

INNOVATION: State Preemption

THE PROBLEM

Current market supports and workplace rules are insufficient to govern the new economy. But just as cities are beginning to experiment with new institutional, policy, or regulatory frameworks, many states are tying their hands and preventing new local rules of the road. This is an issue of local control, but it also is an urgent roadblock to figuring out what works.

State preemption is troubling for a number of reasons. Legislative and regulatory capture at the state level primarily benefit incumbent businesses. While the case for state or national preemption is often centered on uniformity, the past few years have seen an uptick in “deregulatory preemption,” a loss of local authority without the state taking responsibility for new industries. And there’s also an argument that heterogeneity within a state provides more choices for potential entrepreneurs to select from when choosing where to start a business or strike out on their own.

Beyond these direct effects, preemption laws also threaten the ability of cities to attract and retaining talent. States are prohibiting policies that make communities more welcoming places and more conducive to attracting entrepreneurial talent: anti-discrimination policies; immigration protections; and inclusive zoning or housing price control.

THE SOLUTION

Change the conversation by putting economic growth and entrepreneurship at the center of the fight for local control, by **understanding what works and where threat exists**.

Build a local coalition of workers, businesses, entrepreneurship community leaders, to advocate at the state level & push back against statewide uniformity.

Reframing and winning the debate over preemption requires:

1. New data to evaluate the alignment between city and state and the impacts of state interference;
2. A new coalition to support local policy solutions;

The Public Policy Lean Canvas

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Designed for:

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Date:

Version:

PROBLEM Local innovation and adaptation in economic policy is being stifled by state interference and preemption. When cities aren't free to experiment, the rest of us aren't able to understand what works and what doesn't. Contrary to its stated purpose, state preemption can often act to protect incumbents, not enable new businesses.	INTERVENTION Change the conversation by putting economic growth, the future of work, & entrepreneurship at the center of the fight for local authority. Assess what areas of policy and regulation are important for you to retain or recover control of. Build a local coalition of workers, businesses, e-shop community leaders, to advocate at the state level & push back against statewide uniformity. Experiment with new ordinances that test the limits of city authority in a productive way, especially in new policy areas.	METRICS Needed: Causal or Correlative link to local economic impact and state preemption laws E.g. does minimum wage preemption hurt or help job growth, Outcome measure: Reduction in proposed and enacted state bills that limit local authority. Increase the policy space available to cities	PARTNERS/RESOURCES REQUIRED Broad-based coalition with business interests at the front. Eds and Meds Startup Ecosystem Cities across the same state Entrepreneurs ROLLOUT STRATEGY Offensive roll-out: Target existing legislation for repeal Defensive: Activate	BENEFICIARIES City Government Local Communities Regions divided by state or other jurisdictional lines Startups IMPACT
RISKS - POLITICAL AND OTHER POLITICAL Provoking or worsening relationship with state legislature		REVENUE AND/OR OTHER BENEFITS <div>CostRevenue</div> No direct costNo direct revenue		
CONSTITUENTS Lack of understanding or education on the issue.				

The Lean Public Policy Canvas is adopted from the Lean Canvas by Ash Maurya
The Lean Canvas is adapted from The Business Model Canvas by Alex Osterwalder (www.businessmodelgeneration.com/canvas)

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