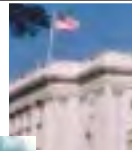




**National
League of
Cities**

2003 Annual Report





Letter from the President

These times remind us that we need one another. Protecting our families, safeguarding our freedoms, fostering economic viability, building strong communities — all require that we cooperate closely.

Our hometowns sum up how well we work together. Strong, healthy cities are no accident. Our cities reflect the thousands of choices we make, good and bad. Good choices build strong cities, a strong nation, and a future full of potential. Poor choices weaken our communities and our nation and dampen our prospects for the future.

Because cities and towns are the building blocks of America, much is riding on these choices.

This has been a challenging year. The economy slumped, city revenues declined, and state and federal budget shortfalls deepened, further squeezing city budgets. At the same time, demand for local government services has grown along with the need to rebuild schools, water systems, and other infrastructure.

Cities responded by increasing their efficiency, accomplishing more with less, economizing, and innovating. Working in concert with cities across the United States, the National League of Cities tackled these challenges on a national scale. Whether advocating for funding of vital social or infrastructure programs, or providing key information for municipal leaders, or examining longer-term problems in the fiscal underpinnings of America's cities, NLC championed the cause of cities and towns.

As you will see in this report, we have pushed the advocacy agenda forward in a number of key areas. We introduced initiatives in several areas that will make city programs stronger. We engaged leaders at all levels of government in discussions about improving local-state-federal relations and other matters.

Like everything that we treasure most in life, strong cities exist only where people have made the choice to invest in the hard work, collaboration, and determination required to get the job done. This report summarizes some of the highlights of the National League of Cities' 79th year working to get the job done.

A handwritten signature in blue ink that reads "John DeStefano, Jr." The signature is written in a cursive, flowing style.

John DeStefano, Jr.
Mayor, New Haven, Connecticut



Elected as NLC officers for 2003 were (left to right) Washington, D.C. Mayor Anthony A. Williams (second vice president), New Haven, Conn. Mayor John DeStefano, Jr. (president), and Arlington, Mass. Selectman Charlie Lyons (first vice president).

2003



It was a year marked by the war in Iraq, the largest state budget shortfalls in a generation, and a federal budget deficit of historic proportions.

Against this broad backdrop of competing agendas, the National League of Cities focused a sharp national spotlight on many of

the pressing needs of America's cities and towns. The League made significant strides toward the key objectives of strengthening cities through innovative programs and services and through advocacy for favorable federal policies and regulations.

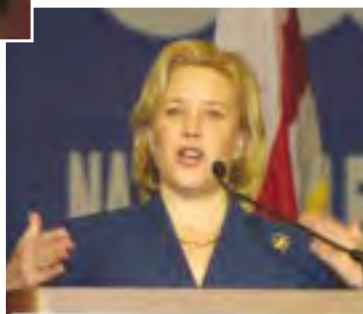


Left: Ames, Iowa Mayor Ted Tedesco (right) meets with Sen. Charles Grassley (R-Iowa) during NLC's City Lobby Day.



Left: NLC President John DeStefano, Jr. testifies with Arnold Schwarzenegger about afterschool programs before a Senate subcommittee.

Below: Sen. Mary Landrieu (D-La.) addresses delegates at NLC's Congressional City Conference.



Strengthening Cities through Advocacy and Policy

Stressing the importance of continuing a strong local-federal partnership in Washington, the National League of Cities worked on a number of fronts to strengthen its national voice on federal issues of vital importance to cities and towns.

In January 2003, NLC identified six key legislative priorities. The priorities were delivered to Congress as part of two-part pledge during **City Lobby Day** at the Congressional City Conference held in Washington in March 2003. The



Above: Hundreds of city leaders gather on Capitol Hill to advocate for a strong local-federal partnership during City Lobby Day.

Right: NLC officers Charlie Lyons, Karen Anderson, and John DeStefano and Bolingbrook, Ill., Mayor Roger Claar meet with House Speaker Dennis Hastert (R-Ill., center).

first part of the pledge states “What America Can Expect from the Nation’s Cities, Towns, and Villages.” In the pledge, National League of Cities members pledge:

- To strengthen local economies;
- To protect hometown America from terrorism and crime;
- To ensure that families have decent, affordable homes;
- To improve the nation’s urban transportation systems and reduce congestion;
- To renew water infrastructure so families have clean water systems that keep communities healthy;
- To provide the social and civic infrastructure to support families, youth, and learning; and
- To offer a forum and a model for constructive, civic engagement.



Advocacy

The second part of the pledge expressed “What America’s Cities Expect from their Federal Partners.” These six points asked the federal government to do its part as a partner with local governments, and they formed the core advocacy agenda for 2003 and the first session of the 108th Congress. A number of key funding measures were not decided by the close of NLC’s 2003 fiscal year (September 30, 2003) and may not be resolved until 2004.

1. The National League of Cities pushed for **economic stimulus where it counts – in local economies**. NLC advocated aggressively for fiscal relief specifically targeted to cities and towns in the tax relief package that Congress passed. NLC will continue to lobby for elements of its stimulus plan, which calls for continued investment in the transportation, water, housing, and public safety programs that would stimulate local economies in addition to shoring up the nation’s infrastructure.



2. NLC worked to keep America safe by **advocating for traditional public safety programs, such as COPS, and for new homeland security funds**. NLC succeeded in preventing wholesale elimination of the Community Oriented Policing Services (COPS) program and helped to gain funding for first responders in hometown America. The League stressed that cities and towns should not be asked to provide homeland security at the expense of traditional public safety.

3. The National League of Cities **stood firm for affordable housing** by pressing for full funding of Community Development Block Grants, HOME, HOPE VI, and Section 8 assistance. For example, NLC helped to preserve funding for HOPE VI and prevented Section 8 vouchers from becoming a direct block grant to states.

4. NLC advocated for **strengthened transportation systems by increasing support for TEA-21** – the Transportation Equity Act for the 21 Century. NLC will continue its work to get TEA-21 reauthorized in 2004 and to protect the Highway Trust Fund. The National League of Cities also developed an Urban Congestion Initiative to combat traffic congestion by providing more federal resources and authority to local governments.

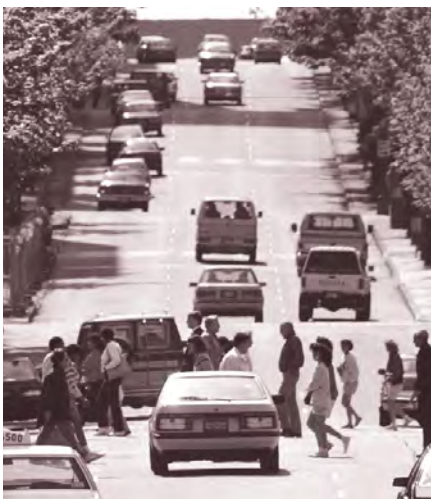
NLC President John DeStefano, Jr. asked members to send police and fire badges to Washington to protest proposed cuts in public safety programs.

5. The National League of Cities championed **investment in clean water, renewed water infrastructure, and clean air.**

These investments will not only help ensure safe, clean water, but the investments will create local jobs in communities that need them.

6. The National League of Cities demanded that the federal government **invest in children by fully funding the No Child Left Behind Act.** The League has asked Congress to fund all of its mandates in education including the Individuals with Disabilities Education Act. NLC also preserved the local focus of Head Start by convincing Congress not to turn the program into a block grant to states.

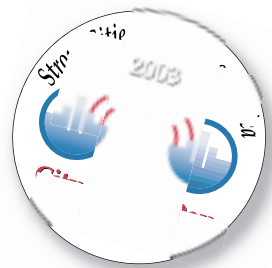
The National League of Cities also worked to preserve cities' local revenue authority in several key areas such as the streamlined sales tax initiative and the Internet tax moratorium issue. NLC monitored legislation and advocated for cities' best interests in many other areas, leveraging both members' and staff expertise.



The annual event that focuses NLC's advocacy efforts is the **Congressional City Conference**, held in March in Washington, D.C. This year's meeting featured dozens of workshops and meetings on legislative and advocacy issues that included a long list of members of Congress and the Administration. The conference ended with a high-energy City Lobby Day when hundreds of NLC delegates converged on Capitol Hill to meet with members of Congress and press for the key legislative priorities.

Legal Advocacy

For legal matters with national implications for cities and towns, the National League of Cities established a special fund to help protect municipal interests. NLC monitored issues and filed 12 *amicus* briefs in court cases and regulatory proceedings to safeguard cities' interests. The Federal Communications Commission decision to classify cable-modem service as an information service, thereby exempting it from local taxation, is one example where a decision spurred NLC to take legal action.



NLC vigorously advocated the reauthorization and funding of the Transportation Equity Act for the 21st Century (TEA-21), and will continue to champion this legislation in 2004.

Preserving the Fiscal Health of America's Cities and Towns

The National League of Cities continued to focus on public finance as a key area for NLC-sponsored research and public discussion. NLC monitored and analyzed the **changing fiscal conditions of America's cities**, issuing two national surveys of cities and an analysis of the impact of state budget deficits on city finances.

NLC held two Washington Roundtables that addressed **fiscal issues and the unraveling of local-state-federal relations**. Each of these roundtables brought together highly esteemed experts, analysts, and leaders from various levels of government to address the near-

term and long-term implications for America's cities. The events, held at the National Press Club, reaffirmed the National League of Cities' stature as the nation's premier source of research and innovation on municipal issues.

The Municipalities in Transition Program Panel on Public Finance continued its work to examine the long-term issues related to the fiscal health of the nation's cities, including a seminar on the future of the property tax with the Lincoln Institute of Land Policy.



Clockwise from above: Rochester, N.Y. Mayor William Johnson (above), NLC Executive Director Don Borut (above, right), and former HUD Secretary and San Antonio Mayor Henry Cisneros (right) speak at NLC roundtable discussions focusing on the unraveling local-state-federal partnership and the continuing fiscal crisis.



Strengthening Municipal Leadership for Children and Youth

Under the leadership of NLC President John DeStefano, Jr., the National League of Cities mounted a year-long Campaign for Early Childhood Success that highlighted and supported municipal leadership on behalf of young children. Responding to a call to action issued in March 2003, **more than 100 cities pledged to develop local strategic plans for meeting the needs of young children** and to share ideas with other communities. Local leaders from more than 30 cities met in June for training and networking designed to support their local efforts.

NLC's Institute for Youth, Education, and Families released a series of three new publications to promote and support municipal leadership for **early childhood success**, including an action kit for city leaders, a financing guide for early childhood programs, and an organizing guide to help cities and towns plan local events that highlight the needs of young children.



The Institute also provided practical **support to NLC member cities through technical assistance projects** focused on school improvement, afterschool programs, youth participation and leadership, and transitional jobs for the hard-to-employ. More than a dozen state municipal leagues joined the Institute as co-sponsors of regional training meetings.

The Institute developed and launched new program initiatives to promote the development of alternative high schools and explore other strategies for meeting the **needs of youth who leave school without a high school diploma**. These initiatives are anchored by the largest foundation grant it has received to date – \$2.3 million over five years from the Bill & Melinda Gates Foundation.

Finally, the Institute launched a new NLC Education Policy Advisors' Network in April to develop and share ideas about **ways that cities and school districts can work together to raise student achievement**. A total of 49 cities had joined the network by September, ranging from New York to Norfolk, Houston, and San Jose.

NLC programs helped cities improve schools and foster youth participation and leadership.

Protecting the Homeland

In addition to advocacy work for federal resources and a **national Hometown Security Day** to underscore the fact that homeland security starts with hometown security, the National League of Cities also continued efforts to share information about local preparedness.

The Working Group on Homeland Security, created by the National League of Cities after September 11, 2001, issued two **“lessons-learned” reports** to help cities prevent and respond to domestic terrorism. One report focused on biological threats and another focused on the particular needs of small cities.



Above: Toronto Mayor Mel Lastman (left) greets Dearborn Mayor Michael Guido, chair of NLC’s Working Group on Homeland Security, and John DeStefano, Jr., who traveled to Toronto to learn about the city’s experience with the SARS epidemic.

In May, an NLC **delegation visited Toronto** to gather information about how Toronto responded to the SARS epidemic. Toronto city leaders and medical authorities briefed NLC leaders so the delegation could bring lessons back to the United States and improve preparedness for biological threats, whether intentional or natural.

Along with the information gathered by the Working Group, two resource guides are maintained on NLC’s website — one on planning for homeland security and another on federal resources available to help cities and towns.



Above: Homeland Security Secretary Tom Ridge addresses the Congressional City Conference.

Below: Members of the Board of Directors gather at NLC’s annual Congress of Cities.



Building Quality Communities

The Municipalities in Transition Panel on Community and Regional Development advanced the idea of **land-use decisions that are made by choice rather than by chance**. NLC convened a national forum on Building Quality Communities in Tempe, Arizona, which drew a wide and diverse array of interests to the same table and addressed many of the critical land use, growth, and development challenges facing America's cities.

Many programs at the National League of Cities foster the pursuit of quality communities. NLC's Howland Urban Enrichment Awards for 2003 recognized innovative and effective city programs that promote **improved quality of life** in the nation's cities and towns. NLC provided visibility for state league award-winners in 19 states.

The America Downtown program offered training and provided technical assistance for local elected officials who want to **create a downtown enhancement strategy**. NLC developed partnerships with the Indiana, Michigan, and Pennsylvania municipal leagues to launch an America Downtown program in those states. NLC also sponsored CommunityID, a service that analyzes retail sales potential of commercial sites in cities and towns.

NLC operated the Affordable Housing program, designed to help local officials and staff establish better local housing policies, laws, and regulations and to promote the development of **sustainable affordable housing programs** for their communities.

Developing Local Leaders

Leadership and learning opportunities were plentiful throughout the year. NLC's Leadership Training Institute promoted excellence in municipal leadership through seminars at its annual Leadership Summit and at NLC conferences.

At the League's annual Congress of Cities in Salt Lake City, 3,000 city leaders from across the United States gathered for workshops, networking, information-sharing,

and the election of officers for 2003. The conference included meetings of NLC constituency groups, which provide leadership and reflect the diverse interests and backgrounds of the League's members. Among the groups are the Asian Pacific American Municipal Officials, Hispanic Elected Local Officials, and National Black Caucus of Local Elected Officials.

Steven Covey, author of "The Seven Habits of Highly Effective People," addresses a session at NLC's Congress of Cities.



Reducing Inequality in America

During the year, the NLC Advisory Committee met and focused its Futures Process on the topic, “Divided We Fall: Inequality and the Future of American Cities and Towns.” The Committee’s report on this topic lays the **foundation for an agenda of activities** for 2004 that address inequalities in our cities, whether racial, spatial, educational, or economic.

Racial equality and justice programs created by NLC helped city officials work to **improve race relations and promote racial justice** in their communities. The Racial Justice and Race Relations Project was established to help elected officials strengthen their effectiveness in race relations and racial justice through applied research on what cities can and should be doing to bridge the racial divide.



*Above: Winston-Salem, N.C., holds a student race relations forum during the National League of Cities’ Race Equality Week.
Right: Ocala, Fla., celebrates “One Ocala America” with the UpBeat Drum Circle.*

The National League of Cities published a resource guide for city officials, conducted a series of workshops at state league conferences and at NLC’s annual conferences, and managed **national Race Equality Week**, during which cities and towns highlighted constructive local efforts across the country.

Numerous other programs at the National League of Cities address issues related to inequalities and economic disparities. To help city leaders be more effective in tackling poverty in their communities, NLC’s Municipal Action to Reduce Poverty Project provided research and development to evaluate and create **strategic approaches to reducing poverty** that are feasible and effective. NLC’s Institute for Youth, Education, and Families also encouraged broader use of the federal Earned Income Tax Credit, which returns millions of dollars to low-income residents and local communities.



Enhancing the Stature of Cities and Towns

The National League of Cities has become the “go-to” organization for information about the nation’s cities and towns. During 2003, the National League of Cities frequently made news **advancing key issues in the nation’s top media** including *The New York Times*, *Newsweek*, *Time Magazine*, and *The Economist*, as well as the front pages of *USA Today*, *The Washington Post*, and *The Los Angeles Times*.

City leaders from across the country, speaking for the National League of Cities, appeared on NBC Nightly News, CBS Evening News, CNN, National Public Radio, C-SPAN, CNBC, and CNNfn, among others. The National League of Cities and active members also made news in hundreds of local newspapers and television outlets. NLC’s own newspaper, *Nation’s Cities Weekly*, is the premier news source for local government officials and was dramatically redesigned during the year.

Helping Cities Compete in a Global Market

NLC’s international programs focused on promoting the **economic competitiveness of American cities and towns in a global market** and on building links between city officials in the United States and their counterparts abroad through education, research, international fellowships, and advocacy for fair trade.

During 2003, NLC sent elected officials and state municipal league staff on fellowships sponsored by the Japan Local Government Center, the American Council on Germany, and the German Marshall Fund. Advocacy efforts

on legislation approving Trade Promotion Authority for President Bush included language designed to help **sustain local authority in trade agreements**.

Members of NLC’s International Task Force worked to create a new relationship with peers from the Federation of Canadian Municipalities, and NLC continued to exercise a leadership role in the revitalization of the international association of cities and towns, United Cities and Local Governments (formerly known as International Union of Local Authorities).

Creating New Partnerships to Support Cities and Towns

To strengthen local government, encourage economic competitiveness, and promote corporate civic engagement, the National League of Cities established the Corporate Partners Program in 2003. The program promotes the exchange of ideas between corporate leaders and the leaders of America's cities and towns.

At the close of the fiscal year, nine partners had joined the program: 3M, the American Trucking Association, ESRI, Fannie Mae, Freddie Mac, IBM, ICMA Retirement Corporation, Maximus, and Microsoft.

Foundation Support for the National League of Cities

The National League of Cities gratefully acknowledges foundations that have supported programs, services, and research for America's cities and towns through grants to the National League of Cities Institute.

Funders during the 2003 fiscal year included:

- Carnegie Corporation of New York
- Annie E. Casey Foundation
- CH2M Hill Foundation
- Ford Foundation
- Bill and Melinda Gates Foundation
- William T. Grant Foundation
- William and Flora Hewlett Foundation
- The Joyce Foundation
- W.K. Kellogg Foundation
- Lincoln Institute of Land Policy
- A.L. Mailman Family Foundation, Inc.
- MetLife Foundation
- Charles Stewart Mott Foundation
- David and Lucile Packard Foundation
- Surdna Foundation, Inc.

About the National League of Cities

The National League of Cities is the voice for America's cities, towns, and villages and the 225 million American who live in them. Working to build a strong nation through strong communities, the National League of Cities is the largest and most powerful advocate and resource for cities serving members that range in size from New York City to Bee Cave, Texas.

The mission of the National League of Cities is to strengthen and promote cities as centers of opportunity, leadership, and governance.

NLC was founded in December 1924 by 10 state municipal leagues that recognized the need for a national organization to strengthen local government through research, information sharing, and advocacy. It was initially an organization of state municipal leagues. In the 1960s and 1970s, membership was gradually opened to cities of all sizes, giving local elected leaders a more direct opportunity to shape the priorities, policies, and advocacy positions of the organization. Today, the NLC works in close partnership with all 49 state municipal leagues.

The unique partnership among the NLC, the 49 state municipal leagues, the elected leaders of the 1,700 direct member cities, and 18,000 state league member cities provides a powerful action and learning network.

The National League of Cities is headquartered at 1301 Pennsylvania Avenue in Washington, DC, between Capitol Hill and the White House.

Core Beliefs of the National League of Cities

We believe in:

- Representative, participatory local government.
- Local government as the cornerstone of government in the United States.
- The value of public service.
- The value of diversity throughout our organization and our communities.
- Municipal authority over municipal issues.
- A commitment to the highest ethical standards among public officials.
- Civility and mutual respect.
- Anticipating the needs of communities and developing strategies to meet those needs and improve the quality of life.
- Partnerships, coalitions, and collaborations to strengthen cities and our advocacy efforts.

National Meeting Schedule:

Congressional City Conference (Washington, DC)

March 5-9, 2004

March 11-16, 2005

Congress of Cities Conference and Exposition

December 9-13, 2003 • Nashville, Tennessee

November 30-December 4, 2004 • Indianapolis, Indiana

December 6-10, 2005 • Charlotte, North Carolina



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