

# 2016 FALL ADVOCACY toolkit

## MAKE THE MOST of the CONGRESSIONAL RECESS!



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## ABOUT NACo

The National Association of Counties (NACo) unites America's 3,069 county governments. Founded in 1935, NACo brings county officials together to advocate with a collective voice on national policy, exchange ideas and build new leadership skills, pursue transformational county solutions, enrich the public's understanding of county government, and exercise exemplary leadership in public service.

With Congress in recess for the next several weeks, county leaders have a great opportunity to advocate for county legislative and regulatory priorities right at home. NACo has put together the following information to help you be an effective advocate during the summer recess.

- <u>Advocacy Opportunities and Planning</u>
- Media Toolkit
- Policy and Regulatory Briefs

## MISSION

Through NACo, county officials:

- Advocate with a collective voice on national policy
- Exchange ideas and build new leadership skills
- Pursue transformational, cost-effective solutions
- Enrich the public's understanding of county government, and
- Exercise exemplary leadership in public service.

## VISION

Healthy, vibrant and safe counties across the United States.

## STRONGER COUNTIES. STRONGER AMERICA.

# CHECK OUT NACO'S NEW COUNTIES MATTER RESOURCES AT naco.org/countiesmatter

# COUNTIES (MATTER)

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## NACO COUNTY EXPLORER MAPPING COUNTY DATA



## **MORE ABOUT COUNTY EXPLORER**

County Explorer includes the latest available data for 3,069 counties across 19 categories, over 100 datasets, more than 800 indicators and 11 types of county profiles.

Email research@naco.org for more information

## www.NACo.org/CountyExplorer



## MEDIA TOOLKIT

While members of Congress are in their states and districts during the summer and fall district work periods, county officials have a great opportunity to draw attention to key federal policy issues that impact your county.

There are many ways to work with your local media, including issuing a press release to inform your community about a congressional visit to your county projects and facilities. Submitting an op-ed or guest commentary to local papers is also an excellent way to express your views in a highly-visible way. To assist you, NACo has developed a <u>Media Relations Guide for Counties</u> that provides tools and tips on how to best work with local media outlets.

# NACO HAS TOOLS to ASSIST YOU with LOCAL MEDIA OUTLETS

• To access the media relations guide, click here





## **IDEAS FOR ADVOCACY** have you thought about...







## ADVOCACY OPPORTUNITIES and PLANNING

With the 2016 legislative calendar quickly coming to a close, talk in the nation's capital has shifted to the upcoming November elections, the need to enact "must pass" appropriations bills and laying the groundwork for a new administration and a new Congress.

First the U.S. Congress must reach agreement on how to address or finalize the FY 2017 annual appropriations process without causing a government shutdown before the new fiscal year begins October 1. The U.S. House of Representatives is only scheduled to have 33 more in-session days this year, while the U.S. Senate has 43 remaining days in Washington. That doesn't leave much time to finish major bipartisan, bicameral bills and negotiate with the White House which will undoubtedly further complicate matters.

Not only must Congress fund the federal government for FY 2017, but leaders are also having important conversations about other issues that impact our nation's counties, which they will take up in the new year. This is why it is so critical to meet with your Members of Congress about how their decisions impact your local communities.

Between now and the end of the year, federal lawmakers will be back in their home districts and states more days than they are in Washington. These district or state "work periods," particularly the one occurring during the month of August, provide counties with a unique opportunity to communicate with members of Congress and demonstrate your impact within your communities.

## WHY COUNTIES MATTER FAST FACTS

#### **ECONOMIC DEVELOPEMENT**



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If you do not already have plans to meet with your senators and representative(s) while they are home, we encourage you to reach out to their offices and request meetings. To schedule a meeting with members of your congressional delegation, you should contact the scheduling staff at the office location nearest to you. Information on office locations and contact numbers can be found on members' websites. The U.S. House of Representatives directory can be found <u>here</u> and the U.S. Senate directory can be found <u>here</u>.

If possible, county leaders should invite members of Congress and local media to tour county facilities and projects, especially those that closely relate to policy and regulatory issues outlined in this toolkit (e.g. jails, transportation facilities and hospitals that received federal funding, etc.). Lawmakers will appreciate the opportunity to see the facilities supported by federal funds, discuss the programs, meet local elected officials and talk with employees (meaning voters!). Whether you get them in a car and drive around their district or schedule a tour, this is a highly effective way to build the relationship and begin your advocacy efforts.

A federal project tour gives legislators an opportunity to see their contributions to their constituents and also serves as an opportunity for the local community and local elected officials to provide on-site feedback to your members of Congress. If a federal project tour isn't an option for your county, consider inviting your congressional members to attend a county event such as the county fair or county board meeting. Remember to thank them for their time and, if possible, take pictures and issue a press release about the visit.



## POLICY *and* REGULATORY BRIEFS TABLE of CONTENTS

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## PROTECT TAX-EXEMPT STATUS of MUNICIPAL BONDS

## BACKGROUND

Tax-exempt bonds were included in the first tax code in 1913 and are a well-established financing tool. They are predominantly issued by state and local governments for infrastructure and capital needs purposes. The debt issued for capital projects helps governments pay for public projects, such as the construction or improvement of schools, streets, highways, hospitals, bridges, water and sewer systems, ports, airports and other public works.

Since the Great Recession, deficit reduction efforts have led states to cut aid to local governments while Congress has reduced federal funding for programs that support counties. As federal policymakers call for a comprehensive rewrite of the federal tax code, changes to the tax exemption for municipal bond interest could be considered which would jeopardize a low-cost, market-driven means of financing to support county needs.

Over the last several years, a number of measures to eliminate or limit the benefit of the tax exemption for municipal bond interest have been proposed, starting with the 2010 National Commission on Fiscal Responsibility and Reform Recommendations, which would have eliminated the exemption. The last five presidential budget requests called for capping the exemption at 28 percent.

## COUNTY INTEREST

Tax-exempt bonds are a critical tool for counties that facilitate budgeting and financing for longrange investments in the infrastructure and facilities necessary to meet public demand. Without the tax-exemption, counties would pay more to raise capital, a cost that would ultimately be felt by taxpayers as it would result in reduced spending on county roads, bridges and other essential infrastructure, slower economic development and higher taxes and fees.

## STATUS

Although tax reform efforts stalled in the 113th Congress, the work to gather ideas and seek recommendations to simplify the tax code continued in the 114th. Most recently, Speaker of the U.S. House of Representatives Paul Ryan (R-Wis.), issued a blueprint for tax reform which did not provide detailed policy recommendations on the tax treatment of municipal bond interest.

Components of the numerous proposals that have been released thus far will likely find their way into future tax reform bills. Further, as Congress continues to struggle to find a long-term solution for transportation and infrastructure funding, tax-exempt financing will inevitably feature in the debate over ways for state and local governments to fund major transportation projects.

In the House, Reps. Randy Hultrgren (R-III.) and C.A. "Dutch" Ruppersberger (D-Md.), both former county officials, have taken up the cause of protecting the tax-exempt status of municipal bonds, forming a new bipartisan House Municipal Finance Caucus.

## TALKING POINTS

- Urge your House and Senate members to protect the tax-exempt status of municipal bond interest. Invite your House member to join the bipartisan Municipal Finance Caucus.
- The tax-exemption for municipal bond interest represents a fair allocation of the cost of projects between federal, state and local levels of government. Through the use of tax-exempt municipal bonds, state and local governments invested 2.5 times more in infrastructure than the federal government.
- 75 percent of all national infrastructure projects are completed using bond financing. Counties, localities, states and state/local authorities invested \$3.2 trillion in infrastructure using municipal bonds from 2003-2012.
- If municipal bonds were fully taxable during the 2003-2012 period, financing the 21 largest types of infrastructure projects would have cost state and local governments an additional \$495 billion of interest expense. If the 28 percent cap were in effect, the additional cost to state and local governments would have been approximately \$173.4 billion.
- Tax-exempt bonds are vital for infrastructure, justice and health needs because counties own and operate 44 percent of public roads and highways, own almost a third of the nation's transit systems and airports, own 964 hospitals, manage 1,947 health departments and own many of the nation's jails.

# RELEVANT COMMITTEES WITH JURISDICTION (FIND YOUR MEMBER):

- House Ways and Means Committee
- <u>Senate Finance Committee</u>



## SUPPORT MARKETPLACE FAIRNESS ACT

## BACKGROUND

For over a decade, NACo has called on Congress to grant state and local governments the authority to enforce existing sales tax laws on remote purchases made over the Internet. Over the years, several legislative initiatives have been introduced to resolve this issue although none of become law. The 113th Congress saw the most progress when the Senate passed the Marketplace Fairness Act (MFA) of 2013 with a strong bipartisan vote (69-27).

## COUNTY INTEREST

The issue of taxing remote sales has compounded in recent years due to the extraordinary development of the Internet as a retail marketplace. State and local governments have lost billions of dollars in uncollected sales taxes. At the same time Main Street businesses are at a significant competitive disadvantage to online retailers. Sales in e-commerce are projected to continue increasing. For example, total online sales for Black Friday 2015 reached over \$2.7 billion, a 14 percent increase over the same period in 2014.

## STATUS

In the 114th Congress, MFA champions, Sens. Michael Enzi (R-Wyo.), Richard Durbin (D-III.), Lamar Alexander (R-Tenn.) and Heidi Heitkamp (D-N.D.) reintroduced the MFA as S. 698 in March. In the U.S. House of Representatives, a similar bill, the Remote Transactions Parity Act (H.R. 2775) was introduced by Rep. Jason Chaffetz (R-Utah) with strong bipartisan support. Essentially like the 2013 bill, S. 698 requires out-of-state merchants to collect the same taxes that local merchants collect. Though similar to the Senate bill, H.R. 2775 would ultimately phase out the small seller exemption over three years, beginning with sellers under \$10 million in remote sales per year, dropping to \$5 million per year and \$1 million in the third. The Chaffetz bill also establishes a physical presence standard for the definition of a remote seller. House Judiciary Committee Chair Bob Goodlatte (R-Va.) has not embraced the Chaffetz bill, and instead has floated a set of legislative principles which would permit states and local governments to collect taxes on remote sales based on the buyer's jurisdiction, but at the rate imposed by the seller's jurisdiction.

To date, neither S. 698 nor H.R. 2775 have seen floor action. However, earlier this year Senate Majority Leader Mitch McConnell (R-Ky.) promised MFA proponents that he would bring S. 698 to the Senate floor for a vote before the end of 2016. If the measure is passed by the Senate, the House could move MFA if packaged with year-end must-pass legislation. However, House Speaker Paul Ryan (R-Wis.) has indicated that he wants the Judiciary Committee to take up the issue under regular order.

## TALKING POINTS:

- Urge your Senators to support and cosponsor the Marketplace Fairness Act (S. 698).
- Urge your member of the House of Representatives to support and cosponsor the Remote Transactions Parity Act (H.R. 2775).
- Enacting legislation like the MFA or the Remote Transactions Parity Act does not create a new tax. It simply allows state and local governments to enforce existing sales and use tax laws.
- The measure would enable states and local governments to collect an estimated \$26 billion owed in sales tax each year that could be dedicated to providing important public services such as infrastructure, education, health and public safety.
- Enacting remote sales tax legislation would level the playing field for Main Street businesses. These businesses are at an estimated five to ten percent competitive disadvantage to remote sellers because of their inability to collect existing sales taxes. Main Street businesses contribute to local economies and are active participants in local communities.
- The technology to help businesses track varying tax rates and collect from customers already exists, reducing the concern that once existed for business. The software that keeps track of tax rates is no more complicated than calculating real-time-shipping, a feature that already exists on most retail websites.

# RELEVANT COMMITTEES WITH JURISDICTION (FIND YOUR MEMBER):

- House Judiciary Committee
- <u>Senate Finance Committee</u>



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Congress should act now on this critical issue for counties by passing legislation like the Marketplace Fairness Act (MFA) or the Remote Transactions Parity Act (RTPA) by the end of the year.

- MFA/RTPA is not a new tax. It would allow state and local governments to collect existing sales and use taxes on remote sales.
- MFA/RTPA would enable state and local governments to collect sales taxes that are already owed each year that could be dedicated to providing important local services such as infrastructure, public safety, education and economic development.
- Passing federal legislation would level the playing field for local retailers who are at a competitive disadvantage to online retailers who do not have to collect taxes.

Source: NACo Analysis of data from U.S. Census Bureau; U.S. Bureau of Economic Analysis; Federal Communications Commission; University of Tennessee.





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# ACHIEVE MENTAL HEALTH

## BACKGROUND

The need for comprehensive reform to our nation's mental health and substance abuse treatment system has never been more apparent. One in five adults in the U.S. experiences a mental illness, with less than half receiving treatment in the past year. One in 10 experience a substance use disorder, with only approximately 10 percent receiving treatment in the past year. An estimated 8.5 million adults in the U.S. have both a mental health and substance abuse disorder. As of 2013, 55 percent of counties reported not having a behavioral health worker.

Legislative proposals to reform the behavioral health system have been repeatedly introduced over the last three years, but have advanced the furthest in the 114th Congress. NACo has long supported measures that maintain funding for the Substance Abuse and Mental Health Services Administration (SAMHSA) Community Mental Health Services (CMHS) and Substance Abuse Prevention and Treatment (SAPT) block grants which help make it possible for counties to provide direct behavioral services to those individuals in most need. In addition, counties support proposals that fully implement and expand mental health parity, ease the Medicaid Institute of Mental Disease (IMD) exclusion, enhance Medicaid flexibility, expand access to health information technology, develop and expand the behavioral workforce, simplify health privacy provisions, reauthorize and fully appropriate the Mentally III Offender Treatment and Crime Reduction Act (MIOTCRA), respond to the needs of veterans and fully implement services across the life cycle.

## COUNTY INTEREST

Counties are at the forefront of assisting individuals with behavioral health needs, annually investing \$83 billion in community health systems, including behavioral health services. Through 750 behavioral health authorities and community providers, county governments plan and operate community-based services for people with mental illnesses and substance abuse conditions.

County-based behavioral health services exist in 23 states that collectively contain 75 percent of the U.S. population. Counties also help to finance Medicaid, the largest source of funding for behavioral health services in the U.S., and serve as the local safety net, administering wrap-around human services support.

## STATUS

On July 6, the U.S. House of Representatives passed the long-stalled "Helping Families in Mental Health Crisis Act" (H.R. 2646). NACo supported the bipartisan budget-neutral bill, but reiterated that it is just a "first step in mental health reform." It would create a new assistant secretary position at the Department of Health and Human Services (HHS) to focus exclusively on mental health and substance abuse issues, authorize grant programs for community mental health centers and

reauthorize existing programs at SAMHSA including the CMHS and SAPT block grants. Additionally, it directs the administration to issue rules to clarify what health information is allowed to be shared with family and caregivers under existing law, adds requirements to strengthen federal parity law that requires insurers to cover mental health care in the same way they cover physical illnesses and allows for same-day Medicaid billing.

The U.S. Senate has a parallel, bipartisan bill, the Mental Health Reform Act of 2016 (S. 2680), sponsored by Sens. Chris Murphy (D-Conn.) and Bill Cassidy (R-La.), which NACo supports. It was reported out of the Health, Education, Labor and Pensions (HELP) Committee in March. Senate leadership has indicated S. 2680 could receive floor time in September. A conference committee would then need to reconcile any differences between the House and Senate bills before sending final legislation to be signed into law by the president.

## TALKING POINTS:

- Urge your Senators to consider comprehensive behavioral legislation such as the Mental Health Reform Act of 2016 (S. 2680) that will enhance counties' abilities to prevent and treat mental illness and substance abuse disorders.
- Through 750 behavioral health authorities and community providers, county governments plan and operate community-based services for persons with mental illnesses and substance abuse conditions.
- County-based behavioral health services exist in 23 states that represent 75 percent of the U.S. population.
- Counties help finance Medicaid, the largest source of funding for behavioral health services in the U.S., and serve as the local safety net, administering wrap-around human services supports.
- One in five adults in the U.S. experience a mental illness, with less than half receiving treatment in the past year.
- One in 10 adults in the U.S. experience a substance abuse disorder, with only approximately ten percent receiving treatment in the past year.
- As of 2013, 55 percent of counties do not have a practicing behavioral health worker and 77 percent report unmet behavioral health needs.

# RELEVANT COMMITTEES WITH JURISDICTION (FIND YOUR MEMBER):

- House Energy and Commerce Committee
- Senate Health, Education Labor and Pensions (HELP) Committee

# **BEHAVIORAL HEALTH** MATTERS TO COUNTIES



America's **3,069 counties** are integral to America's behavioral health system. Counties annually invest **\$70 billion** in community health systems, including behavioral health services. Through **750 behavioral** health authorities and community providers, county governments plan and operate community-based services for persons with mental illnesses and substance use conditions. County-based behavioral health systems exist in **23 states** that represent **75% of the US population**.



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## IMPROVE HEALTH SERVICES for JUSTICE-INVOLVED INDIVIDUALS EASE MEDICAID INMATE EXCLUSION

## BACKGROUND

Approximately two-thirds of those detained in county jails at any given time are being held pre-trial and presumed innocent, until proven guilty. Nevertheless, Section 1905(a)(A) of the Social Security Act prohibits federal Medicaid matching funds from being used to pay for their medical care, even if they are eligible and enrolled. This prohibition, called the Medicaid inmate exclusion, results in counties covering the full cost of health care services that are unnecessarily disconnected.

## COUNTY INTEREST

Counties nationwide spend \$93 billion annually on justice and public safety services, including the entire cost of medical care for all arrested and detained individuals. Counties are required by federal law to provide adequate health care for approximately 11.4 million individuals who pass through 3,100 local jails each year with an average length of stay of only 23 days.

This population has a higher prevalence of chronic health conditions (e.g. cervical cancer, hepatitis, arthritis, asthma and hypertension) than the general population. Approximately 64 percent of jail inmates have a mental illness. Serious mental illnesses are three to four times more prevalent among inmates than the general population, and almost three quarters also have substance abuse disorders. Medicaid is the single largest source of funding for behavioral health services in the U.S., and the number of inmates who are eligible for inmates has increased in states expanding Medicaid.

More than 95 percent of prisoners return to the community, not to prison. They reenter their communities bringing these health conditions with them. Most states terminate their Medicaid benefits, dropping them from the rolls. It can take months for former inmates to reenroll and for benefits to be restored after leaving the jail. This creates disruption in access to necessary medical, mental health and addiction treatments and contributes to poor health outcomes including unacceptable rates of relapse and overdose.

## STATUS

While NACo is actively exploring options for regulatory relief from the inmate exclusion with the U.S. Department of Health and Human Services (HHS) Centers for Medicare and Medicaid Services (CMS), members of Congress have introduced a number of bills which would also help counties improve health and mental health outcomes for their justice involved populations. NACo supports the following pieces of legislation:

- H.R. 5100/S. 2874, the At-Risk Youth Medicaid Protection Act of 2016, introduced by Reps. Tony Cardenas (D-Calif.) and Griffith Morgan (R-Va.) and Sen. Chris Murphy (D-Conn.), requires states to suspend vs. terminate Medicaid enrollment for juvenile inmates under 21
- S. 1409, the Supporting Positive Outcomes After Release Act, introduced by Sen. Ed Markey (D-Mass.) requires states to suspend Medicaid vs. terminate for all inmates
- H.R. 4201, the Restoring the Partnership for County Health Care Costs of 2015, introduced by Rep. Alcee Hastings (D-Fla.), removes limitations on Medicaid and other benefits for pre-trial inmates
- S. 1051, the National Health Service Corps Expansion Act of 2015, introduced by Sen. Richard Durbin (D-Ill.), allows jails to be designated as health professional shortage areas, eligible for the National Health Service Corps and the Corps' fellowship program, Scholarship Program, and Loan Repayment Program to help jails recruit qualified health care providers

## TALKING POINTS:

- Urge your Senators and Representatives to support, co-sponsor and move legislation that supports counties' efforts to improve health services for justice-involved individuals and reduce the number of people with mental illness in jails. Specifically, urge your Members on health authorizing committees to support the bills listed above that would allow individuals in custody to continue receiving Medicaid and other federal benefits until they are convicted, sentenced and incarcerated, require states to suspend, instead of terminating, Medicaid for individuals in jails and allow for comprehensive behavioral health services and the recruitment of health professionals in county jails.
- Increasing flexibility in Medicaid is crucial to helping counties fulfill their safety net obligations to justice-involved individuals and improve health outcomes. Extending health benefit coverage to those in pre-trial custody would enable counties to better coordinate systems of care and treat previously undiagnosed individuals with higher incidences of chronic disease, mental illness and substance abuse.
- Improving health services to justice-involved individuals decreases short-term costs to local taxpayers and long-term costs to the federal government. When required jail health care is provided for and reimbursed, pressure on local taxpayers is reduced. In addition, increasing access to primary care and behavioral health and substance abuse treatment for justice-involved individuals has been shown to reduce "downstream" health care, disability and criminal justice costs over time.
- Coordination between counties' mental health and criminal justice systems improves public safety. By treating these populations, jails can help break the cycle of recidivism caused or exacerbated by untreated mental illness, substance abuse and other co-occurring disorders. County law enforcement can also allocate more resources to keeping communities safer.

# RELEVANT COMMITTEES WITH JURISDICTION (FIND YOUR MEMBER):

- House Energy and Commerce Committee
- <u>Senate Finance Committee</u>

# STATE STATUS of MEDICAID SUSPENSION vs. TERMINATION



To view the full report, "Health Coverage & County Jails: Suspension vs. Termination," <u>click here.</u>

## SUPPORT PAYMENTS in LIEU of TAXES (PILT)

## BACKGROUND

The PILT program was created in 1976 to offset costs incurred by counties for services provided to federal employees and families, the public and to the users of public lands. These include education, solid waste disposal, law enforcement, search and rescue, health care, environmental compliance, fire-fighting, parks and recreation and other important community services.

Annual PILT funding levels remained static for many years. For nearly two decades, counties watched the value of their PILT receipts drop due to inflation. In 1995, NACo was successful in securing an amendment to the PILT formula, (P.L. 103-397), which adjusted annual authorization levels for inflation.

For FY 2016, Congress fully funded PILT at the level of \$452 million and the U.S. Department of the Interior has estimated \$480 million will be necessary to fully fund PILT in FY 2017. In FY 2015, PILT was extended with \$70 million in appropriations provided by the FY 2015 National Defense Authorization Act and \$372 million in appropriations provided by the FY 2015 Consolidated and Further Continuing Appropriations Act (P.L. 113-235). Together, the two bills provided full discretionary funding of \$442 million for PILT in FY 2015.

Although full funding was provided in FY 2015, this piecemeal approach subjected a portion of PILT funds to sequestration and required NACo to advocate for a "technical fix" in order to ensure payment of nearly 10 percent of total FY 2015 PILT funds was not delayed into 2016. In FY 2014, PILT was extended through the farm bill (P.L. 113-79) as a fully funded, mandatory entitlement program at \$425 million. Mandatory funding for FY 2013 was achieved through the Moving Ahead for Progress in the 21st Century Act (MAP-21) (P.L. 112-141) and provided \$399 million in PILT funding. Previously, the enactment of the Emergency Economic Stabilization Act (P.L. 110-343) provided full funding for PILT from FY 2008 through FY 2012. From its enactment in 1976 to 2007, PILT was subject to annual appropriations, and as a result was underfunded year after year.

## COUNTY INTEREST

PILT provides payments to over 1,850 counties in 49 states, the District of Columbia, Guam, Puerto Rico and the U.S. Virgin Islands to offset lost property tax revenues due to the presence of non-taxable federal lands within their jurisdictions. 62 percent of counties have federal lands within their boundaries. Because local governments are unable to tax the property values or products derived from federal lands, PILT payments are necessary to support essential government services (mandated by law) such as education, emergency services, transportation infrastructure, law enforcement and health care.

## STATUS

PILT has not yet been funded for FY 2017. Both Senate and House Appropriators have reported FY 2017 Interior and Environment Appropriations Bills that include full funding of \$480 million for PILT. However, the chambers must still reconcile the differences between their bills and final FY 2017 funding legislation must be signed by the president.

## TALKING POINTS:

- While the Senate and House continue to discuss legislative solutions for funding the PILT program, urge your Members of Congress to support long-term predictable funding at its full authorized levels for FY 2017 and beyond.
- The PILT program provides payments to counties and other local governments to offset losses in tax revenues due to the presence of substantial acreage of federal land in their jurisdictions.
- Because local governments are unable to tax the property values or products derived from federal lands, PILT payments are necessary to support essential government services (mandated by law) such as education, emergency services, transportation infrastructure, law enforcement and health care in over 1,850 counties in 49 states, the District of Columbia, Guam, Puerto Rico and the U.S. Virgin Islands.
- Without predictable mandatory funding, PILT will remain a discretionary program subject to the annual appropriations process.

# RELEVANT COMMITTEES WITH JURISDICTION (FIND YOUR MEMBER):

- <u>Senate Energy & Natural Resources Committee</u>
- Senate Interior and Environment Appropriations Subcommittee
- House Natural Resources Committee
- House Interior and Environment Appropriations Subcommittee



- <u>Click here to view the PILT Advocacy Toolkit</u>
- Click here to view the PILT Presentation



## VISIT NACO'S COUNTY EXPLORER TO DOWNLOAD YOUR SPECIFIC COUNTY PROFILE



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## SUPPORT SECURE RURAL SCHOOLS (SRS)

REVENUE SHARING PAYMENTS to FOREST COUNTIES

## BACKGROUND

The SRS program provides assistance to rural counties and school districts affected by the decline in revenue from timber harvests on federal lands. Historically, rural communities and schools have relied on a share of receipts from timber harvests to supplement local funding for education services and roads. During the 1980s, national policies substantially diminished the revenue-generating activity permitted in these forests. The resulting steep decline in timber sales decreased the revenues that rural counties and school districts received from forest management activities.

In response to this decline, SRS was enacted in 2000 (P.L. 106-393) to stabilize payments to counties and to compensate for lost revenues. In October 2008, SRS was reauthorized (P.L. 110-343) and amended to continue, on a sliding payment scale. SRS was reauthorized for FY 2013 (P.L. 113-40) and on April 16, 2015, SRS was reauthorized retroactively (P.L. 114-10) for FY 2014 and 2015. For FY 2015, SRS provided \$278 million to over 700 rural counties, parishes and boroughs across the nation. SRS expired at the end of FY 2015.

The expiration of SRS will create dramatic budgetary shortfalls if Congress fails to renew this long-standing federal obligation to county governments. Enactment of a sustainable long-term program to share revenues generated from the management of designated federal lands with forest counties and schools will ensure that students receive essential education services and rural communities have critical funding for roads, conservation projects, search and rescue missions, and fire prevention programs.

## COUNTY INTEREST

Since 1908, the Forest Service provided counties and schools 25 percent of the revenues collected from management activities on the National Forest System. The SRS program was enacted in 2000 to provide funding for counties and schools to compensate for steep reductions in revenues from timber harvests. For FY 2015, the SRS program provided \$278 million to over 700 rural counties, parishes, and boroughs across the United States.

## STATUS

The Secure Rural Schools and Community Self-Determination Act (SRS) expired in September 2015 and has not been reauthorized for FY 2016. Although forest counties will received their FY 2015 SRS payments in calendar year 2016, the availability of future SRS payments remains in jeopardy.

Congress should reform forest management practices to improve forest health, increase production and ensure robust revenue sharing to all forest counties generated from forest management on designated federal lands. If Congress fails to renew the long-standing federal obligation to forest counties and the lands managed by the federal government by not improving forest management and reauthorizing the SRS program, counties across the United States could face dramatic budgetary shortfalls.

## TALKING POINTS

- If not reauthorized for FY 2016 and beyond, the expiration of the Secure Rural Schools and Community Self- Determination (SRS) Act at the end of FY 2015 will create dramatic budgetary shortfalls for over 700 rural counties across the United States.
- New legislation should be enacted that provides forest revenue sharing payments to counties and promotes active natural resource management for the stability and well-being of forest counties and communities. NACo encourages Congress to act quickly to reauthorize the SRS program, a critical safety-net for forest counties, improve federal forest management practices and address the wildfire funding crisis
- While the Senate and House of Representatives continue to discuss options for funding the SRS program, NACo will continue to urge leadership in both houses and on both sides of the aisle to work together to enact a long-term, sustainable solution.

# RELEVANT COMMITTEES WITH JURISDICTION (FIND YOUR MEMBER):

- Senate Energy & Natural Resources Committee
- House Natural Resources Committee



## VISIT NACO'S COUNTY EXPLORER TO DOWNLOAD YOUR SPECIFIC COUNTY PROFILE



#### **U.S. COUNTIES AND SECURE RURAL SCHOOLS (SRS)**

SRS PAYMENT, FY 2015 RECEIPTS YEAR: PROJECTED 25% FUND PAYMENT, FY 2015 RECEIPTS YEAR:

FY 2015 SRS vs. PROJECTED FY 2015 25% FUND PAYMENT: PERCENT OF COUNTIES WITH U.S. FOREST SERVICE LAND:

\$278.0 M \$55.3 M





#### SECURE RURAL SCHOOLS

The Secure Rural Schools and Community Self-Determination (SRS) Act was enacted in 2000 to compensate for steep reductions in revenues from timber harvests, which resulted from national policies that substantially diminished revenue-generating activities within federal forests. For FY 2015, the SRS program provided \$278 million for roads and schools and other critical services in 732 mostly rural counties, parishes and boroughs across the United States. The last authorization for SRS expired on September 30, 2015.

#### OUR ASK

Without SRS, forest counties nationwide face dramatic budgetary shortfalls. Counties urge Congress to renew its long-standing commitment to forest counties by increasing revenue sharing through active forest management and extending SRS as critical transitional funding.

Notes: The receipts year reflects when U.S. Forest Service (USFS) collects revenues from national forest lands. Without the SRS Act reauthorization, states revert to the Payments to States Act of 1908 as amended, receiving a 25 percent payment from national forest receipts. USFS estimates FX 2015 county 25 percent payments based on county shares of the national forest receipts. These estimates do not reflect the application of a 68 percent sequester to the state payments. Sixteen Oregon counties receive SRS payments from both the U.S. Forest Service and the Bureau of Land Management. Two Oregon counties only receive SRS payments from the Bureau of Land Management.

Sources: NACo analysis of data from the U.S. Forest Service and Bureau of Land Management and Headwaters Economics analysis of the U.S. Geological Survey, Protected Areas Database.

#### SRS PAYMENTS ARE CRITICAL FOR SERVICES INCLUDING:



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# WITHDRAW WATERS *of the* U.S. (WOTUS)

## BACKGROUND

On August 28, 2015, the U.S. Environmental Protection Agency (EPA) and the Army Corps of Engineers began to implement their new "Waters of the U.S." rule. However, almost immediately after the rule was finalized, lawsuits were filed and Capitol Hill has attempted multiple times to overturn the rule.

Under the final rule, the following types of ditches are subject to federal permitting under the Clean Water Act (CWA):

- Roadside and other ditches that have flow year-round (perennial flow)
- Roadside and other ditches with intermittent flow (not continuous, irregular) that are a relocated tributary, or are excavated in a tributary, or drain wetlands
- Ditches, regardless of flow, that are excavated in or relocate a tributary

The final rule also newly defines the term "tributary," and in doing so states that "a tributary can be a natural, man-altered or man-made water and includes waters such as rivers, streams, canals and ditches." Since ditches can now be classified as tributaries, and the new definition of tributaries includes ditches, it remains unclear what ditches will actually be exempt under the new rule.

## IN THE COURTS

While numerous WOTUS cases have been filed by 31 states and other private parties in separate district and appeals courts, the U.S. Judicial Panel on Multidistrict Litigation decided that the cases in the Appeals Court would be merged in the 6th Circuit Court of Appeals because they are similar in nature. However, it is not unanimous that the 6th Circuit Court will hear the case—both the 10th and 11th Circuit Court dockets include challenges on WOTUS case jurisdiction. In the meantime, the 6th Circuit Court of Appeals has placed a nationwide stay on the rule.

These developments only increase the complexity because it remains undetermined whether challenges to the rule will ultimately be heard in circuit or district courts. This will likely lengthen the timeframe of the rule's judicial proceedings and highlights the need for a legislative fix.

## IN CONGRESS

Earlier in the year, the U.S. House of Representatives easily passed a resolution of disapproval (Senate Joint Resolution 22) that would repeal the revised "Waters of the U.S." (WOTUS) rule by a vote of 253-166. The same resolution was passed by the Senate in last year by a vote of 53-44. However, on January 20, President Obama vetoed the bill.

S.J.Res.22 uses the Congressional Review Act (CRA) to kill the WOTUS rule and prohibit the agencies from using any "substantially similar" provisions in future WOTUS rule-makings. The CRA is a rare procedural move that allows Congress to overturn any "major" federal rule through a resolution of disapproval and requires a presidential signature for enactment. The CRA has only been used once successfully—in 2001 to overturn a Department of Labor ergonomics rule.

## COUNTY INTEREST

As co-regulators under provisions of the CWA, counties are not just another stakeholder in the regulatory process. Despite having provided detailed feedback and congressional testimony on multiple occasions on the potential impact of the proposed rule on counties, and despite repeated attempts to have a meaningful consultation process with the federal agencies, many issues remain unresolved.

Since its proposal last year, NACo has expressed multiple concerns on the rule's impact on countyowned and maintained roadside ditches, bridges, flood control channels, drainage conveyances and wastewater and stormwater systems and has called for the final rule to be withdrawn until further analysis and more in-depth consultation with state and local officials be completed.

## STATUS

Both the House and Senate versions of the FY 2017 Interior, Environment and Related Agencies appropriations bill contain provisions to prohibit the EPA from acting on its WOTUS rule. The provisions would prevent the EPA from moving forward to "implement, administer, or enforce" the rule even if the federal court system were to lift its stay on the rule.

The House Energy and Water Appropriations bill, which funds U.S. Army Corps of Engineers (Corps) and Department of Energy programs, has a similar provision preventing the Corps from enforcing the WOTUS rule.

The fate of both Senate and House Interior bills remains uncertain. Neither chamber has passed its version of the Interior bill. The outlook for regular order is not promising, given that in recent years the annual legislation has become a lightning rod, including floor fights over funding levels and hotly contested environmental policy riders from both sides of the aisle.

## TALKING POINTS:

- Urge your U.S. Senators and U.S. House of Representatives to support legislative language to require EPA to withdraw and rewrite the final "Waters of the U.S." rule.
- Even non-federal waters are protected by state and local regulations sometimes even more strictly than federal rules. As co-regulators under provisions of the Clean Water Act, counties are not just another stakeholder in this discussion.
- While the final rule attempts to exempt certain ditches, many county owned ditches may still fall under federal authority.
- The final rule newly defines the term "tributary," and in doing so states that "a tributary can be a natural, man-altered or man-made water and includes waters such as rivers, streams, canals and ditches.

## ADDITIONAL RESOURCES

#### PROTECT TAX-EXEMPT STATUS of MUNICIPAL BONDS

- <u>Click here to view NACo's Policy Brief on Municipal Bonds</u>
- <u>Click here to view NACo's presentation on Municipal Bonds</u>
- <u>Click here to view NACo's report on Municipal Bonds</u>

#### SUPPORT MARKETPLACE FAIRNESS ACT

- <u>Click here to view NACo's Policy Brief on Marketplace Fairness Act (MFA)</u>
- <u>Click here to view NACo's Resource Hub on MFA</u>

#### ACHIEVE MENTAL HEALTH REFORM

- <u>Click here to view NACo's Policy Brief on Mental Health Reform</u>
- <u>Click here to view NACo's Stepping Up Initiative</u>

#### IMPROVE HEALTH SERVICES for JUSTICE-INVOLVED INDIVIDUALS

- <u>Click here to view NACo's Policy Brief on Health Service for Justice-Involved Individuals</u>
- <u>Click here to view NACo's report on health coverage in county jails</u>

#### SUPPORT PAYMENT in LIEU of TAXES (PILT)

- Click here to view NACo's Policy Brief on PILT
- <u>Click here view NACo's presentation on PILT</u>
- <u>Click here to view NACo's PILT Advocacy Toolkit</u>

#### SUPPORT SECURE RURAL SCHOOLS (SRS)

<u>Click here to view NACo's Policy Brief on SRS</u>

#### WITHDRAW WATERS of the U.S. RULE

- <u>Click here to view NACo's Policy Brief on Waters of the U.S. (WOTUS)</u>
- <u>Click here to view NACo's Resource Hub on WOTUS</u>

# CHECK OUT NACo's Advocacy centers



## INTERESTED IN WORKING ON THESE ISSUES AT THE FEDERAL LEVEL?



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Please be sure to let NACo know about your advocacy efforts, and share pictures and media coverage with NACo's Legislative Director, Deborah Cox at <u>dcox@naco.org</u>.

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## webinar dates

## Aug. 24 · 2:00 p.m. – 3:15 p.m. EDT

## Leadership Development Series: What is Integrity and Civility?

This series begins with a discussion of the customary ways in which most people think of integrity and civility. We will invite participants to question whether customary definitions serve as practical guides to real-life problem-solving situations.

## **FEATURED SPEAKER:**

Stu Brody is the founder of Integrity Intensive, a consulting firm concentrating on ethics and integrity training. He draws from more than 30 years as a former political leader and advisor to prominent political figures, including presidential candidates. He has held numerous public positions including, most recently, ethics counsel to New York State's Department of Environmental Conservation. He has served as adjunct professor of ethics in the Business School of SUNY New

Paltz and is currently visiting scholar at the SUNY Plattsburgh



## Sept. 28 · 2:00 p.m. - 3:15 p.m. EDT

#### Leadership Development Series: Integrity and Civility as a Practice

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In this module, we begin to develop the components of the "skill" of practicing integrity and civility. The goal of this session is to develop a competency in discerning duty and understand how duty is used in public decision making.

#### Oct. 19 · 2:00 p.m. - 3:15 p.m. EDT

## Leadership Development Series: The Pitfalls of Decision Making

In this module, we'll review why ethics is different than integrity as well as how self-interest gets confused with duty. Participants will also learn the deflections on decision-making below the surface of cognition, such as bias, self-interest and selective recollection.

## Jan. 25 · 2:00 p.m. – 3:15 p.m. EDT

#### Leadership Development: Instrument Training for Integrity Pilots

This module will be an exciting culmination to the series and a review of its principles. The term instrument training is used to highlight the role of procedures and skills to navigate the foggy skies of decision-making.

naco.org/webinars --



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