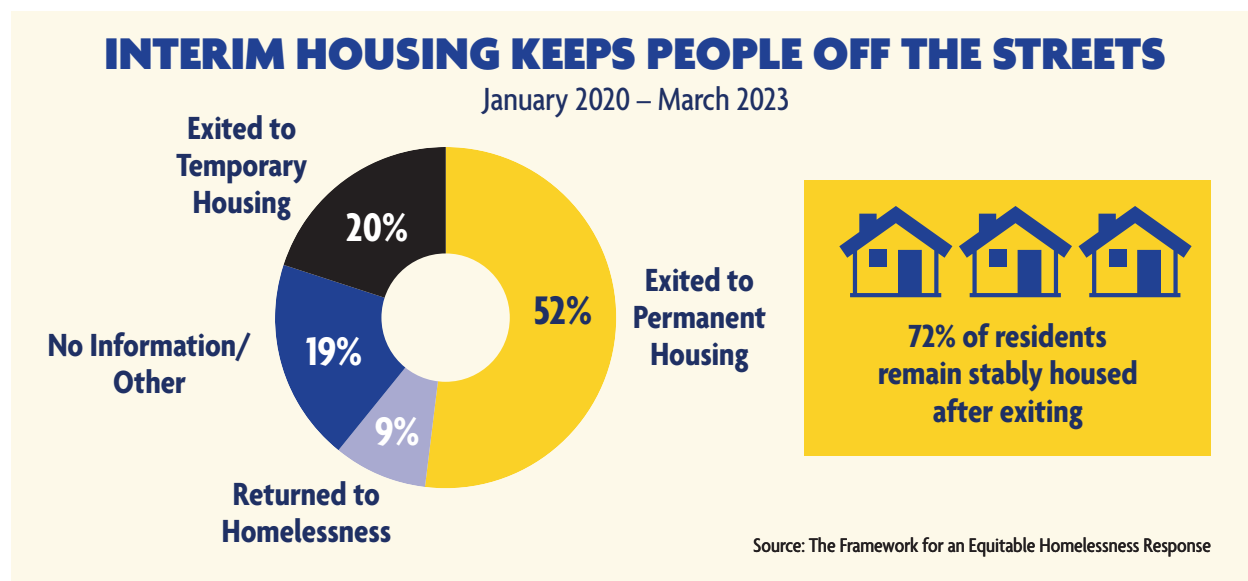
to leave the streets, who often fear that traditional shelters will fail to offer safety, privacy, dignity, or space. City-funded non-profits provided mental health counseling and programs to residents grappling with the trauma they experienced on the streets, as well as helping them to find jobs.

To bring people off the streets, we need to create places people will actually choose to go. Federal courts will make it very difficult on cities who merely want to push people off the streets involuntarily. Consent always yields better outcomes. That’s how Ludia became one of our many success stories.

Soon other cities, such as Mountain View and Redwood City, launched prefabricated communities of their own with their own variations on the model.¹³² We benefited from learning from each other, and the idea began to scale. Cities typically used these models for transitional housing—places to stay for several months until permanent housing could be identified. Later iterations of San José’s prefabricated communities, however, were built to federal standards with small kitchens to use flexibly as permanent housing as well.

By the time I left office at the end of 2022, San José had constructed five quick-build housing communities. It would take time for us to see the outcomes from our work, but I was proud that my successor, Mayor Matt Mahan, could announce the results: unsheltered homelessness dropped nearly 11% in 2022.¹³³ In the rest of Santa Clara County, homelessness increased.

Critically, the outcomes for residents also appear promising. In congregate shelters and navigation centers, most of the people return to the street and typically fewer than 20% of residents land in permanent housing. In our interim quick-build communities, more than 72% remained housed more than two years later, most of whom found permanent housing.¹³⁴



132. Landers, Jay. “Modular Construction Speeds Delivery of Housing for California’s Homeless.” *American Society of Civil Engineers*, 9 Feb. 2023.

133. Kadah, *supra*.

134. “Homelessness Program Dashboard.” *City of San José*.

Our solution used what's called "factory-built housing," which has taken off, and so has demand. Several years ago, the Northern California Carpenters Union perceptively began partnering with startups like FactoryOS to see how we could accelerate construction at a lower cost, while still maintaining fair union wages.

With growing demand has come challenges. Costs of prefabricated units have increased dramatically since we started in 2020; supply chain challenges stalled projects throughout the pandemic. In some cases, poor construction quality undermined success. Enabling better, more cost-effective prefabricated quick-build construction is critical to getting the 653,000 unhoused Americans off the streets and into dignified housing more quickly.

Congress must step up, particularly in helping this nascent industry to scale to better meet the need. Financing new factories has been a challenge for some small companies, particularly given the uncertain demand. Congress can use the government's purchasing power, within the existing authorized budget for the U.S. Department of Housing and Urban Development (HUD), to create a steady demand that many factories need to expand. It can establish minimum standards for construction for eligibility for federal funding, and certify suppliers that meet quality criteria to make it easier for cities and counties that want to find quality builders. It can support efforts, like those of the Carpenters Union, to expand workforce training for well-paying jobs in factory-built housing in areas suffering from high unemployment. It can help modular builders satisfy bonding requirements and other requirements associated with conventional construction.¹³⁵

Importantly, Congress can also eliminate statutory restrictions on the use of federal housing choice vouchers for transitional housing units. Federal law allows vouchers to be deployed in units that cost \$1 million to build, but not in units that cost \$150,000. If cities like San José, Mountain View, and Redwood City could accept payment by federal vouchers for their transitional communities, it would help those cities pay for the operations of these communities and clear a path to build more of them. Residents could stay in a transitional community for several months, and when an apartment elsewhere opens, they could take their voucher with them. To get there, we need changes in the law governing vouchers, which we'll turn to next.

Leveraging the Power of Housing Vouchers

Since the demise of federally-funded public housing in the 1970s, the majority of federal rental assistance comes through housing vouchers, for people to use in the private market. About 2.35 million extremely low-income families now use housing choice vouchers to stay housed.¹³⁶ Often referred to by such programmatic names as "Section 8" or "VASH," vouchers constitute the most effective federal housing program along several key metrics—for reducing homelessness, housing instability, and overcrowding.¹³⁷

135. Pullen, Tyler, et al. "Scaling up Off-Site Construction in Southern California." *Turner Center for Housing Innovation*, Feb. 2022.

136. "Policy Basics: The Housing Choice Voucher Program." *Center on Budget and Policy Priorities*, 12 Apr. 2021.

137. Fischer, Will. "Research Shows Housing Vouchers Reduce Hardship and Provide Platform for Long-Term Gains among Children." *Center on Budget and Policy Priorities*, 7 Oct. 2015.

How do vouchers work? Each household must contribute 30 percent of its income, and the voucher covers the rest of the costs of rent and utilities, up to a limit based on HUD’s fair market rent estimates. Families with vouchers have the ability to choose where they live, with private landlords receiving most of the voucher revenue.

Vouchers had traditionally been seen as a less bureaucratic approach than the troubled legacy of public housing. Voucher holders had choices about where they would live, rather than facing confinement to deteriorating, government-owned housing projects. Great Society Democrats increasingly embraced the program, and it became a bipartisan program.¹³⁸ Despite the many flaws of the program—and there are flaws—it has generally survived because of something resembling a political consensus.

The biggest challenge is that voucher demand vastly outstrips supply. Only one out of every four families that qualify for vouchers actually get them. In October 2023, the San Francisco Housing Authority opened the waitlist for the first time in nearly a decade, and about 60,000 families signed up—for only 6,500 spots on the waitlist.¹³⁹ To be clear, every family had a one-in-ten chance of even making it onto the waitlist, and even then, the “winning” family or individual waits for years before actually receiving a voucher.

And what do these lucky sweepstakes winners get? Not enough of them get housed, unfortunately. Too many vouchers are held by people who can’t use them. In high-cost areas like ours, voucher holders can’t afford security deposits, application fees, or broker fees to get into apartments. Some landlords, frustrated by the bureaucracy of the system, refuse to accept vouchers, particularly where they have had the experience of leaving apartments vacant for two or three months while they await an inspection or approval from a federal HUD official. Many housing authorities require reassigning vouchers if a client doesn’t use theirs within a specified duration.

So, how can we better use vouchers to get more homeless Americans housed?

More Flexibility

Congress needs to make vouchers more flexible. Under the existing statute, public agencies can’t use a voucher for transitional housing. Making that simple change would enable more voucher holders to get off the street until permanent housing becomes available. So long as the transitional facility meets basic standards—providing basic utilities, private bathrooms, lockable bedrooms, etc.—it should be incorporated as part of a federal strategy to move more voucher holders off the streets. It would also help cash-strapped cities sustain and create more of this low-barrier housing.

For example, after the construction of San José’s quick-build transitional communities, we had to use city funding to provide supportive services like substance use counseling because Santa Clara County would not do so. (Counties receive all of the state and federal money to administer health programs in California; if counties refuse to provide mental health or addiction treatment, then cities need to dig into their own pockets.) Those services and operations can cost a typical city in the

138. Kazis, Noah. “The failed federalism of affordable housing: Why states don’t use housing vouchers.” *Michigan Law Review*, 2022.

139. Kushel, Margot. “Opinion: California’s Struggle with Homelessness Needs Congressional Help.” *The Mercury News*, 29 Dec. 2023.

Bay Area roughly \$35,000 per person. If residents had the ability to use vouchers at the transitional housing sites, the city could rely on a stream of federal money to support some of the operations and services of the communities.

A spirit of flexibility could also enable Congress to better incentivize landlords to accept vouchers—for example, by mandating provisional approval of a unit with an “inspection pending” where delays exceed a couple of weeks. Streamlining can help as well, as the current “balkanized and inefficient voucher delivery system” consists of thousands of public housing authorities, often with multiple agencies serving the same regional market, creating conflicting mandates and confusion for landlords and tenants.¹⁴⁰

More flexible rules would make it easier on tenants as well: loosening the “use-it-or-lose-it” mandates to provide them more time to find apartments in tight housing markets, and enabling vouchers to cover the cost of security deposits. Providing greater flexibility on rent caps will also enable tenants to have greater opportunity to move to safer neighborhoods with better schools and resources—an important but often unrealized objective of the program.¹⁴¹

More Vouchers

“Better vouchers” is good. “More vouchers” is better. We simply need more vouchers. That’s not rocket science; four times as many families need them as have them.

Obviously, it will cost more money. With nearly every one of my proposed solutions, I’ve pulled back from ideas that simply spend more federal money. Our nation’s deficit is bloated enough, and our children don’t deserve more debt that we’re already giving them.

This issue is one for which I make an exception. We need more vouchers. A lot more of them. I cannot imagine a federal expenditure that could do more to reduce human misery. Many experts believe that the most direct, effective way to reduce homelessness lies in expanding the number of vouchers available to extremely low-income families—and they’re right.¹⁴²

How much will it cost? Last year, the federal government spent \$30 billion on vouchers.¹⁴³ Those 2.2 million households comprise only one-quarter of the total number of families who qualify for assistance. Some context: the federal government allots more than \$95 billion annually in tax expenditures to homeowners, through such deductions as mortgage interest, state and local taxes, and capital gains on sale.¹⁴⁴

140. Tegeler, Philip. “Housing Choice Voucher Reform: A Primer for 2021 And Beyond.” *Poverty & Race Research Action Council*, Aug. 2020.

141. Lens, Michael C., et al. “Do Vouchers Help Low-Income Households Live in Safer Neighborhoods? Evidence on the Housing Choice Voucher Program.” *Cityscape: A Journal of Policy Development and Research*, vol. 13, no. 3, 2011.

142. Fischer, Will, et al. “More Housing Vouchers: Most Important Step to Help More People Afford Stable Homes.” *Center on Budget and Policy Priorities*, 13 May 2021.

143. “Transportation, Housing and Urban Development, and Related Agencies (THUD) Appropriations for FY2024.” *Congressional Research Service*, 26 June 2024.

144. “Estimates Of Federal Tax Expenditures For Fiscal Years 2023-2027.” *Joint Committee on Taxation*, 7 Dec. 2023.

While I'm a grateful homeowner, it's hard not to see the inequity in that. If we spent even half as much on rental support as we spend on homeowners, we could serve more than another one million families in need, lifting them from abject poverty.

We've seen what dedicated federal funding can do. In November 2015, I stood with Jennifer Loving, the CEO of Destination: Home, and then County Supervisor Dave Cortese to announce "All the Way Home," a partnership to end homelessness among veterans. We had many VASH housing choice vouchers specifically issued for veterans, but the rent caps appeared too low for the high rents of Silicon Valley. I joined Housing Authority officials in 2016 to lobby the Obama Administration to lift the caps, and we prevailed. Armed with effective vouchers, the partnership moved 1,940 veterans off the street within five years. By 2021, Loving announced that we had reached "functional zero," meaning we could house veterans at a faster rate than they were becoming homeless.¹⁴⁵

That's what vouchers can do, if we're deploying them well. They're worth the investment.

Financing Affordable Construction More Nimbly

In addition to more vouchers, we need more housing supply.¹⁴⁶ Throughout our Valley and Peninsula, rental vacancy has remained beneath 4% for most of the last decade and a half due to a vastly inadequate supply. Most of that housing supply must be created by the private sector, without government subsidy.

However, market-rate housing will never be affordable to extremely low-income families, no matter how much of it gets built. The rate at which new housing will "filter down" to become affordable to low-income families requires decades—if it ever happens.¹⁴⁷ To address the current crisis, we need to build more housing that is immediately affordable—that is, rent-restricted.

In 1986, in the wake of the demise of public housing programs, Congress created the Low-Income Housing Tax Credit (LIHTC) program to support construction of rent-restricted affordable housing by for-profit and non-profit builders. Developers use LIHTC and their syndicators to attract equity investors in their housing projects, reducing the funding that the builder needs to borrow to finance the project. While an imperfect tool that has proven complex and costly to implement, LIHTC is the nation's largest and most enduring federal tool for constructing affordable housing. Tax credits have provided a stable source of funding for 110,000 new units annually.¹⁴⁸

145. Alaban, Lloyd. "Silicon Valley Veteran Homelessness Reaches New Milestone." *San José Spotlight*, 11 Nov. 2021.

146. Housing supply turns out to offer a bigger explanation for homelessness than many of us appreciate. Two researchers at the University of Washington sought to determine which factors correlated with high homeless rates, analyzing drug and alcohol addiction, generous welfare benefits, poverty rates, untreated mental illness, and even warm weather. They used advanced statistical techniques to help isolate the key drivers of high homelessness rates among the variables, and found that none of them explained higher or lower homeless rates in any metro. One factor did: the available supply of affordable housing.

147. Liu, Liyi, et al. "Geographic and temporal variation in housing filtering rates." *Regional Science and Urban Economics*, vol. 93, Mar. 2022.

148. "Low-Income Housing Tax Credit (LIHTC): Property Level Data." *Low-Income Housing Tax Credit (LIHTC): Property Level Data*, 12 Apr. 2024.

The problem is that LIHTCs aren't terribly "affordable" themselves, because LIHTCs only provide part of the subsidy required to make the construction of any apartment building financially viable. Particularly in the high-cost Bay Area, builders need to find many other subsidies to fill the gap. As a result, we see projects that may have five, seven, or even nine other sources of funding—from state, local, private, or philanthropic sources—in the project's "capital stack."¹⁴⁹ Merely arranging these equity and debt deals creates enormous delay and complexity, with conflicting requirements and approval timelines for each funding source. Above all, these complexities add tremendous cost: about \$6,500 per funding source in every apartment unit built, according to one study.¹⁵⁰

Other studies estimate that developing "affordable" housing—with all of the attendant financing and government requirements—costs an additional 19% to 44% more per unit to build than privately-constructed apartments.¹⁵¹

Developers and economists alike gripe about the cost, delays, and complexity of the LIHTC program. Regardless, it endures because it's often the only available federal source of financing for an affordable housing project. In the words of Stephen Stills, "If you can't be with the one you love, love the one you're with."

When construction costs rise rapidly—as they did during the pandemic—developers have to hit the pause button and find more funding to fill the gap, leading to further delays and increasing costs even more.¹⁵²

Even with successful completion of construction, non-profit housing providers still need to find another source of subsidy—typically a Housing Choice Voucher—to help pay for the management, maintenance, and operations of the facility. If they seek to serve extremely low-income residents, seniors, or formerly homeless people, those services can be very expensive. Currently, LIHTC doesn't pay for any of that. So taxpayers subsidize the construction of the project, then pay again for a rental voucher for the same tenant.

A streamlined approach would rely on a single funding source for the entire project, and it would save time and enormous public cost. The head of the Santa Clara County Housing Authority, Preston Prince, came up with a great solution: simply boost the value of the tax credits—which are commonly referred to as "4% credits" and "9% credits"—to enable the LIHTC to supplant all of those disparate layers of funding and financing in the capital stack. At, say, a 13% credit, projects could move to construction with only one funding source in the capital stack.

149. Kneebone, Elizabeth, and Carolina K. Reid. "The Complexity of Financing Low-Income Housing Tax Credit Housing in the United States." *Terner Center for Housing Innovation*, Apr. 2021.

150. Reid, Carolina. "The Costs of Affordable Housing Production: Insights from California's 9% Low-Income Housing Tax Credit Program." *Terner Center for Housing Innovation*, Mar. 2020.

151. "Federal Housing Assistance: Comparing the Characteristics and Costs of Housing Programs." *U.S. Government Accountability Office*, 31 Jan. 2002. The GAO also found that LIHTC units typically cost more than units funded by other supply-side aid programs.

152. "Filling Funding Gaps: How State Agencies Are Moving to Meet a Growing Threat to Affordable Housing." *Abt Associates*, 2022.

Why not do this? Because it costs more money, of course. A larger tax credit represents more foregone tax revenue. Yet, we could substantially reduce that additional cost, in several ways, and get much more housing, delivered more quickly, at a lower cost per unit.

How? First, the elimination of the many other layers of loans, grants, and other parts of the “capital stack” will reduce much of the expenditure on consultants, syndicators, bankers, and lawyers—that alone would save every affordable project millions of dollars. Based on data from a 2020 Turner Center study, simplifying the capital stack could reduce per-unit development costs by roughly \$10 million on a typical 100-unit project in the Bay Area, and the cost savings in accelerating project delivery could be even greater.¹⁵³ It would also save state and local governments billions of dollars, which could be better directed to other affordable housing and basic services.

Second, long-overdue reforms in the administration of the LIHTC could save dollars as well. For example, many affordable housing deals are financed on a “cost-plus” basis, which reduces the incentive to lower costs.¹⁵⁴ Some builders inflate estimated budgets to get more credits. Once tax credit allocations are secured, “there are limited incentives to reduce development costs because doing so would mean not using the full appropriated federal tax credits issued for the project.”¹⁵⁵ Project costs—and federal money—can be saved by re-engineering the program’s incentives, perhaps by allocating credits against a baseline for private housing construction costs in the region.

Third, the U.S. Department of the Treasury could condition the issuance of some or all of the “super-LIHTC” tax credits on the use of less costly building techniques, such as the prefabricated approach discussed earlier. It could also require that jurisdictions only allocate the credits to project sites that are already zoned for multifamily housing, to save years of public battles, and force cities to do the hard work of rezoning with the community ahead of time. Expediting permitting decisions can dramatically reduce the high cost of delay and indecision but need not bypass community engagement or local control.

Finally, it’s worth exploring whether by setting the credit sufficiently high, a non-profit developer could create a reserve that could be used for operations. If so, it could free up thousands of federal housing vouchers tied to LIHTC projects and instead redistribute them to help many more people get off the street.

Of course, this will still cost something more—but it will do much, much more than it costs. Some context seems appropriate, moreover. During the 1980s, the Reagan Administration cut about 75% of the federal funding for housing construction.¹⁵⁶ Federal support for affordable housing hasn’t recovered, and it shows in the housing burdens endured by millions of American families. The benefits of helping thousands of Americans get off the street and into housing are well worth this modest investment.

153. Reid, *supra*.

154. “Bending the Cost Curve.” *Urban Land Institute*, 2014.

155. “Affordable Housing Cost Study.” *State of Washington Department of Commerce*, Sept. 2009.

156. Kushel, *supra*.

An Ounce of Prevention Can Save a Pound of Misery

Of all the strategies we've deployed to reduce homelessness, by far the most cost-effective initiative had nothing to do with building anything.

In 2018, Destination: Home CEO Jennifer Loving persuaded me to invest \$750,000 of city funding into a pilot program to expand rental assistance and case management to 271 housed San José families. Each of these families had recently experienced a crisis—job loss, divorce, or health emergency, for example—making them unable to pay rent. From the pilot, we learned that simply covering two or three months of rent—at an average of about \$3,000—could reduce immense human misery. It also came as a bargain compared to the public cost of people living on the street, which exceeded \$83,000 for each of those people needing the highest levels of government intervention such as emergency rooms, police, and emergency medical response, according to a 2015 Santa Clara County study.¹⁵⁷ Best of all, in that first year, 96% of the assisted households remained stably housed—results superior to virtually any other program we've tried.

In subsequent years, we doubled down, investing several millions of dollars into a prevention partnership with Sacred Heart Community Services, the county, and Destination: Home, with similar results.

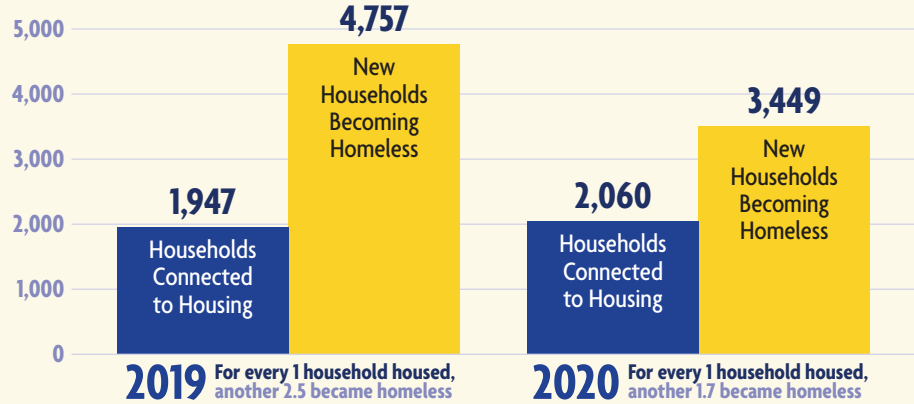


Importantly, we're starting to turn the corner on reducing the rate at which people are becoming homeless. For years, we worked with partners to house thousands of unhoused people, but found that for every one person we housed, two to three more fell into homelessness. With the help of prevention, we've turned the corner, reducing the ratio to 1:1.7 by 2022.

157. Flaming, Daniel. "Home Not Found: The Cost of Homelessness in Silicon Valley." *Economic Roundtable*, 26 May 2015.

NARROWING THE GAP TO ‘FUNCTIONAL ZERO’

Households Connected to Housing vs New Households Becoming Homeless



The end goal, of course, is to reduce homelessness to “functional zero.” While we didn’t get there by the end of my term, University of Notre Dame researchers concluded that the program did indeed reduce homelessness, showing promise as a cost-effective intervention for other cities.¹⁵⁸

San José wasn’t unique. Around the same time, my colleague Oakland Mayor Libby Schaff experimented with a similar program in her city. We shared our experiences with our colleagues, and other California cities proposed programs of their own. UCLA’s Policy Lab leveraged artificial intelligence to help Los Angeles better target dollars to families at the highest risk of homelessness.¹⁵⁹ Rent assistance and casework has since become recognized as a best practice in the battle against homelessness, and as the Policy Lab shows, technology can make them better.

What’s missing in all of this? Federal engagement.

Although we saw hopeful signs with the one-time pandemic-era Emergency Rental Assistance Program, those dollars are now gone. There’s no ongoing federal program for flexible emergency cash assistance for families in crisis. It’s the most cost-effective intervention that we can identify, and it would require fewer bureaucrats to administer than any program in HUD history. Yet, you won’t find a line item for it in HUD’s \$73 billion FY2023–24 budget request.¹⁶⁰ In other words, flexible rental assistance as a prevention strategy isn’t on the radar at HUD.

Congress needs to put it there.

158. Phillips, David C., and James X. Sullivan. “Do Homelessness Prevention Programs Prevent Homelessness? Evidence from a Randomized Controlled Trial.” *Destination: Home*, Apr. 2023.

159. Hughes, Abby. “AI Is Helping Outreach Workers in L.A. Predict and Prevent Homelessness.” *CBC*, 12 Oct. 2023.

160. “Budget in Brief.” *U.S. Department of Housing and Urban Development*. 2024.

Eliminating Barriers to Mental Health and Drug Treatment

Finally, confronting homelessness requires better addressing addiction and mental health. Although the percentages vary by subpopulation, roughly 25%-40% of homeless individuals have a substance use disorder (SUD) and 45% have a mental health disorder.¹⁶¹ While primarily a state and county responsibility, every community relies substantially on federal dollars through Medicaid, Medicare, and federal grants to deliver services.

A political consensus has emerged around the urgency for more mental health and drug treatment of unhoused residents, providing a window of opportunity to focus federal funding in a way that can address the human crises we see daily on our streets. The current system poses many barriers, however, large and small.

The largest obstacle to treatment lies in paltry Medicaid and Medicare reimbursements, which force providers to limit the scope of their services. Momentum for Mental Health recently closed six programs in Santa Clara County for that reason, although the state's new California Advancing and Innovating Medi-Cal (CalAIM) reimbursement formulas also had much to do with it.¹⁶² Obviously, more money would help—and would be worth the investment.

In other instances, the barriers aren't about the money. For example, regulations prevent many primary care providers, including those in acute settings like in emergency rooms, from accessing information about a patient's substance abuse treatment without consent. This inhibits "whole person" care that many experts find imperative. Other barriers limit how treatment can be provided—which explains much about why we don't see many mental health hospitals anymore.

More Treatment Beds: The Imperative for Inpatient Care

Although best practices call for treating drug addiction and mental illness in the least restrictive setting possible, there appears little question that we face a dearth of inpatient treatment for mental health disorders. In the 1960s, the U.S. had 337 psychiatric treatment beds available per 100,000 residents. Today, that number has plummeted to 12.¹⁶³ For people suffering from severe mental illness, the reduction in the number of psychiatric beds correlates strongly with increased rates of homelessness, incarceration, and morbidity.¹⁶⁴

This appears particularly true for substance use disorder. For unhoused residents addicted to methamphetamine, for example, inpatient care can be critically needed. There is no FDA-approved pharmacological treatment for meth addiction, and meth use increases the risk of severe psychosis and violent behavior, often making outpatient treatment difficult.¹⁶⁵ More treatable substance-use disorders—such as opioid abuse—are still evading treatment because of the difficulties of

161. "Homelessness and Addiction: Ultimate Guide." *Urban Recovery*, 7 Jan. 2024.

162. Wiener, Jocelyn. "Mental health programs that served hundreds of kids to close after California payment changes." *CalMatters*, 21 Dec. 2023.

163. Everett, Anita, et al. "The Psychiatric Bed Crisis in the US: Understanding the Problem and Moving toward Solutions." *American Psychiatric Association*, May 2022.

164. Douglas, Jillian K. "Evaluating the Impact of Federal Mental Health Policy: An Analysis of How Federal Deinstitutionalization Impacted Persons with Severe Mental Illness." *ScholarWorks @ SeattleU*, 1 Jan. 2021.

165. Lovelace Jr., Berkeley. "Why are there no treatments for cocaine and meth addiction?" *NBC News*, 7 Nov. 2023.

administering medications like methadone, buprenorphine, and naltrexone on an outpatient basis. One-third of the 1.5 million people enrolled in Medicaid who have opioid use disorder did not receive prescribed medication.¹⁶⁶ While we should prefer less restrictive care settings, too many unhoused and severely ill community members—particularly with dual diagnoses—aren’t getting the inpatient treatment that they need.

Federal restrictions haven’t helped. During a 1960s-era push toward community treatment, Congress prohibited the use of federal Medicaid funding for mental health in facilities with more than 16 beds. Known as the Institution for Mental Disease (IMD) exclusion, it largely cuts off federal funding to large inpatient facilities, making such care much more elusive.¹⁶⁷

Fortunately, some states have begun to reverse course, reinvesting in inpatient treatment within a continuum of care. California and several other states have applied for what are known as “Section 1115 waivers” to use federal money in larger institutions on an experimental basis for either addiction or mental illness. Only certain counties in California have been approved to pilot the program, however, and the waiver appears revocable and is not permanent.¹⁶⁸

One challenge with Section 1115 waivers is their uncertain duration. The public and/or private investment in larger facilities requires an ongoing commitment that the treatment will qualify for federal funding. A bipartisan bill, cosponsored by U.S. Representatives Michael Burgess and Ritchie Torres, provides a good first step, allowing Medicaid funding to be used for mental health hospitals.¹⁶⁹

Some civil rights advocates have pushed back, fearing that it will merely “warehouse” mentally ill people into large institutions. Fortunately, we’ve learned many lessons since that era and need not repeat the mistakes of the past. Moreover, equity demands a parity in resource availability for mental and physical health. Removing the IMD exclusion would ensure that mental health facilities have the same eligibility for Medicaid funding as other healthcare institutions.

Congress can certainly require, as many critics insist, that Medicaid funding be conditioned on ensuring that people with substance use disorders have access to other care they need, including preventive, treatment, and recovery services, all provided in accordance with evidence-based standards.¹⁷⁰ One approach would require what’s known as “bundled reimbursement,” such that Medicaid guidelines would require a residential stay plus outpatient follow-up as a package of care.

Regardless, we need more inpatient care, and we can’t wait years for waivers and other bureaucratic processes. Let’s get Congress to eliminate this statutory relic of the 1960s and get more people the care they critically need.

166. Maxwell, Ann. “Many Medicaid Enrollees with Opioid Use Disorder Were Treated with Medication; However, Disparities Present Concerns.” *U.S. Department of Health and Human Services*, Sept. 2023.

167. “Medicaid: IMD Exclusion.” *National Alliance on Mental Illness*. Accessed 30 Aug. 2024.

168. “About Section 1115 Demonstrations.” *Medicaid.gov*. Accessed 30 Aug. 2024.

169. Paun, Carmen. “Mental Hospitals Warehoused the Sick. Congress Wants to Let Them Try Again.” *Politico*, 1 Jan. 2024.

170. Katch, Hannah, and Judith Solomon. “Repealing Medicaid Exclusion for Institutional Care Risks Worsening Services for People with Substance Use Disorders.” *Center on Budget and Policy Priorities*, 24 Apr. 2018.

CRIME

WHEN I CAME INTO OFFICE in 2015, San José had just endured the loss of nearly 600 of its police officers, through pay cuts, pension reform battles, layoffs, and the other consequences of the Great Recession. I rolled up my sleeves to work diligently with the Police Department and then-Police Chief Eddie Garcia to add more than 200 officers to our severely understaffed department between 2017 and 2020 and greatly expanded teams of non-sworn community service officers to respond to less urgent calls.¹⁷¹ We invested in expanding the work of community partnerships in gang prevention, such as launching a jobs program for at-risk youth, San José Works.

When protests following the murder of George Floyd brought calls for defunding the police (literally to my doorstep, as protestors spray-painted expletives on my home), I refused. I wasn't going to undo our hard work in rebuilding the department. Instead, I pushed for deep changes in our department, and strengthened the authority of our independent police auditor's office. When I left office in 2022, San José had the lowest homicide rate of America's 50 largest cities.¹⁷²

As in all big cities, San José's one million residents still endured too much crime, but the data shows that we didn't suffer the severe spikes in violence that other big cities faced because of a strong partnership among our police, city gang prevention teams, non-profit organizations, churches, schools, and a host of community partners.¹⁷³

The federal government needs to play a larger role in those partnerships. Here are a few ways it can start:

1. **Breaking the Connection Between Addiction and Crime**
2. **Preventing Sexual Assault and Domestic Violence**
3. **A Sensible Gun Strategy with a Bipartisan Path**
4. **Nothing Stops a Bullet Like a Job and Nothing Unites Us Like Service**
5. **Retail Thefts: A Federal Role**

Breaking the Connection Between Addiction and Crime

A few months ago, I had the pleasure of speaking with a judge who pioneered the creation of the first drug courts in California in the 1980s, an alternative to the "lock-'em-up" policies that prevailed at that time. Long lauded as a lion of innovation, he crafted a system that would nudge offenders into treatment. Relying on state laws such as Proposition 36, he would refrain from entering a judgment of conviction where the addicted offender satisfactorily completed the program.

During our call, the judge complained to me that drug courts don't work anymore. He noted that unless an offender faces the risk of conviction and jail, they simply cannot be incentivized to

171. Liccardo, Sam. "The Back Story: The Facts About Police Staffing." *Medium*, 15 Aug. 2022.

172. Fox, *supra*.

173. *Id.*

change their behavior. His words stuck with me: “If nobody can arrest them, and nobody will charge them, then I can’t help them.”

I am not calling for a puritanical approach to drug and alcohol enforcement. We have moved beyond the “War on Drugs” of the 1980s. Criminalizing addiction doesn’t work.

Yet, we also must not put our heads in the sand about the connection between an offender’s drug and alcohol use and their criminal conduct. The efforts of some today to “destigmatize” or rationalize the use of synthetic drugs that are killing 200 Americans each day are deeply mistaken.¹⁷⁴ In the view of many, the pendulum has swung too far.

“Tough Love” Parole for Addicted Non-Violent Offenders

It shouldn’t surprise anyone that most crimes are committed by people who commit other crimes. So, a sensible crime-reduction strategy should start with reducing the recidivism of people already in the criminal justice system: pretrial detainees, probationers, inmates, and parolees.

Most jail inmates either committed their crimes under the influence of drugs or have a substance use disorder.¹⁷⁵ Many studies show that drug use had a role in a majority of crimes of domestic violence, child abuse and neglect, assault, theft, and burglary.¹⁷⁶

If we can reduce the substance use of addicted offenders, we can have a very direct impact on reducing crime, particularly domestic violence, theft, and assault.¹⁷⁷ There are additional benefits to this crime prevention approach. Reducing drug usage by offenders will sap a key source of revenue for drug dealers and shrink open-air drug markets. It can enable actual rehabilitation of offenders—something that happens too rarely in prisons and jails today—and ensure more families have an earner rather than an onus.

Incarceration might halt the offender’s drug use, but it doesn’t necessarily kick anyone’s habit. Drugs find their way behind bars, but even if they don’t, substance use disorders persist well beyond a term of forced abstinence in prison. For decades, few inmates have had access to substance abuse treatment behind bars. Even for inmates who get treatment, relapse once back out on the street is frequent.¹⁷⁸

Congress needs to change how the federal prison system puts offenders back into the community. Congress eliminated parole in the federal prison system in 1987, in what one expert called a “big dumb War on Drugs moment.” Without any structured program of supervised release, offenders go from federal detention to the community without a transition. Particularly for those with a drug use disorder, we shouldn’t be surprised when they fail to stay clean or out of trouble.

174. Humphreys, Keith, and Jonathan Caulkins. “Destigmatizing Drug Use Has Been a Profound Mistake.” *The Atlantic*, Atlantic Media Company, 12 Dec. 2023.

175. Belenko, Steven, et al. “Treating substance use disorders in the criminal justice system.” *Current Psychiatry Reports*, vol. 15, no. 11, 17AD.

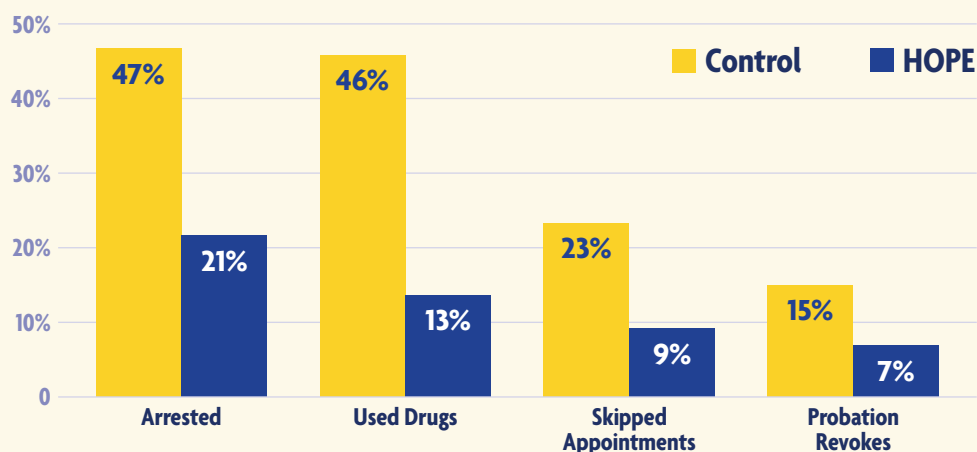
176. Marlowe, Douglas B. “Integrating Substance Abuse Treatment and Criminal Justice Supervision.” *Science & Practice Perspectives, U.S. National Library of Medicine*, Aug. 2003.

177. Harrell, Adele, and John Roman. “Reducing drug use and crime among offenders: The impact of graduated sanctions.” *Journal of Drug Issues*, vol. 31, no. 1, Jan. 2001.

178. Greenfield, Shelly F., et al. “Substance abuse treatment entry, retention, and outcome in women: A review of the literature.” *Drug and Alcohol Dependence*, vol. 86, no. 1, Jan. 2007.

Congress needs to bring back parole, but with an edge—what I call “tough love parole.” Too often, probation and parole supervision consists of an overwhelmed parole officer with a heavy caseload of inconsistently-supervised individuals who fear neither the rare drug test nor sanction for noncompliance. A better approach to parole would place those offenders with a history of substance use disorder into supervision, with one clear requirement: very frequent drug testing—typically twice per week—with immediate sanctions for failed or missed tests.¹⁷⁹ Sanctions need not constitute a return to a lengthy prison term; a single day or weekend in jail can suffice. The important issue is not the severity of the sanction, but rather that the sanction be swift, certain, and fair.¹⁸⁰

This notion of “swift, certain, and fair” supervision provided the basis for Hawaii Opportunity Probation with Enforcement (HOPE), which started in Honolulu and became a national model for reducing crime and substance use. Like many California cities, Honolulu has serious challenges with methamphetamine, a drug with a uniquely intractable grip due to the lack of an FDA-approved treatment. Nonetheless, HOPE demonstrated the power of frequent testing and clear sanctions to modify behavior. One year after their release, HOPE probationers—compared to a control group of probationers convicted of similar offenses—were 55% less likely to be arrested for a new crime, 72% less likely to use drugs, 55% less likely to be arrested for a new crime, 72% less likely to use drugs, and 53% less likely to have their probation revoked.¹⁸¹



Source: Hawaii's HOPE Program

179. Kleinman, Mark A. R. “Controlling Drug Use and Crime Among Drug-Involved Offenders: Testing, Sanctions, and Treatment.” *Drug Addiction and Drug Policy: The Struggle to Control Dependence*, Harvard University Press, Cambridge, MA, 2001.

180. Grasmick, Harold G., and George J. Bryjak. “The deterrent effect of perceived severity of punishment.” *Social Forces*, vol. 59, no. 2, Dec. 1980.

181. “‘Swift and Certain’ Sanctions in Probation Are Highly Effective: Evaluation of the Hope Program.” *National Institute of Justice*, 2 Feb. 2012.

Simply, the threat of modest sanctions—typically a day or two in jail—sufficed to substantially reduce dirty tests and recidivism, and these successful outcomes held true when studies were performed on the program ten years later. Other jurisdictions have tried to model programs after HOPE, but they typically fail to deploy the very frequent testing required to make those programs work.¹⁸² Doubling test frequency to twice weekly increases likelihood of detecting drug use from 35% to 80%.¹⁸³ Frequent testing becomes critical to change behavior.

How can Congress pay for this? Through reduced incarceration of non-violent offenders in the federal system. Parole typically takes six months off the incarceration term, creating significant cost savings. Those resources can be reinvested into testing, treatment, supervision, and jail for those who fail. Most offenders won't return to jail, and those who do will have terms that last days, not months or years. Failure and relapse are part of the recovery process, and after a day or a weekend in jail, they can return to their job and family.

Why haven't we seen more successful approaches like HOPE? Because, politically speaking, it has something for everyone to hate. Some hate the idea of using jail as a sanction for drug relapse—even if it works to help offenders stay clean. Some hate the idea of letting inmates out of prison six months earlier than their sentenced term—even if it saves money.

Criminal justice policy is driven by the extremes: “lock ‘em up” approaches pitted against “catch and release” strategies, such as Santa Clara County’s “depopulate the jail” policy, to which the San José Police Department and I strenuously objected in 2022.¹⁸⁴

I reject both extremes of the pendulum. We must recognize the important and necessary role that jail—with the threat of modest but swift and certain terms—can play in enabling accountability and in changing criminal behavior. “Tough love parole” represents a moment to stop the swinging of the political pendulum—hopefully long enough to allow us to focus on evidence-based reductions in criminogenic drug and alcohol use. By doing so, Congress can save resources, reduce crime, and help offenders rebuild their lives.

Providing Addiction Treatment in Jails and Prisons

Dr. Keith Humphreys, a former Obama Administration official who teaches at Stanford University, believes that Congress can have an even bigger impact on breaking the connection between addiction and crime using a different lever: changing Medicaid rules.¹⁸⁵ Under federal law, a Medicaid recipient's incarceration deactivates their participation in the plan. While a perfectly-working prison and health care system would instantly restore Medicaid coverage at the moment of release, it doesn't happen.

182. Nolan, Pat. “Swift & Certain Probation Sanctions’ Expand to 18 States.” *Prison Fellowship*, 8 May 2013.

183. Kleinman, Mark A. R. “Opportunities and Barriers in Probation Reform: A Case Study of Drug Testing and Sanctions.” *U.S. Department of Justice Office of Justice Programs*, June 2002.

184. See Larson, Amy. “‘Catch and Release’ Doesn’t Work for Criminals, San José Mayor Says.” *KRON4*, 27 July 2022. Specifically, the SJPD and I released data showing that in a prior 16-month period, frustrated SJPD cops had to arrest, and re-arrest, the same 103 suspects ten or more times, and the same 887 arrestees more than 5 times.

185. Humphreys, Keith. “Expanding Medicaid Coverage to the Incarcerated and Those Recently Released.” *Washington Monthly*, 17 Apr. 2023.

As a result, released offenders re-enter our communities with little access to tools to treat the very substance use disorder that landed them in jail. Beyond crime and recidivism in the community, the life of the offender is at stake. In the two weeks after release, former inmates have a mortality rate 12.7 times higher than other residents, overwhelmingly because of the high rate of drug overdose.¹⁸⁶ Inmates usually lose physical tolerance for opioids and other drugs during their forced abstinence in custody, making their return to use extremely dangerous.

Last year, a bipartisan group of members of the U.S. House of Representatives introduced a bill, the Medicaid Reentry Act, to provide Medicaid coverage to people in the last 30 days of their prison or jail sentence.¹⁸⁷ A similar change in Rhode Island reduced post-incarceration overdose deaths by two-thirds after the program was introduced.¹⁸⁸ At the very least, enabling Medicaid coverage for treatment of mental health disorders and addiction would more than pay for itself in averted harm, both to the community and the offender. Although a state-by-state waiver process exists for states willing to fund correctional health care in this way, the process is a “slow-moving train at a time when we need high-speed solutions to the opioid epidemic,” according to Dr. Humphreys. Congress must pass the Medicaid Reentry Act—or something like it—immediately.

Preventing Sexual Assault and Domestic Violence

Twenty years ago, as a young Deputy District Attorney in Santa Clara County, I received an ominous promotion from my boss, District Attorney George Kennedy: I was being sent upstairs to the “Sex Crimes” Unit. That unit handled some of the most difficult criminal litigation in the office—but those cases were also some of the most important and impactful.

A year later, I found myself pacing up and down a hallway in a Palo Alto courthouse, where a 15-year-old survivor, who I’ll call “Mia,” sat trembling near the women’s bathroom. She had to testify. Even worse, she had to do so the day after her best friend had told the jury that Mia was lying about her victimization. I knew better, of course. The 20-year-old defendant’s gang affiliation ensured that his buddies would threaten witnesses like Mia’s friend. The trial was going south, though, and I feared that an acquittal would put the defendant back in the very neighborhood where Mia and her family lived.

I saw Mia spend most of that morning inside the bathroom, throwing up into the toilet, while her rape crisis counselor, Lara, held her hair. Mia asked, for the fourth or fifth time, if she could avoid testifying.

My heart sank. I told Mia that it was her choice, and she could always choose not to testify. I wasn’t going to compel her to do so against her will. Then I had to tell her the truth: “If you don’t testify, I don’t have any way of keeping you safe. The defendant will walk out of court with an acquittal, and he’ll be back in your neighborhood.” It was the brutal reality of our criminal justice system, but her counselor agreed that Mia needed to hear the truth.

186. Binswanger, Ingrid A., et al. “Release from prison — a high risk of death for former inmates.” *New England Journal of Medicine*, vol. 356, no. 2, 11 Jan. 2007.

187. “H.R.2400 – 118th Congress (2023-2024): Reentry Act of 2023.” *Congress.Gov*, 30 Mar. 2023.

188. Vestal, Christine. “This State Has Figured out How to Treat Drug-Addicted Inmates.” *Stateline*, 26 Feb. 2020.

Mia courageously walked into the courtroom later that afternoon and sat in the witness box, only a few feet away from her young assailant—just as the Sixth Amendment requires of all witnesses. She trembled and stuttered, but collected herself to recount every detail of her horrible encounter with the defendant. Overwhelmed with stress and anxiety, she nearly fainted on her way out of the courtroom as her mom and counselor held her up.

I've never seen a more courageous young person. Fortunately, the defendant took the stand, and I had an opportunity to cross-examine him on every bit of his false testimony. The jury convicted him after four days of deliberation.

Mia's mother gave me a hug as we celebrated the end of the trial, but minutes later, she reminded me that Mia's trial would continue as she took the next steps in her healing and resuming her young life. Months later, the judge sentenced the defendant to 19 years in prison.

I occasionally think about that day and consider what Mia's life would have been like if she hadn't mustered the strength to testify. In particular, I think about how her courage might well have prevented another woman from experiencing the horror she endured, at least for the 19 years of her assailant's prison sentence. She felt empowered to make that choice, though, because she had the support of a rape crisis counselor, and because she was given the hard truth about the need to testify.

We need to do more to empower survivors of sexual assault and domestic violence. Doing so will put them in a better position to protect themselves and others. We can start by ensuring that they have all of the support that they need. And we can ensure that we tell them the truth. Both will help survivors make the best decision they can about whether to report their victimization to the police for a crime that is already so severely underreported.

Rape Crisis Centers and Victims of Crime Act Funding

Every year, organizations serving survivors of domestic violence and sexual assault await word of the congressional appropriation for their programs under the Victims of Crime Act (VOCA). VOCA funding provides “the backbone to California's response to crime victim's needs,” and organizations are bracing for reductions of more than \$100 million in federal funding to the state in mid-2024.¹⁸⁹ The folks depending on that funding include groups providing emergency shelter and transitional housing to tens of thousands of domestic violence victims and their families, seeking to flee their abusers. They include rape crisis centers that served more than 46,000 survivors last year, helping to inform them about counseling and services, and enabling them to navigate often perplexing criminal justice and social service systems. They helped 15,000 elder abuse victims, and more than 1,100 human trafficking survivors last year.¹⁹⁰

Obviously, this work is critical for thousands of Californian survivors, who have suffered enough already. In many ways, it can also prevent future victimization. A battered spouse and children who have found stable housing will be far safer than if they continued to live under the same roof as their batterer. Child sexual assault victims who are supported in their decision to report to the police and

189. “Statement from the California Partnership to End Domestic Violence and Valor on Anticipated Cuts to Critical Funding.” *California Partnership to End Domestic Violence*, 22 Aug. 2023.

190. “VOCA Funding Advocacy.” *California Partnership to End Domestic Violence*. Accessed 30 Aug. 2024.

testify against their abuser will thereby reduce the risk of harm to other children. Congressional appropriations—what Congress is actually spending—clearly falls short of its budgetary authorization for this life-saving program.

None of my other proposed solutions for congressional action consist of a simple admonition to “fund the program.” But this one is: Congress, fund the Victims of Crime Act.

Telling Survivors the Truth

Rideshare and taxi companies operate platforms that necessarily pose risks for drivers and passengers alike, through no fault of those companies. That is, driving anyone to a destination will leave them (or you) isolated and without help. Tragically, thousands of sexual assaults are associated with these taxi and rideshare platforms every year. In 2019, one company reported that it had received 3,045 reports of sexual assault over the prior two years.¹⁹¹

To their credit, rideshare companies in recent years have substantially improved their protocols to elicit reports from survivors, remove accused assailants from platforms, and support survivors with information. They have created elaborate systems to ensure that trained personnel would receive allegations of sexual assault and report them up the company chain.

There are just two things that the taxi and rideshare companies generally don't do. First, they generally don't call the police to report the crime. Second, they generally don't tell the survivor that the company won't be calling the police.

If the police aren't called, then there's no report to the DA, no charges filed, no restraining order sought, and no consequences for the assailant. In other words, nothing happens. The companies will describe in detail how they take great pains to remove the alleged offender from their rideshare platform. The problem is that they're still out on the street, posing a risk to unknowing future victims.¹⁹²

As I learned more about this from media accounts, I became puzzled about how this could persist, with thousands of assaults happening on these platforms and in taxis every year.¹⁹³ I called Santa Clara County District Attorney Jeff Rosen and Supervising District Attorney Terry Harman. We agreed that something had to be done.

Through calls and Zoom meetings over several months, we sought to engage the companies' executives and government affairs staff in conversation, seeking to persuade them to report sexual assaults on their platforms to the local police. We had no leverage and no legal way to require them to do so. I threatened a city ordinance, but industry-friendly state regulations would likely trump anything that the city might legislate.

When Terry, Jeff, and I sought transcripts of the companies' protocols for responding to survivors' reports of abuse, it became apparent that the companies did not make it a practice to

191. “US Safety Report.” *Uber*, 5 Dec. 2019.

192. Przybylski, Roger. “Adult Sex Offender Recidivism.” *U.S. Department of Justice Office of Justice Programs*, Mar. 2017.

193. O'Brien, Sara Ashley. “Uber Releases Safety Data: 998 Sexual Assault Incidents Including 141 Rape Reports in 2020.” *CNN*, 30 June 2022.

affirmatively inform survivors that disclosing the assault to the rideshare company would not result in any referral to the criminal justice system. No criminal investigation would result. No arrest. No prosecution. No restraining order. No sentence or prison term. No restitution. Nothing. We have no way of knowing how many survivors believed otherwise, particularly in this age of “mandated reporters,” in which we expect that many people in positions of authority must report sexual abuse to the police.

In other words, the companies had no obligation to affirmatively tell survivors the truth. Just as I had to tell 15-year-old Mia the truth to enable her to make an informed decision about whether to testify in front of her rapist, the companies need to tell the truth to reporting victims to ensure they can make a well-informed decision about whether they should go to the police.

For victims, the situation was (at least implicitly) misleading. We suspected—based on accounts from several survivors—that survivors believed their reports would be conveyed to the police, and “something would be done.” The rideshare companies did tell them about “investigations” that would follow. But the companies never proactively transformed their “company investigations” into “criminal investigations.” Nobody mentioned to victims that the investigations would remain confined to the four walls of headquarters, and police would likely never see their reports. The police could always ask for the specific case, but only if they actually knew to ask for it—and local police departments would never know to ask if nobody disclosed the rape or sexual assault to begin with.

We held hearings and talked to the media. The *New York Times* covered our efforts.¹⁹⁴ But as the months of negotiation continued, the companies ran out the clock. Our final public hearing occurred in December of 2022, a few days before I was scheduled to “term out” after my full two terms as mayor.

Congress needs to step in. At the very least, taxis, rideshare companies, and any other corporate entity that receives a report of sexual assault victimization must clearly tell the reporting party that their report to the company will not result in any action by the criminal justice system. They should be told that they can get a restraining order, an arrest, or restitution only if they themselves call the police. And they should provide the survivor with the phone number for the local police department’s sexual assault unit, if they have one, so that specially trained detectives can take the report.

Sexual assault survivors have enough burdens to grapple with already. Congress needs to ensure that they get the whole truth, to enable them to make the best decisions for themselves and their communities.

A Sensible Gun Strategy with a Bipartisan Path

The single worst day of every big-city mayor’s career is exactly the same. It starts with a call from police brass, and the only memorable words are “active shooter.” Recollection blurs in a swirl of emotions, mixing adrenaline, horror, and worry.

194. Metz, Cade. “Silicon Valley County Battles with Uber over Reporting of Sexual Assault.” *The New York Times*, 3 Oct. 2022.

I've had two of those days in my career. In the first, a young man killed three victims at the Gilroy Garlic Festival, and two of those victims were children living in my city.¹⁹⁵ As I attended an outdoor memorial for six-year-old Stephen Romero, I vividly remembered one outraged cousin of Stephen's who confronted me in Spanish, "¿Qué haces tú, Alcalde?" That is, "What are you going to do about this, Mayor?"

She was right. But I also knew our options were very limited. Federal and state law wouldn't allow my city or any other to tax guns, prohibit assault weapons, create a registry, or license guns. The courts, Congress, and the states have all hamstrung cities from responding to gun violence through a thicket of preemptive laws and prohibitions on local regulations. In a nation of 400 million guns, there aren't any easy options left. But we had to do something.

I had already been working for several months with gun violence experts and lawyers to find a constitutional response. It was time for us to air the proposed solution: the nation's first-ever requirement for gun owners to pay fees to support violence reduction efforts, and to carry insurance to compensate victims. Many studies show that in every episode of intimate partner violence or depression, outcomes are much more likely to be fatal if there's a gun in the home.¹⁹⁶ If we could generate the resources to provide mental health treatment, domestic violence services, suicide prevention, and safe storage information to people living in homes with guns, we should be able to reduce deaths and injuries.¹⁹⁷

After several publicized hearings and battles, the city council approved the measure in early 2022. As expected, several gun groups immediately filed lawsuits, but top trial attorneys Joe Cotchett and Tamarah Prevost volunteered to represent the city pro bono. A federal district court upheld the constitutionality of our measure in 2023, and the measure now awaits the approval of the Ninth Circuit before it will launch.

As the *New York Times* captioned my op-ed on the subject, "400 Million Guns Aren't Going to Just Go Away. In San José, It's Time to Try Something New."¹⁹⁸ It's time to try something new in Congress as well.

This divided Congress is unlikely to approve as bold of a proposal as my city council. Yet, there's plenty that even a polarized Congress should be able to agree upon and approve with the right leadership. I've laid my ideas into three basic strategies: keeping guns out of the wrong hands, giving the police the information they need, and regulating ammunition.

Keeping Guns From Dangerous Hands: "Red Flags," Loopholes, and Enforcement

In October of last year, the sister of an Army reservist in Maine called the Army to notify them that her brother was hearing voices and experiencing acute mental distress. Maine had a very weak

195. Johnson, Alex, et al. "Three Dead, Suspect Killed in Shooting at Gilroy Garlic Festival in California." *NBC News*, 29 July 2019.

196. Dahlberg, Linda L., et al. "Guns in the home and risk of a violent death in the home: Findings from a national study." *American Journal of Epidemiology*, vol. 160, no. 10, 15 Nov. 2004.

197. Barber, Catherine, et al. "Linking public safety and public health data for Firearm Suicide Prevention in Utah." *Health Affairs*, vol. 38, no. 10, Oct. 2019.

198. Liccardo, Sam. "400 Million Guns Aren't Going to Just Go Away. In San José, We're Trying Something New." *The New York Times*, 21 Dec. 2022.

“yellow flag” law, however, which required multiple, time-consuming bureaucratic steps before authorities could remove guns from her brother’s home.¹⁹⁹ Weeks later, he killed 18 people and injured 13 more in a bowling alley and restaurant in Lewiston.

Twenty one states have stronger “red flag” laws—also known as extreme risk protection order (ERPO) laws—than Maine’s, with fewer procedural steps. Other states have watered-down versions, or no such law at all. However, about one-third of mass shooters clearly evince dangerous warning signs to others before a killing,²⁰⁰ and 80% of suicidal individuals do the same.²⁰¹ Several studies have demonstrated the efficacy of red flag laws in preventing violent attacks.²⁰² A uniform national red flag or ERPO law is long overdue, and Congress must pass it.

Such laws are just one tool among several—such as background checks, prohibitor laws, and surrender laws—that we can use to keep guns away from those who pose unreasonably high risk of harm to others because of prior convictions, existing restraining orders, or court determinations of incapacity.

Background checks amount to politically low-hanging fruit, since we should all agree with keeping guns away from violent people. The good news: we generally do agree, as provisions to close loopholes on background check requirements and enforcement poll well among both Democrat and Republican voters. More importantly, background checks actually work in reducing both homicides and suicides in many studies.²⁰³

Where states have not done so, Congress must broaden prohibitor laws to match the best practices to keep guns away from people inclined to violent behavior. Congress could ensure that all violent convictions result in a prohibition of gun possession. Currently, most states prohibit gun possession for anyone convicted of a felony or a domestic violence misdemeanor. Yet, other violent misdemeanors, such as assault and battery, do not carry that sanction. If we’re concerned about violent offenders carrying guns, then any misdemeanor should suffice—particularly since many of those convictions were actually charged as more serious offenses, and negotiated away during plea bargaining.

Congress must also close dangerous loopholes. Federal law currently allows 45% of recent gun purchasers to avoid background checks by purchasing firearms from an unlicensed gun dealer.²⁰⁴ Another dangerous gap in the law—known as the “Charleston Loophole” for its role in that horrible attack—enables gun sales to proceed after three days, even if the background check awaits completion. As a result, 5,800 illegal purchasers obtained a gun using this loophole in 2020 alone.²⁰⁵

199. Chan, Melissa. “Maine’s ‘Yellow Flag’ Law Scrutinized as ‘Woefully Weak’ after Mass Shooting.” *NBC News*, 27 Oct. 2023.

200. “Extreme Risk Laws Save Lives.” *Everytown Research & Policy*, 1 Dec. 2023.

201. Fingar, Kathryn R., et al. “Two Decades of Suicide Prevention Laws: Lessons from National Leaders in Gun Safety Policy.” *Everytown Research & Policy*, 29 Sep. 2023.

202. “Extreme Risk Laws Save Lives,” *supra*.

203. Rich, John A., et al. “How combinations of state firearm laws link to low firearm suicide and homicide rates: A configurational analysis.” *Preventive Medicine*, vol. 165, Dec. 2022.

204. “Universal Background Checks.” *Giffords Law Center*, 2024.

205. “Which States Have Closed or Limited the Charleston Loophole?” *Everytown Research & Policy*, 4 Jan. 2024.

Most importantly, we need to better enforce existing laws. Many states don't mandate the surrender of guns after a conviction or court order. Relinquishment of firearms by prohibited persons is crucial; for example, one study found that a state law's mandate to domestic abusers to relinquish weapons reduced intimate partner homicide by 10%.²⁰⁶ Congress must preempt weak state laws with a federal mandate.

Ultimately, enforcement requires supporting understaffed local police departments to fund specialized units of officers who take on the very dangerous work of showing up at the homes of probationers, parolees, or restraining order subjects to check for and seize weapons. While this idea comes with a price tag, it also comes as a bargain relative to the price of violent felons keeping their guns.

How can we pay for it? An ammunition tax—similar to the federal excise tax that Congress has imposed on gun sales since 1919—would be a logical vehicle, depending on how courts resolve its constitutionality. The Illinois Supreme Court struck down a Cook County ammunition tax in 2021, but the California legislature enacted a new ammunition tax anyway last year.²⁰⁷ Obviously, getting an ammunition tax passed would need to await a Democrat-led Congress, at the very least. The outcome of the contentious litigation due on the California law will likely provide helpful guidance for Congress' next steps.

Enabling Law Enforcement to Use Purchasing Records

Through a series of provisions, particularly one known as the “Tiahrt Amendments,” Congress hamstringing law enforcement from accessing gun data critically needed for investigation, enforcement, and prosecution. For example, the law requires the FBI to destroy all approved gun purchaser records within 24 hours of approval, making it extremely difficult to retrieve firearms from prohibited persons who possess guns.²⁰⁸ It also makes efforts to trace gun use more difficult in criminal investigations. Congress needs to allow the FBI to retain these firearm sales records in a central database, as some states do, and use them to quickly trace the ownership of guns recovered in crime.²⁰⁹ This data also protects cops responding to emergency calls by letting them know whether people in a residence own a firearm, and enables cops to enforce possession prohibitions on people ineligible to own them.

The same provisions prohibit federal agencies from requiring gun stores to report inventories, an essential tool for identifying and combating the flow of stolen guns to criminal organizations, which exceeds tens of thousands of firearms annually.

Nobody's Second Amendment rights are infringed by giving the police the information they need to stay safe and enforce the law. Congress needs a much more sensible approach to data that supports law enforcement.

206. Díez, Carolina, et al. “State intimate partner violence–related firearm laws and intimate partner homicide rates in the United States, 1991 to 2015.” *Annals of Internal Medicine*, vol. 167, no. 8, 19 Sept. 2017.

207. Gorman, Steve. “California Enacts First State Tax on Guns, Ammunition in US.” *Reuters*, 27 Sept. 2023.

208. “Tiahrt Amendments.” *Giffords Law Center*.

209. “Maintaining Records of Gun Sales,” *Giffords Law Center*.

Regulate Ammunition Like It's Dangerous—Because It Is

Finally, there's ammunition. In a nation with 400 million guns, scarcer bullets could help. Ammunition remains exempt from many of the regulations that apply to gun ownership, such as dealer licensing, background checks, ammunition sales record-keeping, and regulation of high-volume sales.²¹⁰ It's not for lack of popular support: a *New York Times* survey found that 73% of respondents supported laws requiring background checks on purchasers of ammunition, and 64% support limits on purchases of ammunition.²¹¹

Sensible limits on ammunition purchasing seems obvious enough. At the 2012 mass shooting in the Aurora, Colorado movie theater, for example, the shooter ordered 6,000 rounds of ammunition and a 100-round magazine from an unlicensed online retailer. It's time for Congress to step up.

Of course, there is plenty more for Congress to do to reduce gun violence. For instance, as Mayor of San José, we enacted a safe storage mandate and a first-in-the-nation liability insurance coverage mandate for all gun owners that I hope will engage insurance companies in incentivizing safer storage practices, among other behavioral changes. In Congress, I would join efforts to pass Ethan's Law, a common sense piece of legislation named after a Connecticut teen who was tragically killed in 2018 by an unsecured gun in a neighbor's home.

And we can reinstate the assault weapons ban. The late Senator Dianne Feinstein championed this law, having seen up close the deadly impacts of gun violence. Unfortunately, it was allowed to expire in 2004—and in the decades since, we have lost countless lives in tragedies involving assault weapons. It's long past time for Congress to renew this law.

Nothing Stops a Bullet like a Job, and Nothing Unites Us Like Service

“Nothing Stops a Bullet Like a Job” is the moniker of Homeboy Industries, a non-profit enterprise created by Jesuit priest Fr. Greg Boyle, to engage current and former gang members in a host of businesses that would help to revitalize their corner of South Central Los Angeles.²¹²

The insight of Homeboy Industries is captured well in academic literature. A summer job program in Chicago, focused on youth in gang-impacted neighborhoods, reduced violence by 43% in 16 months.²¹³

Our young adults might be the most idealistic, energetic generation in history. My teaching in classrooms at Stanford University and San José State University reminded me of that daily. The communities that will prosper in the next decade will harness that energy.

In my first year in office in San José, we launched a jobs program for youth, San José Works, with a particular focus on at-risk teens living in East San José. We helped more than 5,000 young people land their first jobs, along with financial literacy classes, support and guidance for “soft skills”

210. “Ammunition Regulation,” *Giffords Law Center*.

211. Sanger-Katz, Margot, and Quoc Trung Bui. “How to Reduce Mass Shooting Deaths? Experts Rank Gun Laws.” *The New York Times*, 5 Oct. 2017.

212. Dickerson, Justin. “‘Nothing Stops a Bullet Like a Job’: Homeboy Industries and Restorative Justice.” *SSRN Electronic Journal*, 3 May 2011.

213. Heller, Sara B. “Summer Jobs Reduce Violence Among Disadvantaged Youth.” *Science*, vol. 346, no. 6214, 5 Dec. 2014.

development, and college preparedness. What struck me about my conversations with so many of the students was their tremendous interest in working for the city. They genuinely enjoyed working with seniors at our community centers, tutoring students at our libraries, and caring for our parks. They embraced the value of public service. They wanted to do work with a greater purpose.

That lesson about the power of service stuck with me when the pandemic began. As we assembled a strategy to support our recovery, I worried deeply about the thousands of young people in our most vulnerable communities who could not work to support themselves or their struggling families.

Fortunately, we had some flexible federal funding for pandemic relief. I refused to use that funding solely to backstop “business as usual” city operations (and our city fortunately was in pretty decent fiscal condition), so we focused on how we could most effectively deploy the funding to respond to our community’s most urgent needs. We needed help with food distribution to keep struggling families fed. We needed to support vaccinations and testing that the county was doing at city sites. We had thousands of kids falling behind because of shuttered schools.

I huddled with our team and community partners like Dorsey Moore at the San José Conservation Corps. I proposed a new variant of our jobs program: the San José Resilience Corps.²¹⁴ We would pay hundreds of young adults—primarily living in our lowest-income census tracts—to serve the community. They worked in food warehouses with Second Harvest Food Bank, supported vaccination and testing outreach with Gardner Healthcare, tutored kids in our libraries, and worked through the Conservation Corps to help prepare for the next wildfire season by clearing brush in outlying neighborhoods. Through these and other efforts, our city team started to identify career pathways for young people in our Parks and Libraries departments, and a career recruiting and training element became prominent. The city department heads began to see the Resilience Corps as a recruiting tool to deal with persistent vacancies in key departments at City Hall.

This idea is not a new one. More recently, President Joe Biden has embraced it in a proposal to create an American Climate Corps (ACC) at the federal level, to engage young people from struggling neighborhoods in climate-related work including solar panel installation, natural disaster resilience, and ecosystem restoration.²¹⁵

It’s an idea whose time has come in this deeply divisive moment in our nation. Amid all that divides us, there is something that unites us: service. We all honor the service and sacrifice of those who have fought for our country to defend our freedom. We express gratitude to our teachers for their service, and, especially during the pandemic, to our health care personnel. All of us do so—Republican or Democrat. The call of service to our country and our community is a common calling to each of us to rise above our petty differences.

The challenge is that Congress hasn’t funded the ACC. For now, it remains a seed of an idea, funded within the department budgets in an interagency collaboration between AmeriCorps, the

214. Teale, Chris. “Cities Turn to Resilience Corps as Pandemic Recovery Tactic.” *Smart Cities Dive*, 22 Mar. 2021.

215. “Fact Sheet: Biden-Harris Administration Launches American Climate Corps to Train Young People in Clean Energy, Conservation, and Climate Resilience Skills, Create Good-Paying Jobs and Tackle the Climate Crisis.” *The White House*, 20 Sept. 2023.

National Oceanic and Atmospheric Administration (NOAA), and the Departments of Labor, Interior, Agriculture, and Energy. Although President Biden aspires to train and employ 20,000 workers through the ACC, for now it amounts to a small pilot program in New York employing 80 people in forestry.²¹⁶

We can do far more. With little or no congressional funding, we could engage with private sector companies starved for labor. HVAC contractors could help train and employ thousands of young adults to replace gas, air conditioning, and water-heating systems with electric heat pumps in millions of homes. We could help thousands of homeowners install insulation, or gray water systems, or battery systems, in partnership with the trades and local businesses. We simply need to engage a national network of mayors who routinely make these private-public partnerships happen every day in their communities. We could enable many more Americans to participate in the green revolution, and provide real, non-exportable job skills to thousands of young people.

We could do even more if Congress funded it. I'd adapt a similar idea from my friend, Peter Dixon: shift the program under the Army Corps of Engineers (ACE), to provide training pathways for ACE employment, thereby funding the program within the Defense Department budget. Several of the items on the Pentagon's lengthy list of antiquated procurement programs (see my section on "Innovation Economy" online) would provide more than ample investment.

We've made it through most of the description of this initiative without mentioning crime. Crime reduction, of course, is just one of the many benefits of employing young adults—ensuring that they won't be distracted by less constructive activity. Like public service, it's not a new idea. It's simply an idea whose time has come.

Retail Thefts: A Federal Role

Retail theft rings have become emboldened throughout many U.S. cities, terrorizing small business owners, intimidating customers, and driving up costs for consumers.²¹⁷ Some high-profile commercial burglaries and larcenies in the Bay Area have turned violent.²¹⁸ Meanwhile, every shopper pays a "theft tax" that reflects the store owner's higher cost of doing business, assuming they still are willing to do business.²¹⁹ Retail store closures in high-theft environments like San Francisco leave too many cities pockmarked with vacant storefronts.

Much controversy in California still swirls around the 2014 approval of Proposition 47²²⁰ and what the California legislature has sought to do about it, and the proposed Proposition 36 on the

216. "Applications to Join New American Climate Corps Program, AmeriCorps NCCC Forest Corps, Now Open." *AmeriCorps*, 1 Dec. 2023.

217. Miller, Harrison. "Retail Theft Losses Mount From Shoplifting, Flash Mobs—And Organized Crime." *Investor's Business Daily*, 6 Oct. 2023.

218. "Attorney General Bonta Announces Charges against Three Suspects in a Bay Area Organized Retail Crime Ring." *State of California Office of the Attorney General*, 17 Jan. 2024.

219. Kou, Lydia. "Opinion: 'Theft tax' is costing California families more than \$500 per year." *The Mercury News*, 5 Oct. 2023.

220. "Felony Theft Amount by State 2024." *World Population Review*, Jan. 2024. Studies suggest that Prop 47's actual impact on crime rates may be more hyperbole than fact; thefts did increase 9% in California after its passage, while arrests dropped measurably, but other crimes have not increased. Nonetheless, most states actually have even higher felony thresholds for theft than California's, so this problem is certainly not unique to California.

November ballot. Regardless of how California voters resolve those issues in November, Congress can do its part to help address the problem of retail thefts and burglaries that have plagued all of our communities. It's important to explore the root of the controversy, however, to understand how Congress can help.

Prop 47 relegated thefts and burglaries of property worth less than \$950 to “misdemeanor” status, rather than felony. In California, as in most states, police officers cannot arrest anyone for committing a misdemeanor, unless it is committed in the officer's presence. Instead, the officer issues a citation, with a notice to appear in court. Since many thefts, auto break-ins, and burglaries involve property worth less than \$950, police can no longer arrest petty thieves caught red-handed on store cameras.

Beyond the statistics and studies, emotional motivation plays a role in this story, to be sure. Undoubtedly, thieves have felt emboldened by the lack of immediate consequence—an arrest—for their crime. Cops complain that the law has been demotivating to those colleagues who want to “arrest bad guys” and are too busy racing to high-priority calls to be issuing tickets. Many frustrated store owners and restaurateurs simply stopped calling the cops—meaning that none of those crimes even get into the crime data to assess Prop 47's impact.

At his Foxworthy and Naglee grocery store locations in San José, Fred Zanotto told me he stopped reporting the two or three daily petty thefts he endures because he's tired of calling cops who can only shrug their shoulders. The Walmart on Monterey Road keeps virtually every toiletry behind locked windows because so many would “disappear” each day. An attendant told me that many shoppers simply bypassed that section of the store because they feel it's too much trouble to keep asking somebody to unlock the display case to get some deodorant. Again, these stories aren't captured in the data, but they all impose costs on restaurants and retailers.

Here's the gist of it: arrests matter. Many studies support the notion that criminal deterrence depends far more on the certainty of getting caught than on the severity of punishment.²²¹ We don't need long jail terms to deter thieves. We don't even need felony charges to be filed. We do need arrests. Regardless of what Prop 47 did or didn't do, we need to arrest crooks to deter crime.

Congress can help. A new federal theft ring statute could enable felony prosecution of higher-level fencing of stolen goods to address the criminal groups that fuel a substantial amount of theft activity. Currently, federal law unnecessarily places an interstate travel requirement on federal enforcement of theft, with a high monetary threshold for charging.²²² For the routine thefts that support a commercial criminal enterprise like a theft ring, Congress could set a lower threshold—say, \$500—for felony arrest, though not for filing federal charges.

Within the legislation, Congress would “cross-designate” local police officers and local prosecutors for new federal theft ring task forces. Typically, local city police officers can't arrest suspects for federal offenses, and local DAs don't prosecute them. But in unique cases—such as under

221. Nagin, Daniel S., et al. “Imprisonment and Reoffending.” *Crime and Justice*, vol. 38, no. 1, 2009.

222. See *New York v. U.S.*, 505 U.S. 144, 157 (1992). Under Section 2315 of Title 18, the goods must travel from one state to another to make the crime prosecutable as a federal offense, but the Supreme Court has long held that federal jurisdiction extends to transactions under the Interstate Commerce Clause regardless of whether the specific good has crossed state lines.

federal drug laws—federal statutes can authorize local police and prosecutors to be “cross-designated” as “federal agents” for purposes of federal investigation and enforcement.²²³ As a federal prosecutor, I occasionally worked with local police officers in the 1990s on international narco-trafficking cases, and the partnership proved essential for our ability to connect the evidentiary dots between cocaine smugglers, warehouse owners, and money launderers.

In this way, Congress can empower local cops in every state to deter petty thefts with actual arrests—even if those thieves don’t face federal charges or prison terms—regardless of the varying state laws that prevail in each jurisdiction. More importantly, we can ensure local and federal authorities gather arrest data that identifies participants in larger theft rings and criminal gangs. Those participants may become future witnesses in a prosecution of the ringleaders.

We must be clear about what such a law should and shouldn’t do. The law must not result in the charging of petty thieves with federal felony offenses. The goal here is arrests, not long sentences nor even felony charges.

The law can do so in various ways. A federal statute could mandate a diversion program to enable first-time or low-level offenders to voluntarily enter a program to avoid a conviction or jail term.²²⁴ That is, a typical “deferred entry of judgment” program would allow any first-time or minor offender to avoid a conviction on their criminal history by completing a program that might include, for example, substance abuse treatment or weekend work.²²⁵ Alternatively, the statute might require high prosecutorial thresholds, which govern the charging decisions of DAs and U.S. Attorneys. In this case, the law could ensure that on standalone offenses, no charges could be filed unless the crime meets a minimum of, say, three separate incidents meeting a high valuation of loss, the use of a gun, or some other aggravating circumstance. In other words, first-time and petty thieves generally won’t see charges filed, and they won’t likely experience more than a few hours in jail, given constitutional constraints on holding an arrestee without charges.

So, why do it? Again, the threat of arrest does much more to deter crime than the severity of punishment.²²⁶ Repeat arrests, moreover, may bring actual felony charges and a significant jail term. And in every case, an arrest will develop data—fingerprints, photos, witness statements, and the like—that cops and prosecutors can use to link multiple cases together. They may link rings of thieves, or they may connect petty offenses to more serious robberies and violent crimes. The ability to simply get arrestees into an investigatory database is of tremendous value for detectives.

Federal-local cooperation has proved essential in helping local communities struggling with organized crime rings for decades. It’s time to put it to work to help small business owners and their neighbors put a stop to widespread theft and burglaries.

223. Russell-Einhorn, Malcolm, et al. “Federal-Local Law Enforcement Collaboration in Investigating and Prosecuting Urban Crime, 1982–1999: Drugs, Weapons, and Gangs.” *Abt Associates*, May 2000.

224. Ulrich, Thomas E. “Pretrial Diversion in the Federal Court System.” *Federal Probation*, vol. 66, no. 3, Dec. 2002.

225. See “Deferred Entry Judgment (DEJ)/Diversion.” *County of San Mateo*.

226. Nagin et al., *supra*.

OUR ENVIRONMENT AND CLIMATE

TOO MANY POLITICIANS—particularly in my own party—eagerly set ambitious climate goals and targets through legislative resolutions. Goals make for great press releases, applause lines, and campaign promises. Setting goals doesn't invite messy battles, or bruising political fights with well-financed, powerful opponents. Goals just don't do a lot to actually save our planet.

The much harder work comes in implementation. It requires fighting difficult battles against the oil and gas industry, wealthy developers, the plastics industry, large corporate gas and electric utility companies, and other powerful interests.²²⁷ It requires passing policies with direct impacts, and implementing the change we need to move the needle in reducing greenhouse gas emissions.

I've divided this discussion into two parts: what I've done, and what I commit to do. You deserve to know both.

My Record

As Mayor of San José, I led coalitions and initiatives that battled billionaire developers, the gas industry, large corporate utilities, and the plastics industry. Together, we accomplished much:

- Reducing San José's community-wide greenhouse gas emissions by 36% between 2008 and 2021 (even starting from a Great Recession-induced nadir in emissions).²²⁸
- Making San José the largest U.S. city to launch a community choice clean energy utility, which today provides lower-cost 95% greenhouse gas-free electricity to 1 million residents and thousands of businesses.²²⁹
- Permanently protecting hillsides and open spaces against development in two heavily contested ballot measures (2018 Measures B & C), overcoming developers who spent millions on deceptive voter ads.
- Permanently preserving Coyote Valley, leading a voter approved measure (2018 Measure T) that would protect open space, hillsides, and clean water for future generations.
- Making San José the largest city in the U.S. to mandate all-electric residential and office construction—that is, banning gas on new construction.²³⁰
- Launching the San José Resilience Corps, employing hundreds of young adults from low-income neighborhoods in jobs improving climate resilience.

227. Liccardo, Sam, et al. "While you were focused on elections, California proposed making it harder to add more solar power." *San Francisco Chronicle*, 13 Nov. 2022.

228. "GHG Emissions: Communitywide Emissions." City of San José, July 2023.

229. "About SJCE." *San José Clean Energy*. Accessed 30 Aug. 2024.

230. Loft, Jennie. "NEWS RELEASE: With Expanded Natural Gas Ban, San José Electrifies New Buildings and Leads Toward Green Future." *City of San José*, 16 Dec. 2020.

- Testifying before Congress to advocate for stricter fuel efficiency standards; speaking by invitation to international audiences at COP 27 in Egypt, the Vatican, and other major convenings about San José’s model for climate action.
- Co-leading four ballot measures to generate funding for regional transit projects, such as CalTrain, bus rapid-transit, and BART.
- Championing San José’s rapid expansion of safe cycling infrastructure, adding hundreds of miles of bike lanes and dozens of miles of “protected” lanes, while implementing many miles of “road diets” and eliminating parking minimums for new development.
- Partnering with the private sector to open the nation’s largest dry anaerobic digestion waste-to-energy plant, capturing and using methane before its release to the atmosphere.
- Leading the passage of a general plan for San José’s development that won awards for its “smart growth,” environmentally sustainable focus, halting sprawl and focusing dense development near transit and downtown.²³¹
- As a council member, working with Save the Bay to take on the plastics industry and making San José the largest city in the U.S. to ban plastic bags.²³²



231. “Awards.” *City of San José*. Accessed 30 Aug. 2024.

232. “San José City Council Approves Plastic Bag Ban.” *CBS News*, 14 Dec. 2010.

My Priorities

I have six categories of environmental priorities in Congress, but sustainability is embedded in many initiatives throughout this book. So, you'll find frequent references to those other chapters, which describe the proposals in greater detail:

Accelerate the Transition from Fossil Fuels

Climate action is not a spectator sport. Accelerating the transition from fossil fuels will require everyone's participation. One tool that could help, as I've noted earlier, is a Resilience Savings Plan (RSP). That is, Congress could enact federally-backed financing to empower homeowners, apartment owners, and small businesses to invest in battery storage, rooftop solar, heat pumps, and other ways of greening their energy use and reducing their power bills. This plan, derived from a combination of PACE programs and GSE-based financing, is described in greater detail in the "Cost of Living" section of this book.

Congress must do more to free itself, and our country, from the grip of the powerful gas and oil industry. In the near term, we must push against any new offshore drilling and fracking, and impose strict limits and enforce the expiration of leases on existing sites. We can dramatically reduce our deficit and save taxpayer dollars by supporting President Biden's efforts to eliminate \$35 billion in federal subsidies for oil and gas production in his FY2024 budget—which Congress rejected.²³³ To succeed in tackling climate change, we need a Congress independent from the fossil fuel industry. Unlike my opponent, I refuse campaign contributions from Big Oil and Gas.

To drive transformation over the longer haul, we'll need to put a price on carbon. I support implementing a "carbon dividend," which incentivizes consumers to shift to renewables by directly providing revenue generated from carbon-based fees on major fossil fuel companies to taxpayers. This amounts to the most powerful market-based approach to holding the fossil fuel industry accountable, without imposing new aggregate costs on consumers or taxpayers.²³⁴

Protect Our Precious Coastline, Shoreline, and Hillsides

Protecting our natural resources must begin by embracing what conservationists know as "30x30."²³⁵ The national and global campaign to conserve 30% of the Earth's land, inland waters, and oceans by the year 2030 will be essential for our environmental goals. However, it requires federal partnership with local efforts by organizations like the Peninsula Open Space Trust to preserve our Valley's hillsides and open spaces, to protect our shoreline and Peninsula hillsides, and to provide incentives for private landowners to conserve their lands permanently.

I will also champion federal funding for wetlands restoration, coastal protection, and natural adaptation to sea level rise, including the South Bay Salt Ponds and the entire Shoreline Plan.

233. "FACT SHEET: The President's Budget Cuts Wasteful Spending on Big Pharma, Big Oil, and Other Special Interests, Cracks Down on Systemic Fraud, and Makes Programs More Cost Effective." *The White House*, 11 Mar. 2024.

234. "Economists' Statement on Carbon Dividends." *Climate Leadership Council*, 17 Jan. 2019.

235. Smith, Zak, et al. "Biden Administration Lays Out 30x30 Vision to Conserve Nature." *Natural Resources Defense Council*, 6 May 2021.

Focus on the Grid

Our electric grid is the world’s largest machine, and the most important tool to enable our transition from fossil fuels to renewables. Our current grid isn’t up to the task; it requires massive investment to improve its capacity and reliability. We can mitigate some of that cost by reducing “peak load” burdens on the grid through distributed generation of renewables and distributed battery storage. As described previously, I’ve proposed a federally-backed financing program to empower homeowners, apartment owners, and small businesses to invest in battery storage, rooftop solar, bidirectional EV charging, and other ways of greening their energy use.

We also need permitting reform. Grid reliability and capacity critically depend on our ability to rapidly and cost-effectively expand our interstate transmission lines, which must navigate the permitting processes of several regions and 50 states.²³⁶ I will support legislation like the BIG WIRES Act, which would streamline permitting of new transmission capacity, to enable the grid to more efficiently transport the energy from where it’s made to where it’s needed.

Prepare our Communities for Climate Impacts

It’s already here: Wildfire smoke. Hotter days. Flooding. Sea level rise. While we push to slow climate change, we must also prepare ourselves for our new reality. The federal Bipartisan Infrastructure Law provides more than \$50 billion to projects around the country to protect against floods, heat, droughts, wildfires, and other climate change impacts.²³⁷ I will fight to ensure that our district gets its share of these federal funds. As described in the “Cost of Living” section, I will also push to create a program to provide federally-backed, low-cost financing to homeowners and apartment owners to harden their homes against climate change that would save lives and property, and help residents obtain and retain property insurance coverage.

Kick Our Plastics Addiction

Plastic is overwhelmingly produced from natural gas feedstocks and, to a lesser extent, from oil. We need some plastics, and others appear superfluous, but nearly all plastics consist of toxic chemicals that never biodegrade—“forever chemicals” that are now ubiquitous in our bloodstream and in practically every living thing on Earth.²³⁸ We are just beginning to understand the great harm these chemicals cause to human health and to the environment.

Oil and gas companies that see us transitioning away from fossil fuels have a destructive Plan B: get us even more hooked on plastic. Just 10% of plastics are recycled, while plans are underway to massively accelerate petrochemical plastic production over the next decade.²³⁹ We must do better. I will push to require the petrochemical industry to take responsibility for the post-consumer

236. McGeady, Cy, and Joseph Majkut. “In the Wake of IRA: Grid Stability, Permitting Reform, and the Case for Compromise.” *Center for Strategic & International Studies*, 20 Mar. 2023.

237. “FACT SHEET: Biden-Harris Administration Celebrates Historic Progress in Rebuilding America Ahead of Two-Year Anniversary of Bipartisan Infrastructure Law.” *The White House*, 9 Nov. 2023.

238. Geddes, Linda. “What are PFAs? Everything you need to know about the ‘forever chemicals’ surrounding us every day.” *The Guardian*, 25 May 2024.

239. Copley, Michael. “Reduce, reuse, redirect outrage: How plastic makers used recycling as a fig leaf.” *KQED*, 15 Feb. 2024.

management of their products, and to ensure the plastics around us remain safe for humans, other creatures, and our environment.

Fund the American Climate Corps

As Mayor, I created the San José Resilience Corps to leverage the energy and idealism of our young adults to engage in specific projects—ranging from tree planting to water conservation to wildfire hardening—that protected our environment and improved our climate resilience.²⁴⁰ We provided paid jobs to hundreds of young adults from struggling neighborhoods, and our community saw concrete benefits. The program provided a major “pivot” for many young adults disconnected from school or work, and we could see their energy and passion build as they became more involved. We also provided career pathways for dozens of participants to employment where the city and other employers had struggled to fill positions with qualified candidates. They now have a “training program” that enables them to see who performs at a high level despite imperfect resumes.

At the urging of young climate activists, President Biden recently created the American Climate Corps with a similar vision. However, it remains largely unfunded by Congress.²⁴¹ I’ve suggested a few ways to do so in my “Crime” chapter, above. We need to make the Climate Corps a reality, echoing an earlier generation’s call for service in a moment of urgency.

240. “Resilience Corps.” *City of San José*. Accessed 30 Aug. 2024.

241. Natter, Ari. “Biden Seeks \$8 Billion to Expand American Climate Corps.” *Bloomberg*, 11 Mar. 2024.

REPRODUCTIVE RIGHTS

MY WORK AS A CRIMINAL PROSECUTOR on the sexual assaults team at the District Attorney's office put me into more than a few difficult conversations. Among the most gutwrenching of these involved the Spanish-speaking mom of a teenage survivor of statutory rape in a case I prosecuted. Her mother recognized me because she'd seen me attending mass at the same church, St. Joseph's in San José, as she did. She described her moral torment over her daughter's decision to terminate the pregnancy that resulted from the crime. I listened attentively, but said little. At the end of the conversation, my greatest fear was realized: she asked me my opinion. I recall feeling that I was the last person who should be weighing in, and I hesitated. Finally, I blurted out: if she were my daughter, I'd want her to know that I supported whatever decision she made for herself, and that I'd love her regardless. She nodded, and cried.

I grew up in a family of five kids, with three older sisters. My parents raised us Catholic, bringing us to church every Sunday, yet my parents reinforced to each of us that a pluralistic, democratic society respects the genuineness of others' beliefs in making decisions affecting their lives. Abortion, my parents would say, was no different: although our Catholic teachings informed our own personal choices on the matter, every person must follow her own God-given conscience, and the law must allow every person to do just that.

In 2021, I recall the rising apprehension over the Supreme Court's consideration of *Dobbs v. Jackson Women's Health Organization*, a case that could squarely place reproductive rights in peril. News reports suggested that the oral argument went poorly for the plaintiffs, and many of us feared the worst. I reached out to a senior official at Planned Parenthood Mar Monte as I drafted my proposed budget, seeking to understand how the City could help them deal with the onslaught of women across the country who lacked care in their home states. They told me that they needed to expand telemedicine and related services to help those elsewhere, and I committed that we'd get them some funding to help. They understood that San José—like 99% of the cities and towns in California—lacks a health department, and does not receive federal or state funding for any health program. Nonetheless, I proposed funding to Planned Parenthood Mar Monte at a level that far exceeded any prior grant of the City's. The City Council unanimously approved it.²⁴² It wasn't a huge allocation—only \$250,000—but we needed to do something. Like many communities, we sought to help women navigate the fallout.

Weeks later, during a morning staff meeting in my office, Rachel, our Communications Director, gasped when she looked at her newsfeed, and shared the news that she and tens of millions of women dreaded: the Supreme Court's edict in *Dobbs*.

242. Chuyang, Alyson. "San José CA's 2022-23 budget." *SJ Today*, 14 June 2022.

Absent federal protection, conservative state legislatures and courts have enacted near-total bans on abortion, in one bizarre instance resorting to an antiquated 1864 Arizona law, until it was recently repealed.²⁴³ These laws deny patients care that their doctors deem critical for their physical and mental health, and overwhelm under-resourced clinics in states where abortion remains legal. We cannot allow laws to stand that force a ten-year-old rape victim in Ohio to seek an abortion out of state,²⁴⁴ nor can we stand by as a Texas mother with a lethal fetal diagnosis travels elsewhere to obtain an abortion critical to her health.²⁴⁵

Protecting Reproductive Freedoms

At the very least, prior to fetal viability, Congress must prohibit states from restricting abortion procedures or drugs, or from offering such services via telemedicine. When a doctor deems a procedure medically necessary because of the risk to the life and health of the mother, Congress must ensure that states cannot delay its administration, regardless of fetal viability.²⁴⁶ Moreover, we must ensure that Congress eviscerates the many pretextual obstacles that state legislatures invent to undermine a woman's choice, such as requiring unnecessary preliminary medical procedures, imposing conditions that apply to no other providers of medically comparable services, or mandating that patients make multiple in-person visits prior to the procedure. Where states have succeeded in imposing barriers that Congress cannot anticipate, we must enable women to freely travel to other states to receive medical assistance. Finally, where women cannot afford these procedures for their health and well-being, Medicaid and other federal funding should be available to the same extent it is provided for other health care.

Several bills have been introduced to provide these and other protections that are worthy of congressional support: the Women's Health Protection Act, the Equal Access to Abortion Coverage in Health Insurance (EACH) Act, and the Right to Contraception Act. We must fight for them.

Can We Gain Ground in a Divided Congress?

In the near term, the abortion debate in a divided Congress will consist of little discernible progress despite great exertion. While we fight these larger battles, we should also look for opportunities to gain ground for reproductive rights in ways that may not draw as much partisan opposition.

One such opportunity lies in telehealth. That is, where prohibitions arise in Mississippi, a woman seeking care in Jackson might access New York doctors who can lawfully prescribe medication and offer needed guidance that Mississippi doctors would be prohibited from offering. The economics of health care has resulted in widespread closures of hospitals in rural and low-income urban areas, and

243. "Governor Katie Hobbs Signs Bill into Law Officially Repealing 1864 Abortion Ban." *Office of the Governor Katie Hobbs*, 2 May 2024.

244. Schladen, Marty. "Affidavits: More pregnant minors who were raped denied Ohio abortions." *Ohio Capital Journal*, 22 Sept. 2022.

245. Klibanoff, Eleanor. "Kate Cox's case reveals how far Texas intends to go to enforce abortion laws." *The Texas Tribune*, 13 Dec. 2023.

246. Zernike, Kate. "The Unlikely Women Fighting for Abortion Rights." *The New York Times*, 27 May 2024.

a severe shortage of primary care physicians, pediatricians, and many specialties. Broadening access to needed care through telehealth could offer an important solution in many “red” states and the rest of the U.S. to improve health care generally—and it offers the additional benefit of improving access to reproductive care.

Here’s the problem: currently, four in every five states require health care providers to be licensed in the state where the patient is located.²⁴⁷ Others require an in-person consultation before providing care remotely through telehealth. Many other state regulatory barriers to telehealth include laws mandating testing and coursework, fees, interviews, medical malpractice coverage, and scope-of-practice restrictions.²⁴⁸ The practice of medicine remains within the nearly exclusive domain of state regulation. Creating a federal license for telehealth makes sense among the hodge-podge of competing state laws, but introducing a federal bill that would preempt state regulatory authority would likely draw a calvary of opposition from powerful interest groups who benefit from these restrictions.

Against this landscape, how can Congress help to expand telehealth access? Gabriel Scheffler, a law professor at the University of Pennsylvania, offers an interesting set of ideas that don’t require federal preemption, which he calls the “federalist” approach to reforming state licensing requirements.²⁴⁹ For example, rather than pushing states out of the way, Congress could ease licensing restrictions for providers working at military hospitals and the VA, over which the federal government has jurisdiction. Congress could encourage states to improve access to telemedicine, both through a carrot—providing federal funding to states and professional bodies to improve telemedicine access—and with a stick, by conditioning ACA funding on needed reforms. We could see greater FTC antitrust enforcement against licensing boards that engage in anticompetitive conduct.

We can also press for broader access to in vitro fertilization (IVF). Contrary to the pronouncements of some conservative state legislators and the Alabama Supreme Court,²⁵⁰ a supermajority of Americans support IVF access, across both parties.²⁵¹ In the next Congress, we must push to pass a bipartisan equivalent of the Right to IVF Act that would protect access to IVF and fertility treatment nationwide, along with rights to insurance coverage.

While telemedicine and IVF won’t solve all of the challenges women will face in gaining access to reproductive care, they provide examples of a way in which we can creatively expand access and protect rights in a divided Congress. We will need to think creatively and act nimbly until the window of opportunity opens for a more comprehensive push.

247. Scheffler, Gabriel. “Unlocking Access to Health Care: A Federalist Approach to Reforming Occupational Licensing.” *Health Matrix*, vol. 29, no. 1, 2019.

248. Id.

249. Id.

250. Ducharme, Jamie. “IVF Changed America. But Its Future Is Under Threat.” *Time*, 7 Aug. 2024.

251. Borelli, Gabriel. “Americans overwhelmingly say access to IVF is a good thing.” *Pew Research Center*, 13 May 2024.

DEFENDING DEMOCRACY

Voting Rights

IN 2020, AMERICANS VOTED at their highest rate in three decades,²⁵² yet cynicism about the electoral process has grown, fueled by Russian bots, right-wing pundits, and fringe activists. In Arizona, a masked group carrying guns monitored ballot boxes to intimidate voters in the 2022 midterm elections.²⁵³ In Georgia, conservative activists filed more than 80,000 challenges against potential voters.²⁵⁴ Worst of all, one of our two presidential candidates persistently fans delusional fears of “rigged elections,” and his enablers in Congress lack the courage to admit that the emperor wears no clothes.²⁵⁵ False narratives routinely spun by FOX, Newsmax, and social media leave a majority of Republicans today with a professed skepticism in election integrity.²⁵⁶

Congress has much to do. While there are many bills in the pipeline to accomplish a host of goals, seemingly nothing can pierce the hyper-partisan gridlock on this issue. While I will strongly support many of the bills that Democratic members have proposed—the Freedom to Vote Act, the John R. Lewis Voting Rights Advancement Act, and the like—I don’t expect them to pass in our divided Congress. Whether we continue to push with these existing bills, or seek piecemeal gains in the next Congress, we must find every path to protect this most fundamental of democratic institutions. I outline below a few of the most essential components of reform.

Prohibit Election Sabotage and Intimidation of Workers and Officials

Congress must enact protections for local election administrators—such as secretaries of state and county registrars—to help prevent their removal for partisan or political reasons. We routinely protect judges and other non-partisan officials in this way, to ensure more objective decision making. The Freedom to Vote Act, for example, limits removal of election officials to specific grounds, such as gross negligence, neglect of duty, and malfeasance. Congress must also enhance protections against intimidation of election workers, and against vote tampering or ballot destruction. Finally, every citizen should have standing to bring a suit against a state for an unreasonable failure to certify results, because of the infringement of their voting rights.

Restore the Full Protections of the Landmark Voting Rights Act of 1965

Some 23 states have created new obstacles that suppress voter turnout in communities of color, such as restrictive voter ID requirements. In 2013, the Supreme Court’s holding in *Shelby County v. Holder* eviscerated the Voting Rights Act of 1965’s bulwark against such discriminatory rules, despite

252. Hartig, Hannah, et al. “1. Voter turnout, 2018-2022.” *Pew Research Center*, 12 July 2023.

253. Tang, Terry. “Judge orders armed group away from Arizona ballot drop boxes.” *Associated Press*, 1 Nov. 2022.

254. Kaplan, Michael, et al. “Eligible voters are being swept up in conservative activists’ efforts to purge voter rolls.” *CBS News*, 4 Dec. 2023.

255. Yourish, Karen, and Charlie Smart. “Trump’s Pattern of Sowing Election Doubt Intensifies in 2024.” *The New York Times*, 24 May 2024.

256. McCarthy, Justin. “Confidence in Election Integrity Hides Deep Partisan Divide.” *Gallup*, 4 Nov. 2022.

the majority opinion’s admission that “voting discrimination still exists; no one doubts that.”²⁵⁷ The Court’s holding explicitly invites Congress to act to reinstitute requirements of federal “preclearance” of new state restrictions on voting. Congress can do so by updating the criteria by which states should be subjected to judicial scrutiny.

Create Baseline Standards for Voter Access

Congress must create a uniform standard for voting access that preempts the most onerous restrictions that roughly two dozen states have imposed on their voters. For example, it should require early voting in every jurisdiction in a location accessible to public transit. It should allow every voter to apply online to seek a mail-in ballot, and shouldn’t impose unreasonable requirements on mailed ballots, such as notarization. (How many of us outside of the real estate industry routinely get our documents notarized?). Such vote-by-mail rules become particularly imperative as we consider the access of seniors and citizens with physical disabilities.

Constrain Extreme Partisan Gerrymandering

We need clear, neutral, and uniform standards for congressional redistricting that constrain the corrosive impact of overtly partisan gerrymandering. Having a more transparent redistricting process will help, as will enhanced judicial remedies to allow for expedited challenges in court—before the maps dictate election outcomes.

Modernize Voter Registration

Twenty-five states already require automatic registration of voters with the receipt of a driver’s license by a U.S. citizen.²⁵⁸ Voters can also register to vote online in 43 states.²⁵⁹ Purging voters from the rolls should require automatic notification of those who are purged, and why. These and other implementations of basic technology should become national standards to make it simple for citizens who merely forgot to register when they moved residences.

Reforming Campaign Finance

In 2022, interest groups and candidates spent more than \$8.9 billion to influence congressional races.²⁶⁰ This campaign and virtually every other contested congressional campaign becomes mired in accusations and recriminations about the influence of “dark” money contributed in unlimited amounts to super PACs, which can spend unlimited amounts in any campaign.

We must find any constitutional way we can to rid our elections of the influence of independent expenditure committees like super PACs, or at least to diminish that influence. I say that as someone who has been both a beneficiary and (more often) a target of independent expenditures in several races, including this one. Super PACs remain an indelible part of our political architecture due to the

257. “Shelby County v. Holder.” *Brennan Center for Justice*, 25 June 2023.

258. “Automatic Voter Registration.” *National Conference of State Legislatures*, 12 Feb. 2024.

259. “Online Voter Registration.” *National Conference of State Legislatures*, 11 July 2024.

260. Giorno, Taylor. “Midterm spending spree”: Cost of 2022 federal elections tops \$8.9 billion, a new midterm record.” *Open Secrets*, 7 Feb. 2023.

Supreme Court’s 2010 decision in *Citizens United v. Federal Election Commission*, and to prior Court decisions in the 1970s. Barring a constitutional amendment, we’re stuck with super PACs.

Overriding *Citizens United* by Constitutional Amendment

That doesn’t mean we shouldn’t consider a constitutional amendment. Admittedly, it’s a long shot—with only 27 over 24 decades—and a long road to success.

Yet consider two realities: first, there would be no more powerful means of enabling our democracy to succeed—across virtually every issue of importance—than decoupling large financial contributions from political decision making. Second, our very divided electorate agrees on very little, but 88% of Americans agree with the imperative of reducing the influence of large campaign donors over lawmakers.²⁶¹ If mobilized to press legislators for change, a supermajority of Republican and Democratic voters could give this idea legs. While this is hardly a new idea—House Democrats routinely introduce a constitutional amendment to overturn *Citizens United* to no avail—simplifying the message and grassroots mobilization could help create momentum.²⁶² Getting two-thirds support in Congress will alone require a multi-year effort, and I will put my shoulder to the wheel to get this work underway.

Mandating Immediate Disclosure

Until then, Congress cannot constitutionally banish or eliminate super PACs. We can improve the transparency of their activities and donors to the public, however. I have called for legislation to require every contribution to a super PAC to be publicly reported within 24 hours.²⁶³ With immediate disclosure, the media and other interested parties can notify the public immediately when a large donor with a suspicious agenda weighs in. In this race, for example, former New York City Mayor Mike Bloomberg’s contribution to a super PAC supporting me has drawn media scrutiny, yet voters were never informed of a \$325,000 contribution by PG&E to a super PAC supporting Evan Low until several weeks after the March 5th primary election. Immediate reporting would enable voters and the media to know who is weighing in, and why. The last legislative effort at such a reform, known as the DISCLOSE Act, failed to secure sufficient support to move forward in 2022.²⁶⁴ We must push it over the goal line.

Similarly, good-government groups have called for laws to close loopholes on the use of foreign money for public communications in campaigns, and for expenditures such as digital communications. The DISCLOSE Act would have done so, and it would make it unlawful to establish or use corporations to conceal election contributions by foreign nationals.

While not a panacea for the influence of big money, it helps to expose dark money to the light of public scrutiny, which Justice Louis Brandeis presciently described as “the best of disinfectants.”

261. Balcerak, Ashley. “Study: Most Americans want to kill ‘Citizens United’ with constitutional amendment.” *The Center for Public Integrity*, 10 May 2018.

262. Sforza, Lauren. “Democrats introduce constitutional amendment to reverse *Citizens United* campaign finance ruling.” 19 Jan. 2023.

263. Liccardo, Sam. “Sam Liccardo: It’s The Counting.” *San José Inside*, 29 Apr. 2024.

264. Newell, Keith. “With Deadlocked Vote on Dark Money, DISCLOSE Act Fails to Clear Senate.” *Open Secrets*, 22 Sept. 2022.

EDUCATION: OUR YOUTH AND OUR WORKFORCE

A FUTURE-FOCUSED AGENDA for Congress must center our youth. Yet any honest set of election-year proposals must also acknowledge the limits of federal influence. Education budgets, administration, curriculum, and pedagogy remain matters largely controlled by states and local districts, not Congress.

As Mayor of San José, I didn't have any control over our schools; instead, we had 19 independent school districts manage public education. Yet I knew that our community's future depended enormously on my focus on our kids and their education, and we had innovative leadership in our Library Department, headed by Jill Bourne, willing to take on new challenges. During my tenure, we worked with many community partners to launch an unprecedented set of education initiatives, including:

- Building out wireless infrastructure needed to provide more than 200,000 students and residents in our highest-poverty neighborhoods with free broadband, in partnership with East Side Union High School District;²⁶⁵
- Launching City-funded after-school and summer reading and math programs in 16 of our highest-poverty elementary schools;²⁶⁶
- Creating coding and computer science workshops in our libraries for more than 7,000 students;²⁶⁷
- Connecting more than 6,000 teens in high-need neighborhoods to their first summer job, along with financial literacy classes and mentoring;²⁶⁸
- Raising more than \$9 million from tech employers to launch an online platform to help 1,700 first-generation high school students identify their best path to college—and reward them with “scholar dollars” after they graduate to offset the postsecondary tuition.²⁶⁹

In short, we filled gaps. Our strapped schools can't do it alone. Congress similarly cannot allow its lack of formal authority to justify an abdication of its responsibility to the future of our children. Here are a few of the areas where Congress can make a difference:

265. “San José Expands Free WiFi to Two More Neighborhoods.” *San José Inside*, 24 Oct. 2022.

266. “SJ Learns.” *San José Public Library*. Accessed 3 Sept. 2024.

267. “Summer Learning Labs.” *San José Public Library*. Accessed 3 Sept. 2024.

268. “San José Works.” *City of San José*. Accessed 3 Sept. 2024.

269. Fensterwald, John. “New micro-scholarships in San José build bank accounts and mindsets for college.” *EdSource*, 16 Apr. 2021.

Child Care

As I've noted earlier, I urge the restoration of the enhanced Child Tax Credit, increasing limits on dependent care spending accounts, and investing in expanding spaces and training for child care providers. Please turn to the "High Cost of Living" chapter, Section 5, for the full discussion.

Boosting Public Education

Reversing the Teacher Exodus

Since the pandemic, we've experienced a new epidemic: a critical shortage of teachers, exacerbated by strained school district budgets and inflation's disproportionate impacts on workers with limited incomes. Teacher scarcity emerged as a problem even prior to the pandemic, though, as systemwide recruitment to teacher training programs declined sharply over the last decade.²⁷⁰ The National Center for Education Statistics reported that nearly half of all U.S. schools were experiencing teacher shortages in 2023.²⁷¹ In 2020–21, more than one-third (34%) of newly entering teachers lacked certification for their assignments. Many schools have added duties to overburdened teachers, increased class sizes, and canceled offerings, all to the detriment of student learning.

Why the exodus? Many reasons have been cited across several surveys, including the lack of support and preparation for younger teachers, growing workloads, poor administrative and accountability systems, lack of opportunities for professional development and collaboration, and challenging working conditions.²⁷²

The most frequently cited reason, however, is poor pay.²⁷³ In the U.S., teachers earn 60% to 70% of the average salaries of similarly educated full-time professionals—which places American teachers last in relative earnings among all the world's developed nations.²⁷⁴ It's not getting better, either: inflation-adjusted salaries for American teachers have declined 1% over the last four decades.²⁷⁵ And yes, money matters: one survey of departing public school teachers found that two-thirds of those willing to consider a return would view a salary increase as "extremely important" or "very important" to returning to teach.²⁷⁶

Several prominent national leaders—most prominently, President Biden in his 2024 State of the Union Address—emphasize the importance of increasing teacher pay to help reverse the great exodus. However, the federal government does not control teacher salaries, or school district expenditures. How can Congress help?

270. Rice, Michael F. "State Progress Toward the Eight Goals of the State Strategic Education Plan." *Michigan Department of Education*, 9 Nov. 2021.

271. Darling-Hammond, Linda, et al. "The Federal Role in Ending Teacher Shortages." *Learning Policy Institute*, Aug. 2023.

272. Podolsky, Anne, et al. "Solving the Teacher Shortage: How to Attract and Retain Excellent Educators." *Learning Policy Institute*, 15 Sept. 2016.

273. Id.

274. Benner, Meg, et al. "How to Give Teachers a \$10,000 Raise." *Center for American Progress*, 13 July 2018; Baker, Bruce, et al. "Is School Funding Fair? A National Report Card." *Education Law Center*, 2015.

275. "Digest of Education Statistics." *National Center for Education Statistics*. Accessed 1 Sept. 2024.

276. Podolsky et al., *supra*.

A common approach for Congress and more than forty state legislatures²⁷⁷ lies in educational debt forgiveness for teachers, and those programs can help schools attract and retain teachers, at least where they offer sufficient debt relief.²⁷⁸ The burdens on young teachers are real, as more than two-thirds of aspiring teachers rely on loans to pay for their education,²⁷⁹ resulting in an average debt of \$20,000 for first-year teachers with a bachelor's degree and \$50,000 for those with a master's degree.²⁸⁰

While student debt relief programs appear helpful, something more comprehensive and ongoing seems imperative. For example, we should want to encourage retention of experienced teachers who may have already paid off their loans, but still struggle to pay rent or a mortgage. In particular, we need a tool for teacher attraction and retention where it appears most challenged: for those teaching in schools serving the highest share of children living in poverty.²⁸¹

HIRES AND JOB OPENINGS IN PUBLIC EDUCATION

January 2007 to March 2023



Source: Bureau of Labor Statistics, Job Openings and Labor Turnover Survey (JOLTS), data available at <https://www.bls.gov/jlt/> (accessed 07/06/23). Data are seasonally adjusted. Analysis by National Education Association.

A Federal Teacher Tax Credit—and Paying for It

Congress can more directly support the incomes of teachers through the federal tax code. The Center for American Progress and education experts such as California Board of Education President Dr. Linda Darling-Hammond have suggested a refundable tax credit for teachers willing to teach in high-need communities, and where costs of living make them the hardest to attract.²⁸²

277. Feng, Li, and Tim R. Sass. “The Impact of Incentives to Recruit and Retain Teachers in “Hard-to-Staff” Subjects: An Analysis of the Florida Critical Teacher Shortage Program.” *National Center for Analysis of Longitudinal Data in Education Research*, Sept. 2015.

278. Podolsky, Anne, and Tara Kini. “How Effective Are Loan Forgiveness and Service Scholarships for Recruiting Teachers?” *Learning Policy Institute*, Apr. 2016.

279. “Trends in Graduate Student Financing: Selected Years, 1995–96 to 2011–12.” *U.S. Department of Education*, Jan. 2015.

280. Podolsky and Kini, *supra*.

281. Di Carlo, Matthew. “Update on Teacher Turnover in the U.S.” Albert Shanker Institute, 22 Jan. 2015.

282. Darling-Hammond et al., *supra*; Benner et al., *supra*.

Refreshingly, this doesn't appear to be a wholly partisan idea. In 2021, Republican Governor Brian Kemp signed a bill to introduce a 5-year, \$3,000 tax credit in Georgia for teacher recruitment and retention in 100 rural or low-performing schools.²⁸³ Democratic Senator Cory Booker has proposed a larger credit at the federal level for teachers in high-poverty schools.²⁸⁴

A \$12,000 tax credit could meaningfully attract and retain teachers in schools that struggle to serve kids in poverty. Congress might target a full tax credit for teachers in schools where at least 75 percent of students receive free or reduced-price lunch (FRPL), and then phase out the credit by \$500 in schools for every percentage point below that 75% FRPL ratio. The legislation might require districts to commit to “no wage clawback” requirements to avoid pay cuts that exploit the tax credit windfall.

Would such a program really improve student outcomes? Studies show, unsurprisingly, that pay does affect teacher attraction and retention.²⁸⁵ In schools serving the highest poverty students, boosting pay by only \$10,000 per year for two years has a substantial impact on teacher attraction and retention. Econometric analyses also show that high teacher turnover adversely affects student performance, even among students within the same schools.²⁸⁶ Accordingly, we shouldn't be surprised to see data that suggests that increasing pay for teachers can improve outcomes for students. Stanford researchers found, for example, that boosting teacher wages by 10% reduces high school dropout rates by 3–4%.²⁸⁷

The “how” of this program is important as well. A tax credit program provides more certainty to teachers. Unlike discretionary federal spending programs—such as grants provided under Title I of the Every Student Succeeds Act (ESSA)—teachers assessing their career decisions won't need to depend on the uncertain outcomes of annual federal budget negotiations to know whether they can pay their rent.

As with every election-year proposal, a threshold question every voter should ask is, “How will we pay for it?” Projecting from estimates from the American Center for Progress, Congress could enact a \$12,000 credit described above at a “tax expenditure” (that is, foregone tax revenue) of roughly \$16 billion.²⁸⁸ Obviously, the precise cost depends on the precise depth and breadth of the subsidy. While some may quibble about its cost, the teacher tax credit roughly matches the magnitude of federal spending—about \$15 billion—to support training of doctors and other medical professionals.

283. Andrews, Amanda. “\$3,000 state tax credit aimed at incentivizing new teachers.” *Georgia Public Broadcasting*, 17 Feb. 2022.

284. “Booker, Schiff, Hayes, Larson, Takano Reintroduce Bicameral Legislation to Boost Teacher Compensation.” *U.S. Senator Cory Booker*, 12 May 2023.

285. Glazerman, Steven, et al. “Transfer Incentives for High-Performing Teachers: Final Results from a Multisite Randomized Experiment—Executive Summary.” *National Center for Education Evaluation and Regional Assistance*, Nov. 2013.

286. Ronfeld, Matthew, et al. “How Teacher Turnover Harms Student Achievement.” *National Bureau of Economic Research*, June 2011.

287. Loeb, Susanna, and Marianne E. Page. “Examining the Link Between Teacher Wages and Student Outcomes: the Importance of Alternative Labor Market Opportunities and Non-Pecuniary Variation.” *The Review of Economics and Statistics*, vol. 82, no. 3, Aug. 2000.

288. Benner et al., *supra*.

Regardless, the cost is considerable. If we're investing in our teachers because we feel morally obligated to the next generation, we undermine that objective by saddling our kids with more debt. How do we pay for it?

Some members of my party suggest that we should implement a “wealth tax,” but it's a bad idea. I have not read a clear articulation of how the Treasury Department would implement such a tax, given the speculative valuations of such assets as private equity, art, or intellectual property. Instead, I suggest we consider any of several avenues for reversing the most regressive elements of Congress' last major tax legislation, the 2017 Trump-championed Tax Cuts and Jobs Act (TCJA). Those changes burdened our budget with \$1.9 trillion in tax expenditures over a decade, which overwhelmingly flowed to the benefit of very high-income individuals.²⁸⁹

In 2025, several of those TCJA provisions will expire, but they will not be given up easily; powerful groups will fight mightily to preserve every tax exemption and deduction. We must overcome the “entitlement mentality” that infects our tax code, by allowing provisions to expire where they provide little economic benefit to our nation.

One example of an exemption worthy of expiration: the very large TCJA exemption—nearly \$13.6 million per estate—from the estate tax. Nothing about this exemption uniquely stimulates job creation nor economic growth. Its benefits flow overwhelmingly to about one-tenth of 1% of the wealthiest taxpayers.²⁹⁰ Yes, the top marginal estate tax rate is 40%, but loopholes and exemptions make the effective tax less than half as high.²⁹¹ By rolling that exemption back to pre-2017 levels, more than \$16 billion could be generated annually by 2028, according to the Congressional Budget Office (CBO).²⁹²

This reallocation doesn't increase the aggregate burden borne by U.S. taxpayers, but it does make it more equitable. That is, the tax expenditure no longer benefits the adult children of wealthy parents, but rather the school children of low-income parents.

Fulfilling Congress' Promise to Children in Special Education

A repeated frustration I hear from education experts and school board members focuses on special education. Public school districts have a legal (and moral, in my view) obligation to provide the resources necessary to support the learning needs of children with disabilities. When school districts lack the human and physical infrastructure to support those needs, they are often required to pay for private schools that can—at a very steep expense. In California, educating a child with special needs costs public schools almost three times what it costs to educate a “general education” student.²⁹³ The scale of this need and its impact on budgets has grown massively; autism diagnoses

289. Marr, Chuck, et al. “The 2017 Trump Tax Law was Skewed to the Rich, Expensive, and Failed to Deliver on its Promises.” *Center on Budget and Policy Priorities*, 13 June 2024.

290. Wamhoff, Steve. “The Estate Tax is Irrelevant to More Than 99 Percent of Americans.” *Institute on Taxation and Economic Policy*, 7 Dec. 2023.

291. Huang, Chye-Ching, and Chloe Cho. “Ten Facts You Should Know About the Federal Estate Tax.” *Center on Budget and Policy Priorities*, 30 Oct. 2017.

292. “Budgetary Outcomes Under Alternative Assumptions About Spending and Revenues.” *Congressional Budget Office*, May 2023.

293. Freedberg, Louis. “California spending over \$13 billion annually on special education.” *EdSource*, 8 Nov. 2019.

in California, for example, have increased twelvefold in two decades.²⁹⁴ Today, approximately 7.6 million American children with disabilities—or about 15% of all public school students—receive special education and related services.²⁹⁵

In 1975, Congress articulated a clear commitment to special education with legislation that mandated minimum standards and authorized federal resources to address the educational needs of our special needs children. Under that legislation and its successor, the Individuals with Disabilities Education Act (IDEA), Congress proposed to fund 40% of the cost of special education for children with learning disabilities, speech impediments, autism, physical disabilities, and other challenges.²⁹⁶

Yet Congress has never met its budgetary commitment to our most vulnerable kids. Rather than funding 40% of the cost for serving those students, IDEA funding in 2023 delivered less than 13% of the cost to local school districts.²⁹⁷ The difference of more than \$24 billion falls upon state and local school budgets, many of which face growing shortfalls today.²⁹⁸

There is hope. Last year, Congress appropriated a 20% boost in IDEA funding.²⁹⁹ One bipartisan (but admittedly overwhelmingly Democratic) proposal, the IDEA Full Funding Act of 2023, would direct funding for a 10-year ramp up to the full 40% of promised funding.³⁰⁰ While identifying funding will be a challenge, it would relieve burdened school districts that pull from general education resources that affect all of our children.

Where should Congress start? First, we could better use the dollars we do spend. Today, California public school districts pick up the cost of private tuition—which may exceed \$100,000 for some students with behavioral problems—for 2,300 students to attend private schools where public schools fail to meet the needs of a student with an individualized education plan (IEP).³⁰¹ Incentivizing public school districts to work together to build facilities and faculties that address the special education needs of a larger share of their students could reduce spending on costly private tuition.

Second, we could adjust the antiquated funding formula to better allocate existing IDEA dollars. A 1997 revision in the law produced dramatic disparities in IDEA funding.³⁰² This leaves special education students in states with higher percentages of high poverty, high-need students with \$1,500 fewer federal dollars per student.

Finally, we must find more funding. As above, Congress could look to the TCJA, and continue to roll back 2017's generous \$13.6 million exemption of estate taxes all the way to 2011 levels, thereby generating substantial revenue. Even those high-value estates exceeding \$5 million—despite having

294. Id.

295. Heasley, Shaun. “Special Education Enrollment Hits All-Time High.” *Disability Scoop*, 25 June 2024.

296. Kolbe, Tammy, et al. “More money is not enough: The case for reconsidering federal special education funding formulas.” *Brookings Institution*, 3 Oct. 2022.

297. “Van Hollen, Huffman Introduce Bill to Fully Fund Special Education.” *U.S. Senator Chris Van Hollen*, 10 July 2023.

298. “The Individuals with Disabilities Education Act (IDEA), Part B: Key Statutory and Regulatory Provisions.” *Congressional Research Service*, 20 Aug. 2024.

299. “Fiscal Years 2023-2025 State Tables for the U.S. Department of Education.” *U.S. Department of Education*, 1 July 2024.

300. “Van Hollen, Huffman Introduce Bill to Fully Fund Special Education,” *supra*.

301. Freedberg, *supra*.

302. Kolbe et al., *supra*.

an ostensibly high marginal tax rate of 40%—would actually face an effective tax of less than 20%.³⁰³ Alternatively, Congress could tighten the leash on excessive usage of grantor retained annuity trusts (GRAT) that savvy estate attorneys have used to avoid more than \$100 billion in estate taxes since 2000.³⁰⁴ In either case, relatively modest pain could be incurred for substantial, widespread gain.

Congress must finally begin to keep its word to millions of our most vulnerable children. They deserve better.

Boosting Tutoring After the Pandemic Funding Expires

For the millions of children who struggle to keep up academically, one external intervention has proven more effective than any other: tutoring. Since the days that Ben Bloom first announced a “two sigma” improvement from tutoring that propelled average students to perform at the 98 percentile, dozens of studies have affirmed that frequent, individualized tutoring can substantially boost a child’s learning.³⁰⁵

Many families can’t afford tutoring, of course, but wealthy families can. Educational disparities beget economic disparities. School districts already struggle financially, and many cannot sustain tutoring programs. During the pandemic, many districts used the windfall of \$189.5 billion in Elementary and Secondary School Emergency Relief (ESSER) funding to enable hundreds of thousands of children to access “high-impact tutoring,” featuring small groups, highly trained tutors, and high weekly frequency. Those districts that leveraged tutoring saw a marked rebound in student performance from the pandemic learning loss.³⁰⁶ With the exhaustion and expiration of that ESSER funding for many schools this fall—in September 2024—schools nationally face the prospect of losing access to this critical intervention for struggling kids.

One of the most prominent of those experts, Stanford education economist Dr. Susanna Loeb, founded the National Student Support Accelerator to help millions of families gain access to tutoring. In June, she co-authored an article with Alan Safron urging the continuation of the pandemic-era emphasis on tutoring, particularly for kids from low-income families who would never have the means otherwise to do so.³⁰⁷

While the ESSER spigot has run dry, Loeb and Safron point to existing programs from which Congress could repurpose federal funding to sustain more tutoring. Congress could, for example, include conditions that would incentivize districts to use Hawkins Fund grant dollars to not merely pay for teacher training from HBCUs and other diverse universities, but to employ those college students in active tutoring that can provide a “hands on” learning pathway for a teaching career.

303. Huang and Cho, *supra*.

304. *Id.*

305. Bloom, Benjamin S. “The 2 Sigma Problem: The Search for Methods of Group Instruction as Effective as One-to-One Tutoring.” *Educational Researcher*, vol. 13, no. 6, June 1984; Nickow, Andre, et al. “The Impressive Effects of Tutoring on PreK-12 Learning: A Systematic Review and Meta-Analysis of the Experimental Evidence.” *Annenberg Institute – Brown University*, July 2020.

306. Murray, Jeff. “High-dosage tutoring can help remediate learning loss, but funding is running out.” *Fordham Institute*, 18 Apr. 2024.

307. Loeb, Susanna, and Alan Safran. “How Districts Can Keep High-Impact Tutoring Going After ESSER Money Expires.” *The74*, 24 June 2024.

Similarly, Congress could attach conditions to its appropriation of U.S. Labor Department-funded teacher apprenticeship programs—filled with 7,450 registered apprentices—to encourage districts to transform apprenticeship hours spent in static observation to small-group tutoring.³⁰⁸ Some 600,000 college students today participate in work-study as part of their federal financial aid packages; a larger share of those college students might satisfy their work-study obligations by tutoring nearby high-need kids, with university-subsidized wages.³⁰⁹

Technology—particularly the use of artificial intelligence in educational software that enables individualized learning and teacher feedback—could help supplement (but not replace) the human intervention of tutoring and in-class instruction. Combining these tools with caring adults can accelerate student success.

Post-Secondary Education: the Imperative of Innovation

Beyond our kids, the education of our adults will take an increasing importance in the years ahead. The economic disruption of technological innovation on global trade will only accelerate, and in particular, the displacement impacts of artificial intelligence will grow. The well-being of tens of millions of families—and of our entire economy—will depend on having an adult workforce that can nimbly adjust its sails to the changing economic winds. A typical career will see many more job shifts, and the quality of the new job will depend wholly on one’s ability to upskill. The now-common refrain: “AI won’t replace your job, but someone who understands AI will.”

To get to that future, we need disruption in the existing education system. Disruption has been overdue. It’s not as though the traditional approach of relying upon four-year degrees at universities was working for most families, anyway. Less than 40% of U.S. adults today have a four-year college degree, and only 22% of U.S. adults believe that a four-year degree is worth the burden of taking on educational debt.³¹⁰ That educational journey will only become more steep as tuition at nonpublic universities exceeds \$70,000 per year.

Of course, perceptions may vary widely from the reality in many corners of our country; here in the Bay Area, a college degree constitutes the table stakes for economic survival for many. We should expect the university degree to continue to be relevant as a qualification in many fields in the years ahead. Yet for most American adults, the four-year degree isn’t accessible, and even where it is, it may not deliver on its promise to help its graduates navigate a turbulent economy.

Educating the Future Workforce More Nimbly: Colleges and Universities

While the federal government should not meddle in questions of university pedagogy or governance, it should prod institutions of higher learning to deliver greater value and to broaden access to young adults—and a national economy—that need both.

308. “Education.” *ApprenticeshipUSA*. Accessed 1 Sept. 2024.

309. Zhou, Cece. “How a tutoring organization in California builds partnerships and empowers future educators using FWS.” *Deans for Impact*, 2 Apr. 2024.

310. Schaeffer, Katherine. “10 facts about today’s college graduates.” *Pew Research Center*, 12 Apr. 2022; Fry, Richard, et al. “Is College Worth It?” *Pew Research Center*, 23 May 2024.

There are tools at Congress’ disposal to incentivize change. Those tools traditionally consist of conditions that can be attached to the tens of billions in annual federal funding to postsecondary education, through such programs as the Fund for Improvement of Postsecondary Education (FIPSE) to Pell grants and federal assistance to veteran students, and to a much more attenuated extent, research funding.

Educational innovators have long identified several reforms and off-the-beaten-path approaches to reducing costs and expanding access to college. Congress can double down on these efforts by incentivizing federally funded institutions to embrace them. For example, despite the efforts of the textbook publishing lobby, U.S. colleges might be prodded to utilize high-quality open educational resources for learning. Hal Plotkin’s pioneering work at De Anza Community College has blossomed in the work of several foundations and universities that have championed free access to textbooks, including OpenStax and the OER Commons. Purdue University reduced the time and cost burden on its students by launching its “Degree in 3,” as have Cal State Monterey Bay and Hartnell College with their joint 3-year computer science degree program.³¹¹

More students can also graduate sooner with the increased use of AI-enabled educational software that can allow for a more individualized and self-directed pace of learning, for example, for a first-year student needing remedial math before advancing toward a major degree. In this way, technology can serve as a useful supplement to in-class instruction, to help more students learn better, faster, and ultimately graduate on time. Conditions on federal grants can spur these innovations and others to accelerate and expand access to a four-year degree.

Outside the University: Expanding Access to Upskilling, Credentials and Badging

We should not chain ourselves to the college degree as the educational solution for every career. Most of the upskilling for our workforce occurs—and will increasingly occur—outside of the university gates. For decades, the building trades have offered training programs that can result in steady construction work, particularly in electrical, HVAC, plumbing, and other high-paying trades. So too in the digital economy; much has been written about promising programs that have empowered displaced adults to seek better technology-enabled careers. In *Dignity in a Digital Age*, for example, U.S. Representative Ro Khanna writes glowingly of Interapt’s success in helping unemployed Kentucky coal miners learn to become software developers.³¹²

Digital badging has become increasingly valued by employers to identify prospective workers with the requisite skills like IT network management and coding. Instead of a cookie-cutter degree, digital credentialing increasingly allows employers to “see the work” in a portfolio presented by the applicant, and independently assess its quality. These and other innovative approaches to upskilling deserve federal support, to satisfy a rapidly-growing need for credible pathways to job-readiness.

311. “Degree in 3.” Purdue University. Accessed 2 Sept. 2024; “CSin3 Program.” *Hartnell College*. Accessed 2 Sept. 2024.

312. Khanna, Ro. “Dignity in a Digital Age: Making Tech Work for All of Us.” Feb. 2022.

The Community College Partnership Tax Credit

Congress could also do far more to partner with a nearly ubiquitous, but too-often overlooked institution of learning: the community college. Community colleges comprise the most accessible catalyst for upward mobility for nine million adults every year. Yet community colleges—and even top universities—don't always have a firm grasp of the specific skill set demanded most by employers, particularly in the fast-changing tech economy. Employers do.

I saw this clearly as Mayor of San José. My team and I partnered with several employers to try to address their HR challenges as we sought to improve access to well-paying careers for more of our residents who lacked college degrees. Alaska Airlines, for example, sought to find training opportunities for engine mechanics, who could earn six figures for a starting salary—without needing a four-year degree. Alaska ultimately invested its own resources in expanding a community college program that would serve its own future employees—and others.

That experience opened my eyes to new possibilities: Congress could expand opportunity for millions by connecting the experts in hiring—employers—with the experts in adult learning.

I would propose a program that incentivizes employers to both (a) identify the critical skills and specific curriculum appropriate for a training program for a designated career path, and (b) invest in the human (e.g., salaries) and capital infrastructure (e.g., laboratories or training facilities) that community colleges need to educate those students. The incentive could come in the form of a tax credit the employers could secure by hiring students from the program, with assurances that the community college's curriculum would be aligned to the private sector's needs. Alternatively or additionally, Congress might mandate a minimum investment to secure the credit.

Here's the win-win. The company develops an educational pathway for hard-to-find talent, and it can even choose the best students for future hiring through paid internships. The community college develops the capacity to train many more students for similar jobs for other employers—and does so knowing that they're training for skills that will be in demand.

This is not a new idea. President Barack Obama proposed something similar in his final budget in 2016, a proposed \$2.5 billion Community College Partnership Tax Credit. The idea did not take hold in Congress in 2016, but it is the right idea for today—and the future.³¹³ Certainly, these partnerships do exist already; we simply don't have enough of them, serving enough people. We need to strengthen the links between the private sector and the educational sector, and plant a seed for the development of programs that can benefit many more students and future workers than the investing company can possibly employ. That's an investment in human capital that is worth every foregone tax dollar.

313. "Obama to propose \$2.5 bln tax credit for community college investment." *Reuters*, 5 Feb. 2016.

ACKNOWLEDGMENTS

I DID HAVE LOTS OF HELP, beginning with wise counsel and feedback from my wife, Jessica Garcia-Kohl, herself a graduate of UC Berkeley’s policy school. I’m grateful for Bess Olshen’s tremendous work in researching and editing this revised version of the book, and for coordinating enthusiastic student volunteer researchers. For the book we originally launched in February, credit goes to my friend, Matt Hammer, for coordinating a bright team of my former Stanford students who helped with the initial research and editing: Rachel Schten, Jose Luis Gandara, and Bess Olshen.

This book combines ideas for federal legislation that I’ve thought about during my time teaching at Stanford Law School, and as mayor. It also contains some of the better ideas I’ve stolen from people smarter than me. I’d like to thank them, including my former colleagues at Stanford University, Dr. John Donohue, Dr. Keith Humphrey, Dr. Linda Darling-Hammond, and Dr. Susanna Loeb; my sister and USC drug policy expert Dr. Rosalie Pacula; and former policymaking colleagues of mine, like Jennifer Loving (CEO of Destination: Home), Nathan Ho and Preston Prince (both of the Santa Clara County Housing Authority), and James Gibbons Shapiro (Santa Clara County District Attorney’s Office).

Finally, I’d like to thank the hundreds of brilliant community members—venture capitalists, scientists, policy experts, and others—who helped advance my thinking, often unknowingly, about issues from climate mitigation to antitrust enforcement. I’ve learned much on the campaign trail by starting every conversation with a question—the same way I intend to govern.



**“If we’re bold, brave, and bipartisan,
we can move Congress to tackle
our community’s toughest
challenges, from homelessness
to the punishing cost of living.”**

—SAM LICCARDO

PRAISE FOR SAM LICCARDO'S BIPARTISAN SOLUTIONS

“Sam Liccardo stands out for the clarity of his vision, the precision of his policy ideas and his obvious commitment to working across the aisle.”

—*San Francisco Chronicle*

“Watching Liccardo up close during his 16 years of leadership... we saw his indefatigable energy and a long string of policy accomplishments.”

—*San Jose Mercury-News*

“San Jose Mayor Sam Liccardo has a wide understanding of the issues facing the district. He also has big ideas on how to address them.”

—*San Mateo Daily Journal*

“Sam’s solutions set him apart. I am confident he will get problems fixed. Voters should expect this level of policy detail from every candidate for Congress.”

—Jackie Speier, U.S. Representative, CA-14, retired

“In my years of working together with Sam as a criminal prosecutor and a mayor, he’s demonstrated the courage and creativity to make our community safer, from adding hundreds of cops to employing thousands of at-risk youth in summer jobs.”

—Jeff Rosen, District Attorney of Santa Clara County



SAM LICCARDO SERVED AS MAYOR OF SAN JOSÉ, where he turned budget deficit to surplus, rebuilt the Police Department and stood up against PG&E’s rate hikes. Sam passed the nation’s strongest gun-safety laws and led the fight to protect 1,000 acres of hillsides and open space from destructive development. Sam got his start as a Deputy District Attorney, prosecuting abusers and rapists to win justice for victims. Since completing his term as Mayor, Sam has taught public policy at Stanford. Sam and his wife, Jessica Garcia-Kohl, live in San José.

SAM LICCARDO
FOR CONGRESS



Paid for by Liccardo for Congress