

FSIC Advocacy Efforts Letters and Op-eds

LETTER TO FEMA DIRECTOR RE: AWARDING PRIME CONTRACTS TO MINORITY BUSINESSES

Discussion Draft

October xx, 2021

Deanne Criswell
Administrator
FEMA
500 C Street
Washington, DC 20024

Dear Administrator Criswell,

We are writing to express our concern about the lack of minority firms receiving contracts related to disaster relief and preparedness. Several of us have applied in the past to become prime contractors and have never been able to participate on an equitable basis. We are always relegated to small sub-contracts that provide little opportunity for real economic gain. Sub-contracts usually involve the work the prime contractors don't want to do because it is not profitable. This puts us in the difficult situation of doing the worst jobs for the smallest amount of remuneration.

As FEMA looks to provide aid to the most recent disaster areas, we request a meeting to determine a way for more minority firm inclusion.

Thank you in advance for your attention to this matter.

Sincerely,

Kevin B. Kimble, Esq.
Founder & CEO
Financial Services Innovation Coalition (FSIC)

Dr. Charles Steele
President and CEO
SCLC National

Brady J. Buckner
President
Partnership for Innovation and Empowerment

Calvin Littlejohn
President
TRI-Construction

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LETTER TO REP JOYCE BEATTY RE: SHERWIN WILLIAMS PLANT CLEVELAND

Discussion Draft

October XX, 2021

The Honorable Joyce Beatty
2303 Rayburn House Office Building
Washington, DC 20515

Dear Representative Beatty:

We are writing you today as the chair of the Congressional Black Caucus and a member of the Ohio Delegation. As a group we are deeply concerned about the lack of minority inclusion in the construction of the Sherwin Williams plant in Cleveland (please see attached article). As Congress looks to pass an infrastructure bill and a \$3+ billion reconciliation package, it is not lost on us that safeguards for minority participation are inadequate. And the Sherwin Williams/Cleveland situation is a stark reminder of that point.

The project is estimated to cost roughly \$1 billion with \$600+ million coming from Federal, state and local funding, yet no prime contractors or developers of color have been selected as of yet. When one considers the fact that \$100s of millions of federal, state and local government money being used, this racially exclusive project begs for federal intervention, now and for future projects coming from future funding.

We ask that you request a congressional oversight and investigation hearing and reach out to the justice Department and ask for a full investigation into this project. We also ask that the DOJ be required to review allegations made by contractors in this and other states who have been left out of federal funding opportunities through state and local governments.

Thank you for listening to our concerns.

Sincerely,

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Kevin B. Kimble, Esq.
Founder & CEO
Financial Services Innovation Coalition (FSIC)

Dr. Charles Steele
President and CEO
SCLC National

[additional signature omitted to save space for this publication]

Urban Greenhouses Can Help Alleviate Food Insecurity

October 4, 2021

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Charles E. Schumer
Senate Majority Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Debbie Stabenow
Chairwoman
Senate Agriculture Committee
Washington, DC 20515

The Honorable David Scott
Chairman
House Agriculture Committee
Washington, DC 20515

Dear Speaker Pelosi, Leader Schumer, Chairwoman Stabenow, and Chairman Scott:

We write to request that \$300 million be included in the Reconciliation package to build greenhouses and Controlled Environment Agriculture (CEA) structures in urban areas over the next five years.

As we fight through the ramifications of the Coronavirus pandemic and climate change-fueled natural disasters, many deficiencies in our country's supply chain have been brought to light. None is direr than the lack of food security and nutritional availability we have discovered in many communities. If people can't get to work or if they are infected and are dangerous to co-workers or the general public, the vastly complex food supply chain is in peril. While this issue has often been discussed, it has been largely wrapped into other economic issues.

Greenhouse food production has been discussed as a simple potential solution to this problem. Hydroponic greenhouses can produce significant amounts of locally and sustainably produced fresh vegetables especially in areas such as food deserts and frontline communities, thereby reducing the reliance on imports, reducing the reliance on a string of COVID susceptible processes, and creating new local jobs.

Greenhouse food production is an integral part of the overall supply chain. According to the USDA, Mexico's share of the greenhouse tomato market has grown sharply, accounting for almost 84 percent (1.8 billion pounds) of the greenhouse volume coming into the U.S. market. An environmentally friendly solution, indoor growing facilities can use abandoned or under-utilized structures, including warehouses and rooftops as well as brownfield sites - in underserved communities. Greenhouse food production utilizes technologies such as Artificial Intelligence and machine vision, bringing high-tech jobs and technology training to underserved communities.

The greenhouse food production industry is stimulating new educational options for young people in marginalized and minority communities, preparing them for STEM careers. At the same time, unemployed adults can find stable jobs in the greenhouse industry such as maintenance, deliveries, food production, and sales.

It is widely acknowledged that these greenhouses have the capacity to efficiently and sustainably produce significant amounts of fresh fruits and vegetables to urban and rural communities:

- Greenhouses have a higher yield than outdoor farms.
- Greenhouses create more local jobs than outdoor farms.
- Greenhouses require significantly fewer inputs and resources than outdoor farms.
- Greenhouses require significantly less space than outdoor farms.
- Greenhouses can operate predictably, irrespective of weather patterns.
- Greenhouses operate 365 days a year producing high nutritional produce for local communities.

We must take action and buttress the infrastructure that will not only solve current food security problems but will also have a lasting and positive effect on food and agriculture as the COVID crisis abates.

We request you include funding in the next stimulus package to create community-based food-producing greenhouses. The House passed Agricultural Appropriations bill included \$7 million in additional funding for the Urban Ag Office with \$1 million dedicated to Greenhouse Demonstration Programs. We would request this number be increased to \$10 million to develop a network of greenhouses throughout the country in disadvantaged areas and food deserts.

These demonstration projects should be located in areas that are economically disadvantaged food deserts to create the most socio-economic impact and will be designated for funding through a competitive bidding process. As an example, an average greenhouse size of 20,000 sf, which can produce over 500,000 heads of lettuce per year, would carry an average construction cost of approximately \$500,000.

Vertical grow greenhouses and vertical farms need significantly less floor space as the growing space is tiered upwards. The cost in terms of lateral square footage is less but the cost of construction for that space is significantly higher than for a traditional, single-floor greenhouse. It is our hope that these projects can also be focused in Brownfield areas where the development would be environmentally advantageous. To measure the success of these projects we would suggest greenhouses provide visually verifiable data of growth, production, and harvest.

We would also suggest each grant include a digital training program that allows each underserved community to begin an agronomy certification program. The key component of such a program would be an intensive, hands-on experience in the greenhouse and with advanced technology such as AI. Once certified, graduates will have the knowledge to use

the industry's leading imagery and AI tools to ensure the marketability of their careers and feed into hundreds of operating greenhouse companies.

Such a program could reasonably train one hundred students per year in the experience necessary for manufacturing and technology jobs.

Sincerely,

Kevin B. Kimble, Esq.
Founder and Board Chair
Financial Services Innovation Coalition

Charles Steele, Jr.
President and CEO
Southern Christian Leadership Conference

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FSIC OP-ED RE: BLOCK GRANT REFORM REQUEST

COVID Has Proven That Block Grants Don't Work

By: Kevin B. Kimble, Esq.
October 4, 2021
Financial Services Innovation Coalition (FSIC)



The Covid crisis has shed light on many systemic vulnerabilities in our country. Most notably, the unwillingness of many states to use federal allocations to help their citizens calls into question the reliance on block grants and state institutions to use the money. State's rights have been one of the most insidious vestiges of racism and "state block grants" are just an extension of this philosophy. From workforce dollars, to extended unemployment benefits to Medicaid expansion, many states refuse to use federal funding intended to help underserved people.

Hundreds of millions in Federal recovery funds have been given to states to aid the most vulnerable communities due to the COVID-19 pandemic. Yet despite the crisis level need of those hardest hit,

the funds still have not been spent. This is not a new problem. The Tennessean wrote about this in 2019 when the State of Tennessee was caught hoarding \$730 million in Federal Block Grant funds that were supposed to be used to help poor working families (see [article](#)).

The refusal of states to use Mortgage and Rental relief funds is just the most recent example. The Supreme Court ruled that the current Federal Eviction moratorium was unconstitutional, while over \$40 billion in mortgage relief funds were unspent by states. FSIC long ago understood the problem with depending on states to help their citizens and encouraged the federal government to simply issue housing vouchers for those in need. ([link to op-ed](#))

Additionally, as we have discussed, many states also refuse to spend work force money or provide contracting opportunities to minority businesses. We regularly speak with minority businesses people who complain they cannot get contracting opportunities or participation in other state programs. In our opinion, the states can no longer be relied upon to distribute federal assistance and block grants should become a thing of the past.

*The **Financial Services Innovation Coalition (FSIC)** is a network of Industry Innovators, Legislators, Community Groups, and Academics who share a passion for applying emerging technology and market innovation to create a more inclusive economy and advocate for policy which promotes economic empowerment. For additional information about the organization, visit [FSIC \(FSICoalition.com\)](#). For additional information about the press release or to arrange an interview with FSIC officials, contact Brady Buckner at info@fsicoalition.org, or 202-680-4749.*

FSIC Advocacy Efforts Supporting Articles

Multimillion-dollar beach property taken from Black owners in Jim Crow era is cleared to be returned

By Cheri Mossburg, CNN

Updated 4:19 PM ET, Fri October 1, 2021



A pedestrian walks past a historical marker in Manhattan Beach, California, for Bruce's Beach, which was seized from the Black property owners in 1924 after threats by White homeowners and the KKK.

(CNN) A stretch of prime Southern California beachfront real estate can now be returned to the descendants of its rightful Black owners, nearly a century after the parcel was taken by the city of Manhattan Beach.

Known as Bruce's Beach, the resort had offered Black families a place to enjoy the California life and was a labor of love for owners [Charles and Willa Bruce](#). But harassment from White neighbors and the Ku Klux Klan tore away at their dreams. The final blow came in 1924 when the city took the property through eminent domain and paid the couple a fraction of what they asked for. The city wanted the land for a park.

On Thursday, Gov. Gavin Newsom signed legislation that will enable the county to return the beachfront property to their descendants. The two lots are worth approximately \$75 million in total, officials confirmed to CNN [earlier this year](#). The houses directly next to the property have hefty price tags of around \$7 million each.

The new law was authored by Sen. Steve Bradford, who sits on the state's newly formed reparations task force.

"This is what reparations look like," said Bradford, insisting that the county is not giving anything to the Bruce family, yet simply returning their stolen property.

The Bruces purchased the land for \$1,225 in 1912, and built several facilities, including a cafe and changing rooms. It was one of the few beaches where Black residents could go because so many other local beaches did not permit Black beachgoers.

But some White neighbors resented the resort's popularity, a Bruce family spokesperson told CNN earlier this year.

White supremacists and Klan members posted "no trespassing" signs" and slashed tires so Black families would avoid the area. The KKK attempted to set the property on fire and succeeded in burning down a local Black family's home nearby, county officials said earlier this year.



Anthony Bruce, the great-great grandson of Charles and Willa Bruce, speaks at a press conference where California Gov. Gavin Newsom signed SB 796, authorizing the return of ocean-front land to the Bruce family

Los Angeles County Supervisor Janice Hahn told reporters that when scare tactics didn't work, Manhattan Beach declared eminent domain in 1924. The couple eventually were paid about \$14,125. They died just five years later.

The city left the land vacant for several decades after it took ownership in 1929. Today, the property is now a park with a lawn, parking lot and a lifeguard training facility. It no longer belongs to Manhattan Beach. The property was transferred to the state and to Los Angeles County in 1995.

When the county supervisors attempted to return the property to the Bruce family last spring, they discovered state eminent domain law prevented them from doing so.

"If the Bruces had been allowed to keep the property that they purchased, the impact that would have had on generations of not only Bruce family descendants but the other African Americans who began to buy parcels surrounding Bruce's Beach," said Los Angeles County Supervisor Holly Mitchell.

"The law was used to steal this property 100 years ago, and the law today will give it back," said Hahn, who will take the next steps to identify the legal heirs of Willa and Charles Bruce and eventually return the property to the family.

"I am hopeful that the people in California will see the importance of trying to right this wrong," said Shepard, the family spokesman.

State Sen. Bradford said the story of Charles and Willa Bruce is not unique in California. "Black-owned properties experienced tremendous amounts of hatred, harassment, hostility and violence at the hand of the Ku Klux Klan, who cold-bloodedly threatened the Bruces and other families who dared to enjoy their property."

CNN's Alexandra Meeks contributed to this report.

A Covid-19 Relief Fund Was Only for Black Residents. Then Came the Lawsuits.

Oregon earmarked \$62 million to explicitly benefit Black individuals and business owners. Now some of the money is in limbo after lawsuits alleging racial discrimination.



Nearly \$50 million worth of grants have been awarded to Black Oregonians since the Oregon Cares Fund was approved by state lawmakers. Litigation could leave others without a lifeline during the pandemic. Credit...Brian Hayes/Statesman-Journal, via Associated Press



By [John Eligon](#)
Jan. 3, 2021
New York Times

[To read more stories on race from The New York Times, [sign up here for our Race/Related newsletter.](#)]

Black civic leaders in Oregon heard the alarm bells early in the pandemic.

Data and anecdotes around the country suggested that the coronavirus was disproportionately killing Black people. Locally, Black business owners had begun fretting about their livelihoods, as stay-at-home orders and various other measures were put into place. Many did not have valuable houses they could tap for capital, and requests for government assistance had gone nowhere.

After convening several virtual meetings, the civic leaders proposed a bold and novel solution that state lawmakers approved in July. The state would earmark \$62 million of its \$1.4 billion in federal Covid-19 relief money to provide grants to Black residents, business owners and community organizations enduring pandemic-related hardships.

“It was finally being honest: This is who needs this support right now,” said Lew Frederick, a state senator who is Black.

But now millions of dollars in grants are on hold after one Mexican-American and two white business owners sued the state, arguing that the fund for Black residents discriminated against them.

The dispute in Oregon is the latest legal skirmish in the nation’s decades-long battle over affirmative action, and comes in a year in which the pandemic has starkly exposed the socioeconomic and health disparities that African-Americans face. It has unfolded, too, against the backdrop of the Black Lives Matter movement, with institutions across America — from corporations to city councils — acknowledging systemic racism, and activists demanding that meaningful steps be taken to undo racial inequities.

Politicians, social scientists and jurists have long clashed over how far the government and institutions should go to repair the harm caused by racial discrimination — and the extent to which past racism should influence today’s decisions. In creating the Oregon Cares Fund, lawmakers took the rare step of explicitly naming a single racial group as the beneficiary, arguing that Black residents have been subjected to unique discrimination that put them at a disadvantage during the pandemic.

Over the decades, various remedies to address discrimination have been met with legal challenges. Supreme Court rulings have established that race-based policies are constitutional only if they achieve a compelling governmental interest and are narrowly tailored to do so. The court has most notably allowed race to be used as a factor in college admissions to achieve student diversity. But the court in recent decades has also sided against one of the original rationales for affirmative action policies — to undo past discrimination and its lingering effect.

“You have to show that there’s this really close nexus between why you’re using race and the outcome you’re seeking,” said Melissa Murray, a professor of law at New York University. “And I think here it’s going to be a real question as to whether funding just Black businesses through this Cares fund is actually the only way that you could address the problems that Black Oregonians have experienced during this particular period.”

In Oregon, the stakes are dire. Nearly \$50 million worth of grants have been awarded, but a court has frozen \$8.8 million, the remaining amount minus administrative costs, until the litigation is resolved, a process that could take years.



Lew Frederick, an Oregon state senator, said the fund openly recognized that Black people needed support to fight the coronavirus. Credit...Andrew Selsky/Associated Press

With Congress having recently extended the deadline to the end of this year for states to spend their CARES Act funds or return what remains to the federal government, some worry that lengthy litigation could mean the money is lost for good.

Oregon's long history of anti-Black racism has fueled much of the advocacy for the state's fund. And while other racial groups have said they supported it, critics have argued that Black people are not the only ones who have faced discrimination in the state.

Some Black residents, who make up about 2 percent of the state's population, said that argument was a distraction.

"As a state, as a country, it is unusual for us to provide adequate resources to Black people," said Nkenge Harmon Johnson, the president and chief executive of the Urban League of Portland. "For some folks, it's shocking, it's distasteful."

But Edward Blum, a white conservative activist whose organization, Project on Fair Representation, is underwriting one of two lawsuits challenging the fund, said the opposition was about preventing racial exclusion.

"It is like, in the employment arena, going to apply for a job and seeing a sign on the employment office that reads, 'No Asians need apply,'" said Mr. Blum, who has led efforts to challenge race-based admissions policies at universities, including a [high-profile case against Harvard](#). "Your race and your ethnicity should not be used to help you or harm you in your life's endeavors."

Walter Leja, a plaintiff in one of the lawsuits, said he might be on the verge of laying off employees from Dynamic Service Fire and Security, the small electrical services company he started in Salem in 2007, if he did not receive relief money soon. An earlier loan of about \$20,000 from the federal Paycheck Protection Program, he said, was just enough to cover payroll for about two months.

Mr. Leja, who is 64 and white, said he could not say whether historic discrimination put Black business owners at a disadvantage. But a particular fund, he said, was not warranted.

“It’s discriminatory,” he said. “It’s locking up a bunch of funds that can only be used by Black businesses when there’s a ton of other businesses out there that need access to those funds. It’s not a white or Black thing. It’s an everybody thing.”



“It is unusual for us to provide adequate resources to Black people,” said Nkenge Harmon Johnson, the president and chief executive of the Urban League of Portland. Credit...Tojo Andrianarivo for The New York Times

That lawsuit — a class-action case led by Mr. Leja and the white owner of a logging company, Great Northern Resources, based in the city of John Day — is one of two that challenges the fund. The other, underwritten by the Center for Individual Rights, a nonprofit law firm advocating limited government, involves a Mexican-American owner of the Revolution Coffee House, in Portland, who has claimed discrimination.

Many of today’s economic and health disparities stem from past policies and practices that were explicitly racist, some social scientists say, arguing that measures aimed at particular races were necessary to undo the damage. But courts have set a high bar for allowing the clear use of race in legislation. To get around the legal hurdles, policymakers tend to rely on proxies for race — like ZIP codes and socioeconomic status — when designing measures they hope will benefit marginalized racial groups.

But Akasha Lawrence Spence, a state representative, said subtle measures were not enough for the current crisis. Specifically targeting Black Oregonians for relief was an important step in forcing people to grasp the effects of racism, she added.

“This fund says that we understand that for no other reason than the color of your skin, you have been restricted and prohibited from accessing the tools to economically mobilize,” she said. “For that reason, we’re not going to create any veiled language. We as the Black community are tired of that.”

Supporters of the fund argued that the \$62 million accounted for about 4.5 percent of what the state received, leaving plenty for residents who are not Black. They also noted that other Covid-19-related funds were tailored in a way that allowed them to almost exclusively benefit particular racial or ethnic groups — a [\\$10 million fund created by the state](#) that largely benefits undocumented Latino immigrants and one created by Portland officials [to aid a district of largely Asian-owned businesses](#).

Designing measures in that way to target Black residents would be difficult and fail to have a significant impact, they said.

Oregon's history of racism predates its statehood. As a territory in 1844, it passed a law [banning African-Americans from settling there](#).

The state's Black population ballooned in the 1940s as many Southerners migrated West for jobs in the wartime industries. Like in many other parts of the country, the new Black settlers in Oregon were restricted to certain areas. In 1990, 80 percent of the state's Black population was confined to two ZIP codes in Northeast Portland, according to Stephen Green, a Portland native and former banker.



A Black Lives Matter mural in Northeast Portland. Black settlers in Oregon were restricted to living in certain areas. Credit...Tojo Andrianarivo for The New York Times

Banks and other investors largely avoided doing business in those communities. Residents were also displaced when parts of those neighborhoods were razed at different times to build a highway, a sports arena and a hospital.

That history robbed many African-Americans of opportunities to build wealth, historians say, a legacy that continues. The racial wealth gap in Multnomah County, which includes Portland, is larger now than it was 40 years ago, with [Black residents holding fewer assets](#) than other racial groups.

In 2019, Black Oregonians received four of the 984 loans that the Small Business Administration issued statewide, [according to The Portland Business Journal](#).

Without traditional banking relationships, Black business owners often have had to reach into their own pockets or seek other avenues to finance start-up costs, civic leaders said. That left many unable to get pandemic relief loans offered by the federal government because the [loans required going through lending institutions](#).

Early in the pandemic, various indicators appeared to show that Black businesses were suffering more severely than others. [A Stanford University study](#) found that the number of Black business owners nationwide dropped by 41 percent from February to April, compared with a 32 percent decrease for Latinos, 26 percent for Asians and 17 percent for white owners.



Joy Mack received a grant from the Oregon Cares Fund, which she credits for saving her salon from financial collapse. Credit...Tojo Andrianarivo for The New York Times

Lawyers defending the Oregon Cares Fund [have argued](#) that the state has a duty to ensure that the distribution of Covid-19 relief funds does not perpetuate the disparities Black residents face. That means targeting Black residents for relief because other efforts to address inequality have failed, said Janelle Bynum, a state representative who is Black.

“Without that intentionality, without them actually caring that the money flows through our communities, they’ll never have to do anything to change the status quo,” she said. “I’m not OK with that.”

But some legal scholars and a [lawyer for the State Legislature said](#) the fund could violate the 14th Amendment’s equal protection guarantees.

Clark D. Cunningham, a law professor at Georgia State University, was dubious of the 14th Amendment claims. About a month after the amendment passed Congress in 1866, those same politicians reauthorized the Freedmen’s Bureau, an agency meant to primarily help formerly enslaved African-Americans, he said.

“The idea that, in this case, a lumber company could use the 14th Amendment as a weapon to prevent the descendants of slaves from receiving an economic benefit in a time of disaster is utterly inconsistent with the historical context,” Mr. Cunningham said.



Edward Blum, a conservative activist whose organization is underwriting a lawsuit challenging the fund, said the group’s opposition was about preventing racial exclusion. Credit...Sarah Rice for The New York Times

In Portland, Joy Mack said the pandemic rekindled the stress she felt when she opened the Jayah Rose Salon in 2008. She and her husband, an engineer, are both Black and solidly middle class.

But after visiting more than 10 lending institutions to try to get start-up funding, she received only two loans, she said. One of the lenders kept asking for more financial information, so they eventually walked away from the relationship.

In trying to keep her hair salon afloat amid the pandemic, Ms. Mack, 45, said she applied for a forgivable federal government loan but was turned down because she had about \$5,000 in tax debt. She got a \$5,000 grant from the city and a \$10,000 disaster loan from the federal government. She also has had to take out lines of credit.

Ms. Mack eventually received a grant from the Oregon Cares Fund. Although she would not say how much she received, she said it saved her from having to close down under the weight of tens of thousands of dollars of debt.

“Honestly,” she said, “that is what just helped us get over that Covid hump.”

John Eligon is a Kansas City-based national correspondent covering race. He previously worked as a reporter in Sports and Metro, and his work has taken him to Nelson Mandela's funeral in South Africa and the Winter Olympics in Turin. [@jeligon](#)

A version of this article appears in print on Jan. 4, 2021, Section A, Page 1 of the New York edition with the headline: Lawsuits Target a Covid Fund Meant to Help Black Residents.

Report: Tennessee has \$730 million in unused block grant funds for poor working families

[Natalie Allison](#)

The Tennessean

Jan 19, 2019



Tennessee is sitting on more than \$730 million in unused federal block grant funds designed to help poor working families, a figure the conservative Beacon Center of Tennessee says is concerning.

The nonpartisan but fiscally conservative think tank discovered the substantial reserve money this month while conducting research on Tennessee's public assistance programs for its report, "Poverty to Prosperity."

Tennessee receives \$190.9 million each year through the federal government's Temporary Assistance for Needy Families program. Last year, Beacon found the state spent just \$71.1 million of that money, or 37% of the annual block grant amount.

The remaining funds are placed in a reserve fund, which as of September had grown to \$732.7 million. By contrast, the state just set aside roughly \$225 million to bring its general rainy day reserve fund to a record high of \$1.1 billion.

"I haven't seen a plan put out on how to utilize that funding, and if we don't come up with some type of plan, then we probably shouldn't continue getting \$190 million each year," said Stephanie Whitt, the Beacon Center's executive vice president.



State does not have plan to use 'surplus' TANF funds

Through its Families First program, Tennessee receives TANF block grant funds to provide temporary cash assistance, transportation, child care assistance, job training and other support services to help low-income working families.

Families participating in the program received an average of \$243 in cash assistance during August, according to state data. Employed participants in the program make an average of \$927 per month.

The state's Families First program in August assisted 19,119 families consisting of 40,914 individuals.

"The Families First program emphasizes work, training and personal responsibility," the Department of Human Services states on its website. "It is temporary and has a primary focus on gaining self-sufficiency through employment."

DHS spokesman Sky Arnold said the department refers to the leftover block grant money as a "surplus" rather than "reserves," and "has chosen to take a careful, fiscally responsible and strategic approach to utilize these funds to strengthen Tennessee families."

The department does not have any formal plans for how it is going to disperse the large sum of money in the near future.

In response to a question about whether Gov. Bill Lee had concerns about the sum of TANF money remaining in the bank, press secretary Laine Arnold said the surplus money could be held for a rainy day.

"Federally funded programs like TANF experience fluctuations in case load based on the economy," Laine Arnold said. "A surplus in funding provides a cushion for potential economic downturn and the higher case load that could ensue, and also affords the opportunity to fund additional programming that meets federal requirements."

The governor's office did not list any new programs it plans to implement through the funds.

Sky Arnold pointed to DHS electing earlier this year to increase the monthly allotment to participating families by 20%, as well as DHS' partnership with organizations around the state through its "two-generation" approach to address poverty by supporting both children and parents.

The state's Families First program, implemented in 1996, has to date awarded \$36 million to groups such as Project Return, the United Way of Metro Nashville, and Gideon's Army.

But Whitt projects that if the state continues to only spend around \$70 million of its annual \$190 million TANF block grant, the fund will quickly reach a balance of nearly \$1 billion in unused money.

"Our concern is that is a lot money to have sitting there, especially when we have people we can help," said Whitt, who worked for DHS as an assistant commissioner between 2015 and 2017.

Beacon Center recommends state create new programs with TANF money

According to U.S. Census data, Tennessee's 16.7% poverty rate is above the national average. The rate is even higher for children, 28% of whom are living in poverty.

Because the state receives TANF funds as a block grant with significantly more flexibility on administration and eligibility requirements than other federal entitlement money, Beacon is suggesting Tennessee use the funds to create innovative programs to provide more help for working families.

Whitt suggested using that money to provide transportation and childcare supplements for families as they continue to move up the economic ladder, providing incentives for adults to grow their incomes and maintain jobs.

Beacon's report, which examined whether Tennesseans are able to use public assistance programs to escape poverty, also looked at Tennessee's Supplemental Nutrition Assistance Program and TennCare, the state's Medicaid program.

The group found that while the number of SNAP and TANF cases in Tennessee have decreased in the years since the nation's economic recession, the number of TennCare cases has still grown amid low unemployment rates in the state.

Reach Natalie Allison at nallison@tennessean.com. Follow her on Twitter at [@natalie_allison](https://twitter.com/natalie_allison).

Exclusive: Lee Atwater's Infamous 1981 Interview on the Southern Strategy

The forty-two-minute recording, acquired by James Carter IV, confirms Atwater's incendiary remarks and places them in context.

By [Rick Perlstein](#) [Twitter](#)

November 13, 2012

The Nation

It has become, for liberals and leftists enraged by the way Republicans never suffer the consequences for turning electoral politics into a cesspool, a kind of smoking gun. The late, legendarily brutal campaign consultant Lee Atwater explains how Republicans can win the vote of racists without sounding racist themselves:

*You start out in 1954 by saying, “n*****, n*****, n****.” By 1968 you can’t say “n****”—that hurts you, backfires. So you say stuff like, uh, forced busing, states’ rights, and all that stuff, and you’re getting so abstract. Now, you’re talking about cutting taxes, and all these things you’re talking about are totally economic things and a byproduct of them is, blacks get hurt worse than whites.... “We want to cut this,” is much more abstract than even the busing thing, uh, and a hell of a lot more abstract than “n*****, n****.”*

Now, the same indefatigable researcher who brought us Mitt Romney’s “47 percent” remarks, James Carter IV, has dug up the entire forty-two-minute interview from which that quote derives. Here, *The Nation* publishes it in its entirety for the very first time.



The back-story goes like this. In 1981, Atwater, after a decade as South Carolina’s most effective Republican operative, was working in Ronald Reagan’s White House when he was interviewed by Alexander Lamis, a political scientist at Case Western Reserve University. Lamis published the interview without using Atwater’s name in his 1984 book *The Two-Party South*. Fifteen years later—and eight years after Atwater passed away from cancer—Lamis republished the interview in another book using Atwater’s name. For seven years no one paid much attention. Then the *New York Times*’ Bob Herbert, a bit of an Atwater obsessive, quoted it in an October 6, 2005 [column](#)—then five more times over the next four years.

Those words soon became legend—quoted in both screeds (*The GOP-Haters Handbook*, 2007) and scholarship (Corey Robin’s 2011 classic work of political theory, *The Reactionary Mind*). Google Books records its use in ten books published so far this year alone. Curious about the remarks’ context, Carter, who learned Lamis had died in 2012, asked his widow if she would consider releasing the audio of the interview, especially in light of the use of race-baiting dog-whistles ([lies](#) about Obama ending work requirements for welfare; [jokes](#) about his supposed Kenyan provenance) in the Romney presidential campaign. Renée Lamis, an Obama donor, agreed that very same night. For one thing she was “upset,” Carter told me, that “for some time, conservatives believed [her] husband made up the Atwater interview.” For another, she was eager to illustrate that her husband’s use of the Atwater quote was scholarly, not political.

So what does the new contextual wrapping teach us? It vindicates Lamis, who indeed comes off as careful and scholarly. And no surprise, it shows Atwater acting yet again in bad faith.

In the lead-up to the infamous remarks, it is fascinating to witness the confidence with which Atwater believes himself to be establishing the racial innocence of latter-day Republican campaigning: “My generation,” he insists, “will be the first generation of Southerners that won’t be prejudiced.” He proceeds to develop the argument that by dropping talk about civil rights gains like the Voting Rights Act and sticking to the now-mainstream tropes of fiscal conservatism and national defense, consultants like him were proving “people in the South are just like any people in the history of the world.”

It is only upon Professor Lamis’s gently Socratic follow-ups, and those of a co-interviewer named “Saul” (Carter hasn’t been able to confirm his identity, but suspects it was the late White House correspondent Saul Friedman), that Atwater begins to loosen up—prefacing his reflections, with a plainly guilty conscience, “Now, y’all aren’t quoting me on this?” (Apparently, this is the reason why Atwater’s name wasn’t published in 1984 but was in 1999, after his death).

He then utters his infamous words. The interlocutors go on to kibitz about Huey Long and barbecue. Then Atwater, apparently satisfied that he’d absolved the Southern Republican Party of racism once and for all, follows up with a prediction based on a study he claims demonstrates that Strom Thurmond won 38 percent of South Carolina’s middle-class black vote in his 1978 Senate campaign (run by Atwater).

“That voter, in my judgment,” he claims, “will be more likely to vote his economic interests than he will anything else. And that is the voter that I think through a fairly slow but very steady process, will go Republican.” Because race no longer matters: “In my judgment Karl Marx [is right]... the real issues ultimately will be the economic issues.” He continues, in words that uncannily echo the “47 percent tape” (nothing new under the wingnut sun), that “statistically, as the number of non-producers in the system moves toward fifty percent,” the conservative coalition cannot but expand. Voila: a new Republican majority. Racism won’t have anything to do with it.

Not bloody likely. In 2005, the political scientists Nicholas Valentino and David Sears [demonstrated](#) that a Southern man holding conservative positions on issues other than race is no more likely than a conservative Northerner to vote for a Democrat. But when the relevant identifier is anti-black answers to survey questions—like whether one agrees “If blacks would only try harder they could be just as well off as whites”—white Southerners were twice as likely than white Northerners to refuse to vote Democratic. As another political scientist, Thomas Schaller, wrote in his 2006 book [Whistling Past Dixie](#) (which naturally quotes the infamous Atwater lines), “Despite the best efforts of Republican spinmeisters...the partisan impact of racial attitudes in the South is *stronger* today than in the past.”

Which one particular Republican spinmeister, when he wasn’t preening before political scientists, knew fully well—which was why, seven years after that interview, in his stated [goal](#) to “rip the bark off the little bastard [Michael Dukakis]” on behalf of his candidate George H.W. Bush, Atwater ran the infamous ad blaming Dukakis for an escaped Massachusetts convict, Willie Horton, “repeatedly raping” an apparently white girl. Indeed, Atwater pledged to make “Willie Horton his running mate.” The commercial was sponsored by a dummy outfit called the

[National Security Political Action Committee](#)—which it is true, was a whole lot more abstract than saying “n*****, n*****, n*****.”

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