

NACo's ten policy steering committees propose the following priorities for 2017.

## Agriculture & Rural Affairs

- **Maintain Funding for Rural Infrastructure:** NACo supports an increase in federal funding for critical infrastructure such as water, wastewater, roads and bridges, and broadband deployment for rural communities. The cost of building and maintaining these assets is a challenge for many rural counties.
- **Working for a More Effective "Waters of the U.S." Definition:** NACo believes that local streets, gutters and human made ditches should be excluded from the definition of WOTUS. NACo also believes routine maintenance projects of human-made flood protection facilities should be exempt from the Clean Water Act (CWA)'s Section 404 program.
- **Support USDA Rural Development Program Funding:** NACo supports USDA Rural Development programs and urges Congress and the Administration to oppose further cuts to these important programs.

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## Community, Economic and Workforce Development

- **Support Increased Funding for the Community Development Block Grant (CDBG) Program:** The U.S. Department of Housing and Urban Development CDBG program has been cut by \$1 billion since FY 2010. For FY 2017, CDBG is funded at \$3 billion under a Continuing Resolution through December 9, 2016. NACo will continue to lobby for increased CDBG formula funding levels in FY 2018. CDBG is an irreplaceable funding stream that provides flexible resources to counties for critical community and economic development needs.
- **Implement and Fund County Priorities under the Workforce Innovation and Opportunity Act (WIOA), Title I Formula Grants:** Congress passed WIOA in July 2014. NACo continues to work to ensure that WIOA implementation regulations reflect the intent of Congress, preserving local governance authority, while promoting innovation and flexibility to respond to local emerging economic realities and business needs. NACo will also work to ensure Congress continues to support local workforce development system by funding WIOA Title I Adults, Dislocated Workers and Youth state formula grants as well as oppose efforts to consolidate WIOA funding in a way that would reduce funding levels or limit access to services for jobseekers.
- **Assist in the Rehabilitation of Infrastructure and Public Works:** NACo supports federal funding for sufficient infrastructure and support services to generate increased economic activity such as multimodal transportation, power utilities, broadband, water treatment and wastewater management systems, and natural gas distribution infrastructure.
- **Support Federal Economic Development:** NACo continues to support federal economic development programs and grants through the U.S. Department of Commerce's Economic Development Administration and the HUD Section 108 Loan Guarantees program.

## Environment Energy & Land Use

- **Working for a More Effective “Waters of the U.S.” Definition:** NACo believes that local streets, gutters and human made ditches should be excluded from the definition of WOTUS. NACo also believes routine maintenance projects of human-made flood protection facilities should be exempt from the Clean Water Act (CWA)’s Section 404 program.
  - **Advancing Water/Wastewater Affordability (Regulatory Relief for Water/Wastewater Systems):** NACo believes the federal government should adopt clear federal policies and regulations that allow flexibility to state and local governments to implement water/wastewater programs. Because the elimination of water pollution is a long-term process limited by economic and social costs, a reasonable relationship between costs and benefits should be a key consideration toward reaching the goal of improved water quality throughout the nation. More restrictive federal clean water requirements and new mandates should not be imposed on counties and ratepayers unless the federal government provides federal funding to meet all Clean Water Act mandates.
  - **Increasing Water/Wastewater Infrastructure Funding:** NACo supports federal funding for existing or new federal mandates. NACo supports the State Revolving Loan Fund (SRF) programs, the Clean Water State Revolving Loan Fund (CWSRF), and the Drinking Water State Revolving Loan Fund, as supplements to, not a substitute for, federal grants programs. Grants and technical assistance should be made available to those small, rural, disadvantaged communities that are unable to meet their needs solely with loans.
  - **Support Comprehensive National Energy Policy:** NACo supports increased federal efforts to promote traditional and renewable energy sources, such as coal, oil and gas, natural gas, wind, solar, geothermal, biomass, electricity from landfill gas and other forms of energy to diversify the nation’s energy base.
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## Finance, Pensions & Intergovernmental Affairs

- **Oppose Unfunded Mandates and Preserve County Revenues:** NACo opposes any new unfunded mandates and federal initiatives that fail to protect county revenues. In addition, NACo supports efforts to reform the lands in trust process to include the protection of county interests, such as jurisdiction and property tax revenues.
  - **Opposition to Preemption of Taxing Authority:** NACo opposes efforts by any industry seeking to create its own special immunity from state and local taxation. NACo supports efforts that preserve and enable state and local governments to exercise their tax authority.
  - **Protect Municipal Financing:** NACo supports legislation that enhances the ability of county governments to access credit markets and lower the cost of borrowing. NACo opposes measures that would eliminate or limit the benefit of tax-exempt municipal bonds. Furthermore, NACo urges the federal government to fulfill its obligations, such as providing previously guaranteed subsidy payments for Build America Bonds, and avoid any actions that would negatively impact county financing.
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## Health

- **Protect the Federal-State-Local Partnership Structure for Financing and Delivering Medicaid Services:** NACo supports measures that enhance flexibility in the Medicaid program to support local systems of care. County hospital systems, long-term care facilities, behavioral health authorities and public health departments play a critical role in the Medicaid delivery system. Therefore, counties' ability to put up local matching funds and to receive targeted supplemental payments should be preserved. NACo opposes proposals to institute block grants or per capita caps, as they would serve to further shift costs to counties and reduce counties' ability to provide for the health of their residents. In addition, counties urge Congress to renew funding for the Children's Health Insurance Program (CHIP).
  - **Support Policies to Prevent and Treat Mental Illnesses and Substance Abuse:** NACo supports measures that maintain funding for Substance Abuse and Mental Health Services Administration (SAMHSA) block grants, fully implement and expand mental health parity, ease the Medicaid Institute of Mental Disease (IMD) exclusion, expand access to health information technology (HIT), develop and expand the behavioral health workforce, simplify health privacy provisions and provide services across the life cycle. In addition, counties support targeted funding to help them combat the opioid epidemic.
  - **Improve Health Services for Justice-Involved Individuals:** NACo supports collaborative programs between the health, human services and justice sectors—such as those made possible by the Mentally Ill Offender Treatment and Recovery Act (MIOTCRA)—that can help reduce the percentage of individuals in jails whom have a mental illness. NACo supports the extension of Medicaid to individuals detained in county jails pending disposition of charges and the suspension, instead of termination, of benefits during the incarceration period.
  - **Protect Funding for Core Public Health Services and Safety Net Health Programs:** NACo supports measures that provide dedicated funding, such as the Prevention and Public Health Fund (PPHF), to county public health departments to help them address health problems at the population level and the underlying social determinants of health. In addition, NACo supports initiatives such as the Community Health Center program, the National Health Service Corps, Teaching Health Centers and the 340B Drug Pricing program that enhance counties' ability to care for all of their residents.
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## Human Services & Education

- **Poverty Prevention and Reduction:** NACo supports federal investments and strategies that focus on serving those most in need and addressing the root causes of poverty. Additionally, NACo encourages Congress and federal agencies to treat counties as an integral partner to reduce poverty across the country; together, federal, state and local governments can collaborate to strengthen economic opportunity for individuals and prevent, reduce or eliminate dependency on social services. Programs and funding that assist individuals in need and prevent the cycles of poverty from taking hold, such as the Social Services Block Grant and the Temporary Assistance for Needy Families program, should be fully funded and maintain the maximum amount of flexibility possible at the local level.
  - **Support Reauthorization of the Temporary Assistance for Needy Families (TANF) Program:** NACo supports reauthorizing the TANF Block Grant through legislation that includes increased funding and no new mandates on state and local administrators. NACo also supports a reauthorization that addresses poverty by eliminating the separate requirements for two-parent families and allows greater flexibility in the use of TANF funds for education, basic skills and language training, job searches and substance abuse prevention and treatment, among others. TANF guidelines should also incentivize the exploration of performance based outcomes for child-related programs, and maintain a focus on strengthening families.
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## Human Services & Education, continued

- **Preserve Social Services Block Grant (SSBG) Funding:** NACo supports preserving funding for the Administration for Children and Families SSBG. The block grant continues to be a critical source of federal resources for a wide variety of county functions, such as adult protective services, child care for children with special needs, child welfare and child abuse prevention. In some cases, it is the only source of funding for these services. Funding for SSBG has been cut continuously since 1995 and should be restored to the highest level possible with a maximum amount of flexibility for states and counties.
  - **Support Increased Investments in Early Childhood Development:** NACo supports enacting legislation to increase investments in early childhood development to ensure that needed educational, nutritional and social services are available to children in the critical years of development ranging from prenatal care to age five. This includes greater coordination among pre-school programs in schools and county-run programs such as home visitation, child wellness, Head Start, Early Head Start and quality childcare. Early Head Start, in particular, deserves stronger support so that infants, toddlers and their caregivers can take advantage of the program's continuum of services at an earlier age. Additionally, programs and policies focused on early childhood development should consider implementing a two-generation approach that supports parents as well as their children.
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## Justice & Public Safety

- **Help Decrease Mental Illness in Jails by Fully Funding and Reauthorizing MIOCTRA:** Each year, there are an estimated 2 million individuals with serious mental illnesses admitted to jails across the nation. The Mentally Ill Offender Treatment and Crime Reduction Act (MIOTCRA) supports local efforts to decrease mental illness in jails through a broad range of activities, including jail diversion programs, mental health courts, in-jail treatments and transitional services. MIOTCRA should be fully funded in the annual appropriations process, and Congress should reauthorize the program.
- **Provide Funding for CARA and Local Efforts to Address Substance Abuse:** The Comprehensive Addiction and Recovery Act (CARA) was signed into law with broad bipartisan support in July, 2016. The legislation authorized federal programs that will help state and local governments develop and implement responses to drug addiction and the opioid epidemic. CARA programs will provide resources related to prevention and education, treatment, recovery, overdose reversal and law enforcement. As countless local communities struggle with substance abuse, Congress should act quickly to appropriate funding for the programs authorized in CARA.
- **Promote Local Law Enforcement Innovation through Byrne JAG Grants:** The U.S. Department of Justice's Byrne JAG grant program is a critical part of the federal government's support for local law enforcement programs and initiatives. Byrne JAG funds can be used for local criminal justice programs related to prosecution and courts; prevention and education; corrections and community corrections; drug treatment and enforcement; planning, evaluation, and technology improvement; and crime victim and witness programs (other than compensation). Full funding for the program should be a priority in annual appropriations.

## Justice & Public Safety, continued

- **Facilitate Successful Reentry by Reauthorizing the Second Chance Act:** Enacted in 2008, the Second Chance Act authorizes federal grants that assist state and local governments in developing and implementing programs to help formerly incarcerated individuals successfully reintegrate into the community after their release from correctional facilities. Second Chance Act programs have helped numerous counties provide reentry services – like employment assistance, substance abuse and mental health treatment, housing, family-center programming and mentoring – to adults and juveniles returning to the community from prisons or jails. The program should be funded at least at the FY 2010 level of \$100 million and should be reauthorized.
  - **Support Local Hazard Preparation through the EMPG Program:** The U.S. Department of Homeland Security’s (DHS) Emergency Management Performance Grant (EMPG) program assists state and local governments in their efforts to protect their communities from natural and man-made disasters, and is the most demonstrably successful DHS grant program. EMPG should remain an all-hazards program that is funded separately from all other grants that specifically address terrorism or other specific issues, at or above current funding levels. States should be required to pass through a minimum 70 percent of EMPG funds to local governments.
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## Public Lands

- **Maintain Full Funding for the Payments in Lieu of Taxes (PILT) Program:** PILT compensates counties for tax-exempt federal land within their boundaries. Counties received their last full PILT payment in summer of 2016. NACo will continue to urge Congress to act to provide funding for FY 2017 and beyond.
- **Full Funding for the Secure Rural Schools (SRS) Program:** Until the federal government fully implements a sustainable long term forest management program with adequate revenue sharing for forest counties and schools, NACo supports extending and fully funding the SRS program as a transition funding mechanism.
- **Promote Active Management, Restoration and Resources Revenue Sharing on Federal Lands:** NACo supports land management legislation to address the critical land management issues on our federal lands, including increased active management of timber and rangelands, and the reduction of statutory road blocks that impede the production of oil, gas, mineral resources, timber, renewable energy and other natural resources on federal land. Congress should work to establish a modern revenue sharing program that allocates revenues generated from the management of designated federal lands and resources to counties consistent with historical revenue sharing practices. NACo supports legislation which maintains the connection between payments to counties and active natural resource management.

## Telecommunications & Technology

- **Support Broadband Deployment and Adoption:** NACo supports legislation and administrative policies that help counties attract broadband services regardless of population or technology used. This includes legislation that provides tax credits to telecommunications providers that develop broadband in rural and under-served communities, and gives broadened eligibility and additional federal agency loan authority or extension of credit to telecommunications providers that deploy broadband in rural communities.
  - **Enhance Next Generation 911:** NACo supports legislation that would define standards for Next Generation 911 and ensure that the states properly allocate 911 usage fees to counties. Next Generation 911 is a system that enables public safety answering points (PSAPs) to receive digital information including: telephone calls, pictures, videos, and text messages using an Internet Protocol (IP) based foundation. As consumers are transitioning to the use of cellular and IP based technology as their primary means of communication it is important that counties and their PSAPs are able to receive emergency communications using up-to-date technology.
  - **Enhance Cybersecurity Measures:** As counties continue to face an increasing risk of cyber threats from multiple sources every day, it is important to ensure that citizens' personal information and critical county infrastructure are adequately protected, recoverable and secured in the event of any potential breach. As Congress considers the Cybersecurity Information Sharing Act, and other legislation to address cybersecurity, NACo will work to ensure that the needs of counties and local government are considered.
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## Transportation

- **Support Long-term Transportation Funding and Financing:** NACo supports a solvent and secure dedicated federal funding source for transportation and infrastructure. In addition, NACo supports increasing and indexing the federal motor fuel user fees (gas tax) to meet current and future highway and transit funding needs, provided all additional revenue resulting from such an increase is dedicated for highway, bridge and transit programs.
- **Ensure County Priorities in President-elect Donald Trump's Infrastructure Plan:** President-elect Trump has indicated a desire to introduce legislation aimed at boosting America's transportation infrastructure. NACo will work to ensure this package contains county priorities while not burdening communities with unfunded mandates.
- **FAST Act Implementation:** The FAST Act contained many provisions beneficial to counties. One year since the enactment of the law, many programs have been rolled out to provide innovative ways for counties to access capital and streamline projects, such as the Local Empowerment for Accelerating Projects (LEAP) Program. NACo will continue to work to ensure that the essence and intent of the law is adhered to, providing counties with increased resources and greater flexibility to complete projects.

## Proposed NACo 2017 national policy priorities for board consideration

NACo supports federal policies and programs that equip the nation's 3,069 county governments with the resources and tools needed to effectively serve their residents. NACo works to preserve local decision making and protect counties from unfunded mandates and preemption of local authority.

### National Policy Priorities

- **PROTECT THE TAX-EXEMPT STATUS OF MUNICIPAL BONDS:** NACo supports preserving the federal deductibility of local property and income taxes and the tax exempt status of municipal bonds that provide critical funding for public facilities, infrastructure and development. Provisions like the tax exemption for municipal bond interest have been part of the federal tax code for over 100 years, helping to efficiently and safely finance trillions of dollars in public works projects.
  - THE MAJORITY OF TAX-EXEMPT BONDS FINANCE THE BUILDING OF SCHOOLS, HOSPITALS, ROADS AND OTHER INFRASTRUCTURE
  - 75% OF OUR NATION'S PUBLIC INFRASTRUCTURE PROJECTS ARE COMPLETED USING BOND FINANCING
- **PROTECT THE FEDERAL-STATE-LOCAL PARTNERSHIP FOR MEDICAID:** NACo supports maintaining the federal-state-local structure for financing and delivering Medicaid services. Counties continue to be concerned about measures that would limit the ability of states to direct supplemental payments to county providers, curtail the ability of counties to contribute local funds to match federal dollars or otherwise shift federal and state Medicaid costs to counties including cuts, caps or block grants. We support efforts to improve the efficiency and effectiveness of policies and operations.
  - COUNTIES SPEND \$83 BILLION ANNUALLY ON COMMUNITY HEALTH AND HOSPITAL SERVICES
  - COUNTIES OWN AND SUPPORT 961 HOSPITALS AND 883 NURSING HOMES, 750 BEHAVIORAL HEALTH AUTHORITIES AND OPERATE 1,943 LOCAL HEALTH DEPARTMENTS ACROSS THE COUNTRY



## National Policy Priorities

- **PROMOTE COUNTY SURFACE TRANSPORTATION PRIORITIES:** NACo will work to ensure that any transportation and infrastructure measures to reflect county priorities, including allocating more funding for locally owned infrastructure, increasing local decision making authority, prioritizing investments that increase economic development, mobility and safety. NACo will also continue to urge Congress to resolve the long-term solvency of the Highway Trust Fund.
  - COUNTIES OWN 46% OF ALL PUBLIC ROAD MILES
  - COUNTIES OWN 38% OF THE NATIONAL BRIDGE INVENTORY
  - COUNTIES ARE INVOLVED IN A THIRD OF THE NATION’S PUBLIC TRANSPORTATION SYSTEMS AND AIRPORTS
- **WORK FOR A MORE EFFECTIVE DEFINITION OF “WATERS OF THE U.S.”:** NACo believes that local streets, gutters and human-made ditches should be excluded from the definition of “Waters of the U.S.” (WOTUS) under the federal Clean Water Act. NACo calls on Congress to require the U.S. Environmental Protection Agency and U.S. Army Corps of Engineers to withdraw the new WOTUS rule and rewrite it in consultation and collaboration with state and local governments.
  - MORE THAN 70% OF COUNTIES INVEST IN STORM SEWER SYSTEMS, SEWAGE DISPOSAL, SOLID WASTE MANAGEMENT AND WATER UTILITIES
  - COUNTIES INVEST \$23.9 BILLION IN SANITARY, STORM SEWER SYSTEMS AND SEWAGE DISPOSAL/TREATMENT AND WATER SUPPLY SYSTEMS
- **SUPPORT COUNTY AUTHORITY TO COLLECT EXISTING SALES TAX:** NACo supports legislation to permit the collection of existing sales and use taxes from remote sellers. The issue of collecting remote sales taxes has escalated in recent years due to the Internet’s growth as a retail marketplace. As a result, state and local governments have lost billions in uncollected sales taxes and Main Street businesses find themselves at a significant competitive disadvantage to online merchants. This disadvantage is amplified because online merchants and their customers use local infrastructure and services without contributing to their provision.
  - \$26.1 BILLION OF EXISTING SALES TAX REVENUE IS CURRENTLY BEING UNCOLLECTED— THIS WOULD PROVIDE FUNDING FOR ESSENTIAL LOCAL SERVICES INCLUDING INFRASTRUCTURE, PUBLIC SAFETY, EDUCATION AND ECONOMIC DEVELOPMENT



## National Policy Priorities

- **SUPPORT POLICIES TO PROMOTE BEHAVIORAL HEALTH AND CRIMINAL JUSTICE REFORM:** NACo supports measures that enhance the ability of counties to prevent and treat mental illness and substance abuse disorders. NACo also supports programs and legislation to reduce mental illness in jails and provide appropriate treatment to those in custody, while protecting overall public safety.
  - APPROXIMATELY 8.5 MILLION ADULTS HAVE BOTH A MENTAL HEALTH AND SUBSTANCE ABUSE DISORDER
  - 11.6 MILLION INDIVIDUALS CYCLE IN AND OUT OF MORE THAN 3,000 LOCAL JAILS EACH YEAR
  - 64% OF JAIL INMATES HAVE A MENTAL ILLNESS
- **SUPPORT THE PAYMENT IN LIEU OF TAXES (PILT) AND SECURE RURAL SCHOOLS (SRS) PROGRAMS:** NACo supports restoring full mandatory funding for the Payments in Lieu of Taxes (PILT) program, which compensates counties for tax-exempt federal land within their boundaries. NACo also supports extending the Secure Rural Schools (SRS) program as a transitional funding mechanism until the federal government fully implements a sustainable long-term forest management program with adequate revenue sharing for forest counties and schools.
  - 62.8% OF COUNTIES HAVE FEDERAL LAND WITHIN THEIR BOUNDARIES
  - PILT AND SRS SUPPORT CRITICAL SERVICES IN COUNTIES INCLUDING EMERGENCY SERVICES, SEARCH AND RESCUE, FIRE PROTECTION, FOREST MAINTENANCE, EDUCATION AND TRANSPORTATION INFRASTRUCTURE
- **SUPPORT PROGRAMS THAT ASSIST COUNTIES TO PREVENT AND REDUCE POVERTY:** NACo supports federal investments and strategies that focus on serving those most in need and address the root causes of poverty. Because counties are responsible to maintain the local social safety net and are mandated to provide indigent care, NACo supports fully funding programs that assist those most in need and maintain the maximum amount of efficiency and flexibility possible at the local level. Key federal programs that assist counties in tackling poverty include the Social Services Block Grant, the Community Services Block Grant and the Temporary Assistance for Needy Families program.
  - COUNTIES INVEST OVER \$58 BILLION IN HUMAN SERVICES EACH YEAR
  - OVER 58% OF COUNTIES HAVE POVERTY RATES ABOVE THE NATIONAL AVERAGE
  - IN SOME STATES, COUNTIES ADMINISTER FEDERAL ANTI-POVERTY PROGRAMS, INCLUDING THE TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) WELFARE PROGRAM, THE SOCIAL SERVICES BLOCK GRANT (SSBG) AND THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP)