

**FEDERAL
POLICY COMMITTEE
2017-2018 FAC Legislative Conference**

November 15-17, 2017
Hyatt Regency Sarasota
Sarasota County, Florida



2017-2018 Policy Workbook



THE FLORIDA ASSOCIATION OF COUNTIES WOULD LIKE TO
THANK OUR 2017-2018 CORPORATE PARTNERS.

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Federal Policy Committee
Thursday, November 16, 2017
10:30 p.m. - 11:30 p.m.

AGENDA

- Opening Remarks
- Introduction of Committee Leadership **(Page 3)**
- Review and Update of Revisions to the Federal Advocacy Program **(Page 5)**
- Update on Federal Activities regarding issues impacting FAC
- Consideration of Proposed Federal Policy Proposals **(Page 11)**
 - A. **Proposals Adopted at 2017 Policy Conference Recommended for Final Adoption**
 1. National Flood Insurance **(Page 11)**
 2. Water Resources **(Page 14)**
 3. Opioids **(Page 15)**
 4. Zika / Mosquito Control **(Page 18)**
 5. FEMA Deobligations **(Page 21)**
 6. CDBG Program **(Page 23)**
 7. Economic Development **(Page 24)**
 8. Tax Reform **(Page 26)**
 9. Offshore Oil Drilling **(Page 29)**
- Other Issues
- Adjourn

2018 FAC LEGISLATIVE CONFERENCE



Federal Policy Committee
Committee Leadership

CHAIR

Heather Carruthers
Monroe County

Vice-Chair

Tod Mowery
St. Lucie County

Policy Leaders

Bill Truex, Charlotte County
Brian Hamman, Lee County
Rob Williamson, Santa Rosa County
Doug Smith, Martin County
Michael Moran, Sarasota County
Barbara Sharief, Broward County
Carl Zalak, Marion County

Sean Parks, Lake County
Charlie Justice, Pinellas County
Kathryn Starkey, Pasco County
Cheryl Sanders, Franklin County
John Meeks, Levy County
Ralph Thomas, Wakulla County

Staff

ERIC POOLE

Federal Policy Committee Coordinator

EXECUTIVE DIRECTOR, FLORIDA COUNTIES FOUNDATION (Effective October 1, 2017)

EPOOLE@FL-COUNTIES.COM

Emergency Management and National Governance Issues

DAVIN J. SUGGS

DIRECTOR OF PUBLIC POLICY
DSUGGS@FL-COUNTIES.COM

ROBERT E. BROWN

ASSOCIATE DIRECTOR OF PUBLIC POLICY
RBROWN@FL-COUNTIES.COM
Health and Safety & Urban Issues

SUSAN HARBIN, ESQ.

SENIOR ASSOCIATE DIRECTOR OF PUBLIC
POLICY
SHARBIN@FL-COUNTIES.COM
Growth Management, Agriculture,
Transportation & Environmental

BRIAN SULLIVAN

CHIEF LEGAL COUNSEL
BSULLIVAN@FL-COUNTIES.COM
Administrative Issues and assist the FCF in
addressing National Governance Issues

LAURA YOUMANS, ESQ.

ASSOCIATE DIRECTOR OF PUBLIC POLICY
LYOUMANS@FL-COUNTIES.COM
Finance and Tax & Rural Issues

CASEY PERKINS

CHIEF OF POLICY RESEARCH
CPERKINS@FL-COUNTIES.COM
Research and analytical support to augment the
team's advocacy efforts related to Federal
policy issues

2018 FAC LEGISLATIVE CONFERENCE



**FAC Federal Policy Committee Meeting
November 16, 2017**

Federal Advocacy Update - During the 2017 FAC Policy Conference, FAC staff made several recommendations, which were subsequently approved by the Board of Directors, with regard to the continuation and enhancement of the Association's federal advocacy efforts. The following information serves as an update on staff's progress in implementing these recommendations.

Advocacy

1. The Federal Policy committee has been reorganized and re-aligned in a manner consistent with other FAC policy committees

Information

2. FAC staff, in consultation with FAC's federal consultant, are in the process of developing an ongoing communications plan that will involve FAC's statewide membership, as well as, Florida's Congressional Delegation.

Outreach

3. FAC's public policy team, as well as other key staff of FAC, have been assigned additional duties to include specific policy areas of FAC's new federal advocacy program.
4. FAC's public policy staff has scheduled a federal advocacy training workshop with FAC's federal advocacy consultant to be held in December of 2017.
5. Federal advocacy language has been included in the upcoming proposed contracts of FAC's contract lobbyist team.
6. FAC is in the process of acquiring contact information of individual counties' federal contract lobbyists.
7. FAC has requested enhanced services in the renewal of its contractual relationship with its current federal advocacy consultant.
8. FAC staff, in consultation with its federal consultant and NACo, has begun initial planning for a FAC federal policy conference.
9. FAC public policy staff has initiated measures to create and/or strengthen their relationship with their federal counterparts at NACo Resources.
10. The FAC Board of Directors approved additional resources to be included in the Public Policy Division budget for specific use of enhancing federal and national advocacy efforts.
11. FAC public policy staff has procured an electronic federal legislative tracking subscription service.

The original Federal Advocacy Initiative report is attached complete with a full list of the approved staff recommendations.

Attachments:

September 27, 2017 - Agenda Item #5F - FAC's Federal Advocacy Initiatives



**FAC Board of Directors
September 27, 2017
Agenda Item #5F - FAC's Federal Advocacy Initiatives**

Statement of Issue or Executive Summary:

FAC staff proposal for revising the organization's federal advocacy operations.

Background / History:

During the 2013 Policy conference, members, based on the recommendation of FAC staff, decided to implement a pilot project to enhance FAC's federal advocacy efforts. The pilot project, which was to last for three years, involved the creation of a FAC federal policy committee to guide the organization's efforts in developing a robust federal advocacy program, similar to FAC's existing state advocacy program.

Goals

In conjunction with staff, the committee established some basic goals of the 2013 federal advocacy initiative. These goals included:

- Advocacy.* Advocating a focused platform that consisted of a few key relevant issues.
- Information.* Developing communication tools to adequately provide necessary information to FAC members and Florida's Congressional Delegation.
- Outreach.* FAC staff and members would implement an outreach plan that focused on member-delegation interaction, inter-county coordination and federal agency representation in addition to federal elected officials.

Resources

At the time of the adoption of the federal pilot project, it was determined that except for a moderately increased travel budget for FAC staff, the initiative would be funded through existing resources allocated within the FAC annual budget. Additionally, FAC staff planned to interact closely with the National Association of Counties (NACo), and facilitate the coordination and utilization of the statewide county network of internal lobbyists and county contract lobbyists. Finally, staff was able to develop and procure a "third-party" agreement with an existing federal lobbying firm that allowed for the provision of minimal general federal services in exchange for an "in-kind" corporate partner membership with the association.

Results of The Federal Advocacy Pilot Project

During the term of the initial federal initiative FAC staff and its members were able to advocate on a host of issues on behalf of the association. These included, but were not limited to:

- Tax Exempt Status of Municipal Bonds
- WRDA (Water Resources Development Act)
- RESTORE Act (Gulf Oil Spill)
- OPA 90 (Oil Pollution Act of 1990)
- WOTUS (Waters of the United States)
- MAP-21 (Transportation - Moving Ahead for Progress in the 21st Century Act)
- NFIP (National Flood Insurance Program); and



- FEMA Deobligations

In addition to advocacy work on the aforementioned issues, the federal pilot project produced several other milestones for the association including:

- Establishment of key federal legislative and agency relationships
- Establishment of a permanent federal policy committee
- Procurement of a strategic partnership with The Ferguson Group
- Enhanced relationship with the National Association of Counties (NACo)
- Facilitation and participation of Congressional testimony opportunities for Florida commissioners
- Facilitated first FAC Florida House Congressional Breakfast reception
- Established a minimal level of federal-related communications via newsletters, email and web for members.
- Awarded key members of Congress with County Champion Awards for the first time in FAC history.

Analysis

Although the implementation of the federal advocacy pilot project produced several milestones and facilitated enhanced representation for our members on federal issues, staff and members of the policy committee have identified several challenges and opportunities with the current operation of the program.

Resources

The initial decision to provide federal advocacy services within existing resource allocations proved to be a substantial challenge. Although funding for increased travel was included in FAC annual budgets, this funding often only covered expenses for one staff member in addition to the Legislative Director. These staff constraints, combined with multiple transitions for both the position of FAC Executive Director and the FAC Legislative Director presented challenges in obtaining consistency in the dedication of available staff resources to the federal project. Thus, over time, essentially one member of the Legislative Affairs team became responsible for operating the federal advocacy program.

General Member Interest and Participation

Over the term of the pilot project staff experienced a lull in general member participation and often encountered difficulties in obtaining consistent participation in meetings (and conference calls) to discuss federal issues and strategy. Except for a handful of issues like the National Flood Insurance Program, staff often found it difficult to maintain the interest of much of the general membership of the association.

Communication

Due to the lack of dedicated staffing resources mentioned above, staff was challenged in producing consistent communications to the general membership and federal delegation regarding issues of interest to Florida. Instead, communication activities peaked in relation to the interest of the membership to specific federal policy issues, such as the National Flood Insurance Program.

Opportunities

During the 2017 FAC Annual conference, the existing federal policy committee directed staff to identify options and recommendations to continue the federal advocacy program in an enhanced manner. The committee expressed their desire to consider alternatives that would address the previously stated



challenges while maintaining the positive momentum produced by the milestones accomplished over the course of the pilot project.

Staff Recommendation

After consideration of input from association members and executive leadership, consultation with the National Association of Counties and peer organizations, and internal staff analysis, ***FAC staff recommends that the association continue the federal advocacy program. Additionally, it is recommended that the original goals of the federal advocacy pilot project be maintained.*** Staff believes that many of the challenges faced by the organization during the pilot project were a result of execution and implementation driven by the lack of resources, both funding and staffing, as well as multiple transitional periods involving organizational leadership. ***Furthermore, staff recommends that advocacy efforts with regards to national governance issues be included as a part of the program.***

Advocacy

It is recommended that the current structure of the federal policy committee be re-aligned in a manner consistent with the modification of other FAC state policy committees. The re-alignment will involve the appointment of one chairperson and one vice-chairperson, instead of multiple chairpersons and vice-chairpersons. Additionally, the opportunity to serve on the federal committee will be expanded with the appointment of several “policy leaders”. Together, the chairperson, vice-chairperson and policy leaders will serve as the “committee leadership”. The FAC tradition of “committees of the whole” will be maintained to provide opportunity for all members to participate in the development of FAC’s federal policy agenda. Staff believes that this re-alignment will provide clear and concise leadership while broadening the opportunity to serve and provide guidance to staff.

It is recommended that the federal policy development process be re-aligned in a manner consistent with the modification of FAC’s state policy development process and NACo’s policy development process. The modified policy development process will consist of a greater emphasis on the development of long-term federal guiding principles similar to the development of the NACo’s national platform, as well as the continued process of developing a few key short-term federal policy objectives that are focused on more current relevant issues affecting Florida counties similar to NACo’s resolution process.

Information

It is recommended that staff be allowed to rededicate itself to the original goal of providing consistent information regarding relevant federal policy issues both to the FAC general membership and Florida’s federal delegation. Staff believes that because of the proposed dedication of funding and staffing resources, as well as organizational stability, the original goal can be implemented in an enhanced manner compared to past execution during the pilot project.

Outreach

It is recommended that the entire FAC public policy team, as well as other key FAC staff be assigned to implementation of the FAC’s federal strategy. FAC’s public policy team will be assigned to represent the membership’s federal agenda in a manner consistent with their assigned areas of expertise in the advocacy of FAC’s state policy program. Additionally, other key members critical to the successful implementation of the proposed federal strategy will include the Executive Director of FAC, the Director of External Affairs, the Executive Director of the Florida Counties Foundation, FAC’s Chief of Policy Research and FAC’s Communication Manager. The recommended assignment of FAC staff to the implementation of FAC’s federal strategy is reflected in the accompanying chart:



NEW FAC PROPOSED FEDERAL AND NATIONAL ADVOCACY STAFFING ASSIGNMENTS

GINGER DELEGAL
EXECUTIVE DIRECTOR
GDELEGAL@FL-COUNTIES.COM

CRAGIN MOSTELLER
DIRECTOR OF EXTERNAL AFFAIRS
CMOSTELLER@FL-COUNTIES.COM

DAVIN J. SUGGS
DIRECTOR OF PUBLIC POLICY
DSUGGS@FL-COUNTIES.COM

ERIC POOLE
EXECUTIVE DIRECTOR, FLORIDA COUNTIES FOUNDATION (Effective October 1, 2017)
EPOOLE@FL-COUNTIES.COM
Federal Policy Committee Coordinator;
Emergency Management and National Governance Issues

SUSAN HARBIN, ESQ.
SENIOR ASSOCIATE DIRECTOR OF PUBLIC POLICY
SHARBIN@FL-COUNTIES.COM
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ASSOCIATE DIRECTOR OF PUBLIC POLICY
RBROWN@FL-COUNTIES.COM
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CHIEF OF POLICY RESEARCH
CPERKINS@FL-COUNTIES.COM
Research and analytical support to augment the team's advocacy efforts related to Federal policy issues

TRACY KUSMIERZ
COMMUNICATIONS MANAGER
TKUSMIERZ@FL-COUNTIES.COM

TIFFANY HENDERSON
SENIOR PUBLIC POLICY ASSISTANT
THENDERSON@FL-COUNTIES.COM

It is recommended that FAC staff include duties related to the implementation of FAC's federal and national advocacy strategy in the negotiation of contracts with the association's external lobbyists. FAC currently contracts on an annual basis with external lobbyists to assist in the implementation of its state policy program. FAC uses contract lobbyists for consultation within their subject area of expertise, consultation with regards to political strategy, facilitation of key political and administrative/agency contacts and the implementation of outreach strategies based on data, research and policy proposals developed by internal staff. Staff believes that the potential addition of FAC's external lobbyists as a resource to aid in enhancing the association's federal efforts strengthens the organization's opportunity for success.

It is recommended that FAC staff implement measures to better utilize and coordinate with the existing network of member county federal resources. For years, FAC has successfully coordinated and utilized the statewide network of member county resources in advocating statewide policy issues addressed by the state legislature. Staff believes that the replication of these efforts with regards to federal and national policy issues will aid in achieving more positive outcomes for the federal and national advocacy program.

It is recommended that FAC staff better utilize and coordinate with the National Association of Counties and similarly situated peer state associations. Staff believes that augmenting its federal and national advocacy efforts with the existing resources dedicated to federal and national issues by NACo will provide for the most effective and efficient use of Florida resources when addressing issues with national county impacts. Additionally, in recent years, NACo has invested a wealth of resources into the development of relevant data and research that would potentially enhance the representation of FAC's federal and national policy objectives. Furthermore, FAC should seek opportunities, based on specific national or regional issues, to partner and combine efforts to obtain favorable outcomes in an efficient manner without sacrificing any competitive advantage in the acquisition of federal resources.

It is recommended that FAC staff organize and facilitate an annual federal policy conference in Washington D.C. to further its federal and national outreach efforts and to create better awareness of the "FAC Brand" on capitol hill. Staff believes that



the development of a consistent annual outreach activity in Washington D.C. will aid in creating awareness of Florida policy positions, enhance FAC's ability to establish and maintain essential federal and national contacts and resources, and energize the interest and increase the participation levels of FAC's general membership in advocating on federal and national issues.

Resources

It is recommended that dedicated funding to the continuation of an enhanced federal and national advocacy program be adopted in conjunction with the FY 2018 FAC Annual Budget by the Board of Directors. Unlike with the inception of the initial pilot project, staff has included resources to implement the recommendations included in this report.

DIVISION AND STAFF PERSON'S NAME:

Davin J. Suggs, Director of Public Policy

OPTIONS:

Accept Staff Recommendations



Fed-PP-1: National Flood Insurance Program (NFIP) Reauthorization

Proposed Policy: SUPPORT reauthorization of the NFIP with legislative, policy and programmatic modifications to ensure no coverage lapses and to improve the affordability, transparency and financial stability of the program through reforms in the following areas: (1) Affordability/Rate Structure; (2) Mapping/Data Collection/Modeling; and, (3) Mitigation. To that end, FAC SUPPORTS the Sustainable, Affordable, FAIR and Efficient National Flood Insurance Program Reauthorization Act (SAFE NFIP) 2017.

Issue Summary: The NFIP is administered by the Federal Emergency Management Agency (FEMA) and allows property owners in participating communities to buy insurance to protect against flood losses. Under federal law, the purchase of flood insurance is mandatory for all federal or federally related financial assistance, including home mortgage loans, for the acquisition and/or construction of buildings in high-risk flood areas (Special Flood Hazard Areas or SFHAs). The NFIP is scheduled to expire on December 8, 2017. If the program is not reauthorized, federally-secured mortgages cannot be issued.

Background:

The NFIP is a Federal program created by Congress to mitigate future flood losses nationwide through sound, community-enforced building and zoning ordinances and to provide access to affordable, federally backed flood insurance protection for property owners. The NFIP is designed to provide an insurance alternative to disaster assistance to meet the escalating costs of repairing damage to buildings and their contents caused by floods.

Participation in the NFIP is based on an agreement between local communities and the Federal Government that states that if a community will adopt and enforce a floodplain management ordinance to reduce future flood risks to new construction in Special Flood Hazard Areas (SFHAs), the Federal Government will make flood insurance available within the community as a financial protection against flood losses.

Florida is an important state within the NFIP, as it holds one-third of all policies nationwide (1.75 million out of 4.9 million). For the current year, more than \$940 million in premiums will be paid by Florida policy holders. Since 1978, the NFIP has paid more than \$38 billion in claims to flood victims, with some 40 percent being paid to Louisiana residents after Hurricane Katrina. In contrast, during the same period, Florida has received \$3.6 billion in payouts.



NFIP is reauthorized every three years. In 2012, it was reauthorized through the Biggert-Waters Flood Insurance Reform Act (BW-12) which sought to eliminate the NFIP deficit simply by increasing premiums. The result was that many homeowners saw their premiums escalate to unaffordable amounts. In one case, the premium on a \$300,000 home increased from \$1,900 to over \$49,000.

To address this crisis, the Homeowners Flood Insurance Affordability Act (HFIAA) was passed in 2014. Through HFIAA, rate increases were capped at no more than 18% annually for residential and 25% for commercial properties. For Florida, the 2014 law should be viewed as only a marginal repair to the 2012 reauthorization. For example, the NFIP provides a reduced – or preferred rate – for properties that were built before 1975, when flood maps were not available. However, the 2014 reauthorization left unchanged a modification that does not extend this rate to non-primary residences (i.e., vacation rentals, investment properties, and businesses), which will receive annual 25 percent premium increases until full-risk rates are achieved. **Florida has more than 47,000 properties** that are subject to these increases, including vacation rental properties that support the state’s tourism industry.

Analysis: At a minimum, FAC believes the following provisions should be included in the reauthorization:

- **Broaden the Base of Policy Holders – Spread the Risk** - According to FEMA, people located outside of mapped high-risk flood areas file more than 20 percent of all flood claims and receive one-third of Federal disaster assistance for flooding. Recognizing that nearly all properties have some risk of flooding, incentives should be created to encourage participation in the NFIP for property owners not located in high risk flood zones.
- **Ensure Rates are Consistent for *all* Properties** - All properties should be treated the same and rated according to their ability to withstand risk, not their use or ownership status.
- **Re-evaluate the Role of Write-Your-Own Companies** - Through the WYO program, private insurance companies enter into agreements with FEMA to sell and service flood insurance policies. According to a 2007 GAO report, FEMA’s payments to WYO insurance companies for operating costs ranged from more than a third to almost two-thirds of the total premiums paid by policyholders to the NFIP for fiscal years 2004 through 2006. From 2011 - 2014, WYO’s earned \$1.3B in profit from the program. The commissions for WYO companies should be reduced.



- **Provide a More Reasonable Glide Path if rates must increase** - Prior to 2012, FEMA had the authority to increase rates by no more than 10% per year. Under the 2014 Homeowners Flood Insurance Affordability Act (HFIAA), renewal premiums for certain properties (grandfathered and Pre-FIRM) will experience rate increases of between 18 percent and 25 percent until the full risk rate is reached. Meanwhile, the nation's CPI average has not exceeded 3.22% since 1990, and median incomes adjusted for inflation have remained stagnant. Increases should be capped at 3% to 7%, which would still be more than twice the annual CPI.
- **Increase Funding for Flood Mitigation** - Congress should increase funding for FEMA's mitigation programs to help buy down the NFIP risk.
- **Improve and Accelerate the Mapping Process** - Nationwide, NFIP flood maps are generally outdated and don't measure a community's flood risk accurately. Efforts should be made to (1) work directly with communities in the map revision process, ensuring locally-generated data and/or models are considered in map revisions, and (2) ensure individual property data (i.e., Finished Floor Elevations) are accounted for when maps are developed/reviced.
- **Strengthen the Role of the Flood Insurance Consumer Advocate** - Pursuant to HFIAA, FEMA has created a Flood Insurance Advocate to educate and assist property owners and policyholders on flood insurance issues, mapping issues including the map amendment process, and mitigation techniques. However, the authority and responsibilities of this position should be expanded.

FED-PP-2: Water Resources Development Act (WRDA)

Proposed Policy: **SUPPORT** bi-annual passage of the Water Resources Development Act that authorizes U.S. Army Corps of Engineers projects and policies that often have state-wide impacts to Florida, including Everglades restoration, port and inlet construction, and beach nourishment projects. **SUPPORT restoration of congressionally directed spending.**

Issue Summary: WRDA legislation is critical for addressing the nation's water infrastructure needs, which are vital to the safety, environmental protection and economic development of state and local economies.

Background:

WRDA legislation authorizes various water resources studies, projects, and programs that are undertaken by the U.S. Army Corps of Engineers (Corps). WRDA legislation does not appropriate funds for the activities authorized in the bill; rather, funding for WRDA-authorized projects is generally appropriated in Congress' annual Energy and Water appropriations bill.

For a period of years until 2000, WRDA legislation was considered and passed bi-annually; however, in recent years there have been longer periods of years between WRDA legislation, which can lead to critical infrastructure projects being delayed or postponed. Congress passed WRDA bills in 2014 and 2016, signaling a return, at least for the time being, to the recurring two-year WRDA cycle.

The WRDA Act of 2016 was included as Title 1 of the Water Infrastructure Improvements for the Nation (WIIN) Act, which Congress passed in December 2016. The WRDA of 2016 authorized thirty new Corps projects (totaling more than \$10 billion), and modified 8 existing projects, in the areas of flood control, harbors and ports, inland waterways, water supply, ecosystem restoration and hurricane and storm damage risks, while also creating programming changes to the Corps project delivery process.

Florida Impact: Notably for Florida, the most recent WRDA legislation of 2016 authorized Florida projects totaling more than \$1.5 billion, including the Central Everglades Planning Project, which encompasses a series of restoration projects designed to increase freshwater flows to the central Everglades and divert excessive and damaging flows away from the Caloosahatchee and St. Lucie estuaries. The WRDA of 2016 also authorized the Port Everglades deepening and widening project.

FED-PP-3: Opioids

Proposed Policy: Opioid Funding: For those suffering from Opioid addiction, SUPPORT life-saving interventions, including medication-assisted treatment, residential treatment, twelve-step recovery and detoxification programs, and diversions from the criminal justice system. SUPPORT efforts to stop international and interstate opioid trafficking and increased penalties for dealers and traffickers whose actions result in loss of life.

Issue Summary: County agencies throughout the country are struggling to find sufficient resources to provide the treatment, recovery and prevention services needed to stem the tide of the opioid epidemic and the disease of substance dependence.

Background: Drug overdose deaths and opioid-involved deaths continue to increase in the United States. The majority of drug overdose deaths (more than six out of ten) involve an opioid. Since 1999, the number of overdose deaths involving opioids (including prescription opioids and heroin) quadrupled. From 2000 to 2015 more than half a million people died from drug overdoses. 91 Americans die every day from an opioid overdose.

We now know that overdoses from prescription opioids are a driving factor in the 15-year increase in opioid overdose deaths. The amount of prescription opioids sold to pharmacies, hospitals, and doctors' offices nearly quadrupled from 1999 to 2010, yet there had not been an overall change in the amount of pain that Americans reported. Deaths from prescription opioids—drugs like oxycodone, hydrocodone, and methadone—have more than quadrupled since 1999, according to the Centers for Disease Control and Prevention (CDC) WONDER Online database (<http://wonder.cdc.gov>).

From 2002–2013, past month heroin use, past year heroin use, and heroin addiction have all increased among 18-25 year olds. The number of people who started to use heroin in the past year is also trending up. Among new heroin users, approximately three out of four report abusing prescription opioids prior to using heroin. The increased availability, lower price, and increased purity of heroin in the US have been identified as possible contributors to rising rates of heroin use. According to data from the DEA, the amount of heroin seized each year at the southwest border of the United States was approximately 500 kg during 2000–2008. This amount quadrupled to 2,196 kg in 2013, according to the US Department of Justice Drug Enforcement Administration's National Drug Threat Assessment Summary.

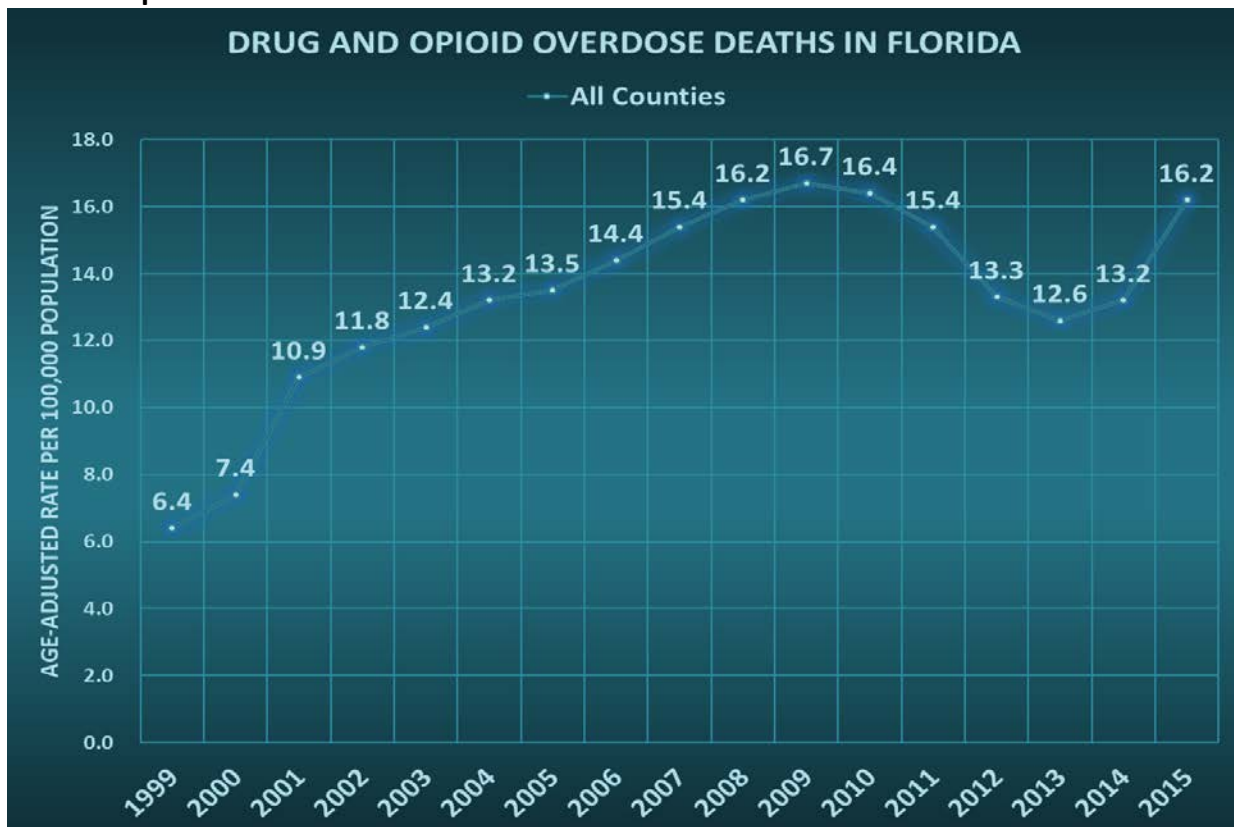
The CDC website states that heroin-related deaths more than tripled between 2010 and 2015, with 12,989 heroin deaths in 2015. The largest increase in overdose deaths from 2014 to 2015 was for those involving synthetic opioids (other than methadone), which rose from 5,544 deaths in 2014 to 9,580 deaths in 2015. One of these synthetic opioids, illegally-made fentanyl, drove

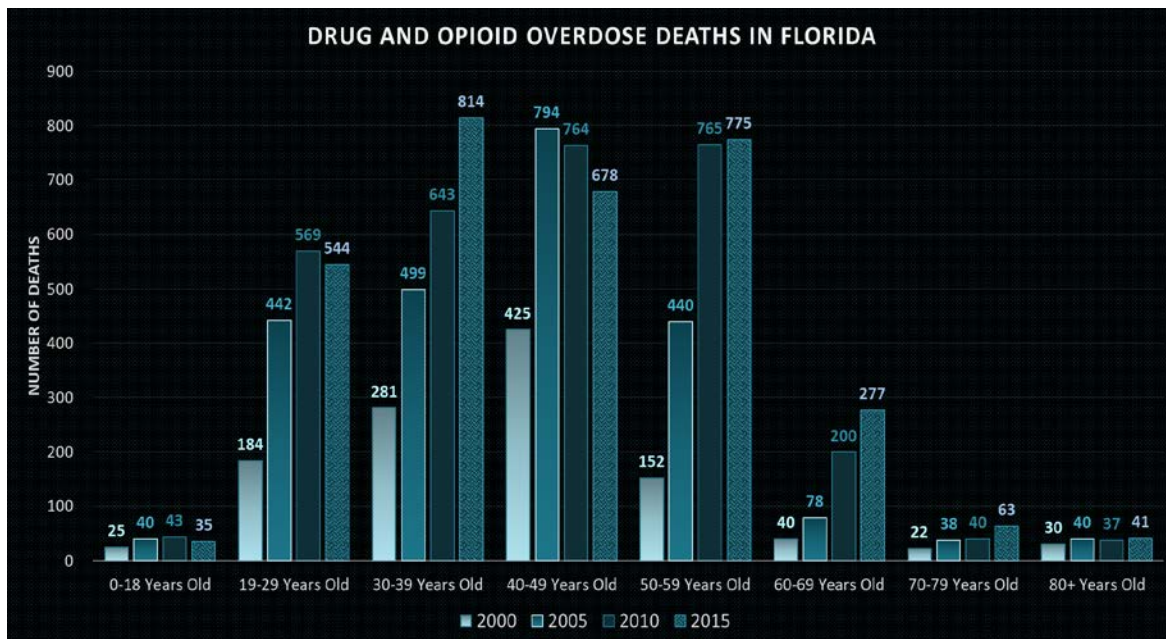
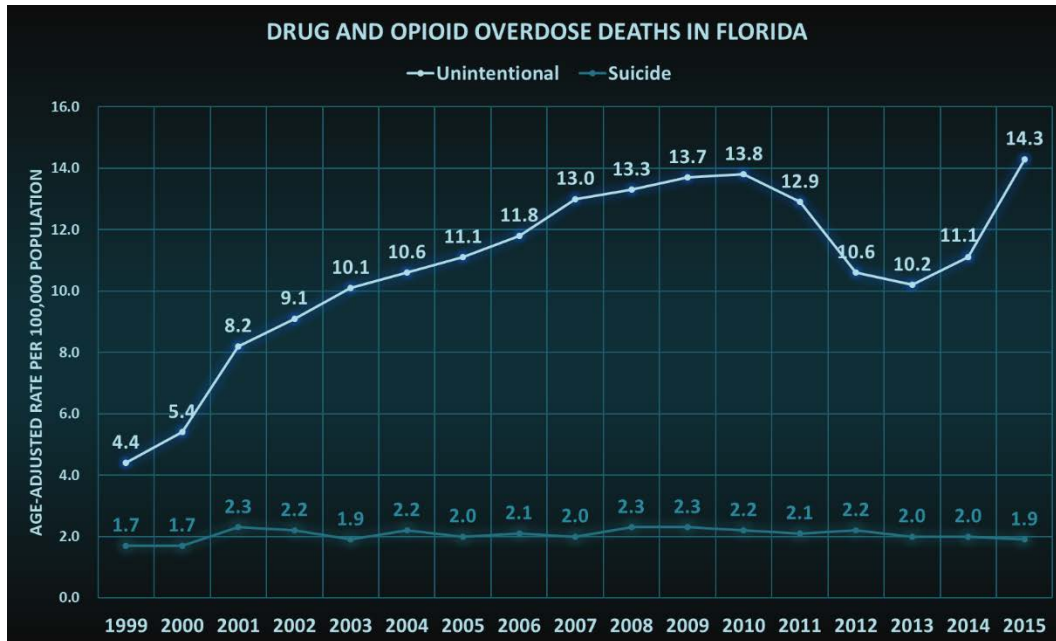
the increase. It was often mixed with heroin and/or cocaine as a combination product—with or without the user’s knowledge.

Analysis: Centers for Disease Control and Prevention provides a list of strategies to prevent opioid addiction:

- Improve opioid prescribing to reduce exposure to opioids, prevent abuse, and stop addiction.
- Expand access to evidence-based substance abuse treatment, such as Medication-Assisted Treatment, for people already struggling with opioid addiction.
- Expand access and use of naloxone—a safe antidote to reverse opioid overdose.
- Promote the use of state prescription drug monitoring programs, which give health care providers information to improve patient safety and prevent abuse.
- Implement and strengthen state strategies that help prevent high-risk prescribing and prevent opioid overdose.
- Improve detection of the trends of illegal opioid use by working with state and local public health agencies, medical examiners and coroners, and law enforcement.

Florida Impact:





FED-PP-4: Zika/Mosquito Control

Proposed Policy: Zika Funding: To eliminate the risk associated with the Zika virus **and other mosquito-borne viruses**, FAC urges the federal government to develop a comprehensive eradication strategy that identifies and allocates the appropriate amount of funding needed to support state and local governments.

Issue Summary: Zika virus, a mosquito-transmitted infection that has become an urgent global challenge with widespread transmission occurring in the Americas, a region that had previously not seen any cases before 2015. Predictions that local transmission would spread to the continental United States by the summer of 2016 were met with the first cases identified in Miami in July of 2016. Of concern is the discovery that Zika virus in pregnant women can cause microcephaly as well as other serious birth defects, prompting the World Health Organization (WHO) to declare a “public health emergency of international concern” on February 1, 2016.

Background: On the heels of the Ebola outbreak of 2014 – during which the U.S. government played a pivotal global role in the response including a request from the Obama Administration and quick Congressional approval of more than \$5 billion in emergency funds to combat Ebola – President Obama sought to launch a similar response to Zika. On February 22, the President sent a request to Congress for almost \$1.9 billion in emergency Zika funding for Fiscal Year (FY) 2016, which would support domestic (including U.S. territories) and international response efforts including: mosquito control (vector management), expanded surveillance of transmission and infections, research and development activities (vaccines, diagnostics, and vector control methods), health workforce training, public education campaigns, and maternal and child health programs. Following the President’s request, Congress considered several Zika funding bills but did not approve any additional funding until the end of September. While Congress debated supplemental funding for Zika, the Administration announced it had identified almost \$700 million in existing sources (largely from unobligated emergency Ebola funding appropriated in FY 2015) to be used to address immediate Zika activity needs. In September 2016, seven months after the President’s original request, Congress approved additional funding.

The Congressionally approved Zika funding, which was included as part of the “Continuing Appropriations and Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2017, and Zika Response and Preparedness Act” (P.L. 114-223), totaled \$1.1 billion.

Analysis:

2017 Case Counts in the US

**From the Centers for Disease Control and Prevention website*

STATE	2016 Symptomatic Disease Cases	2017 Symptomatic Disease Cases
<i>California</i>	421	35
<i>Florida</i>	1,115	69
<i>New York</i>	1,001	58
<i>Texas</i>	312	39
UNITED STATES	5,102	331
<i>American Samoa</i>	129	65
<i>Puerto Rico</i>	34,963	476
<i>US Virgin Islands</i>	987	42
TERRITORIES	36,079	583
Total U.S. & Territories	41,181	914

Note: Data reported by Centers for Disease Control and Prevention as of October 31, 2017. Presumptive viremic blood donors are people who reported no symptoms at the time of donating blood, but whose blood tested positive for the presence of Zika. Because some of these donors may develop symptoms after their donation, or may have had symptoms prior to donating, they may be reported as both Zika virus disease cases and presumptive viremic blood donors.

State Impact:

Zika Cases According to Florida Department of Health

State	2016 Travel Related Cases	2017 Travel Related Cases
Florida	1,122	172

Cases by Infection Type	2016 Count	2017 Count
Travel-Related	1,122	172
Locally Acquired	285	1
Undetermined	49	32
Pregnant Women*	299	112
TOTAL	1,456	205

Travel - A case of Zika acquired outside Florida or sexual transmission.

Local – A case of Zika acquired in Florida by mosquito or from mother-to-baby.

Undetermined – A case of Zika where the person has both a history of travel to an area of active transmission in Florida and an area outside of Florida with ongoing, active transmission during the time of infection.

* Data include pregnant women and non-Florida residents who acquired Zika outside of Florida, but were diagnosed in Florida

Note: Data reported by Florida Department of Health as of October 31, 2017.

FED-PP-5: FEMA Deobligations

Proposed Policy: FEMA De-obligations: SUPPORT legislation that prohibits the Federal Emergency Management Agency (FEMA) from de-obligating from counties previously-awarded disaster funds for projects that have been certified complete by the state for at least three years. Additionally, **SUPPORT changes to the Stafford Act that will ensure counties, who submit project appeals within the required 60-day timeframe, are not denied the appeal by FEMA, whenever the state, while serving as the grantee, fails to meet its regulatory timeframe for submitting appeals.**

Issue Summary: Under current law, FEMA has the authority to deobligate previously-awarded funds from a local government up to 3 years following the close-out of a Presidential disaster declaration. This means that a storm that occurred 2005 and finally closes in 2020 can have funds deobligated by FEMA nearly two decades later. FAC supports a small but significant change to the Robert T. Stafford Disaster Relief and Emergency Assistance Act that changes the 3-year statute of limitations on deobligations from the close of the disaster declaration to the close of an actual project.

Background: In the aftermath of Hurricanes Katrina, state and local governments began to observe a marked increase in the number of disaster recovery audits performed by the Department of Homeland Security (DHS) Inspector General's (IG) office. The objective of the audit is to determine whether entities have accounted for and expended Federal Emergency Management Agency (FEMA) funds in accordance with federal regulations. While project audits are not uncommon in Florida, prior to 2010 few local governments had been directed to return funds to the state as the result of an audit finding. As evidence of this, Governor's Scott's 2010 transition report on emergency management stated that there were seven local agencies that owed the State and FEMA a total of \$7.6 million as the result of audit findings. The 2010 report recommended that Governor's Office "provide guidance on this critical funding issue as soon as practical." By the Summer of 2014, deobligation recommendations totaled nearly \$100 million. For audit reports issued in FY 2009-2012, Florida's percentage of awards audited was higher than nation-wide, 81.5% for Florida compared to 67.8% nation-wide.

Once an audit finding shows that funds were not expended correctly, the IG reports it to FEMA and recommends a deobligation. FEMA has the authority to accept or reject the finding; however, the DHS Deputy IG can now overturn that decision. If the recommendation is implemented, funds are deobligated from the state's account. The state, in turn, sends a letter with an invoice to the county stating the previously-approved funds must be paid back within a certain time period. In some instances, counties have agreed and provided full payment to the state, while others have accepted a payment plan. Still, others have simply refused to pay, which means the state will off-set future disaster funds the county may request in the future.

It should be noted that federal regulations provide a two-tiered appeal process that counties can pursue and have their case reviewed by FEMA's regional office and, if denied, by FEMA Headquarters. If both appeals are denied, a county can take their case to the courts.

In September 2014, the U.S. District Court for the Southern District of Florida ordered FEMA to reinstate \$21.8 million it had deobligated from the district in 2012 for canal repairs it made following Hurricane Charley. The court cited Section 705 (c) of the Stafford Act, which is intended to protect recipients of disaster assistance from retroactive deobligations. Section 705 (c) provides:

A State or local government shall not be liable for reimbursement or any other penalty of any payment made under this Act if –

- *The payment was made pursuant to an approved agreement specifying the costs;*
- *The costs were reasonable; and,*
- *The purpose of the grant was accomplished.*

The Department of Justice, who was in charge of the case, had 90 days to appeal the decision but gave notice to FEMA that it would not appeal.

Analysis:

- As of May 2017, Florida Division of Emergency Management reported that more than \$47.6 million in deobligation payments were still owed from all subgrantees.
- Following the 2014 U.S. District Court ruling, FEMA issued new policy guidelines regarding the application of Section 705 of the Stafford Act. That policy has appeared to reduce the total number of deobligations. FAC provided written comments on the policy to FEMA.
- Since 2015, FAC and its member counties have sought a change to the Robert T. Stafford Disaster Relief and Emergency Assistance Act that amends the 3-year statute of limitations on deobligations from the close of the disaster declaration to the close of an actual project.
- This change would greatly reduce the number of deobligations, as the record shows that most audits occur several years following the completion of a project.
- This statute of limitations language promoted by FAC has passed the U.S. House of Representatives three times, dating back to 2016.
- Similar language has been filed by Senator Nelson and Rubio.
- FAC continues to work the Florida Congressional delegation and NACo to ensure this language eventually becomes law.

FED-PP-6: Community Development Block Grant (CDBG) Program

Proposed Policy: FAC strongly **SUPPORTS** the Community Development Block Grant (CDBG) program's continued funding and support for local community development and housing assistance programs administered by county elected officials.

Issue Summary: CDBG funds support housing, community facilities, economic development, and social service projects, mainly for low- and moderate-income residents. Funding for all block grant programs has consistently diminished year-over-year, culminating in the proposed elimination of funding in the President's proposed 2018 budget.

Background: The Community Development Block Grant (CDBG) program was established in the Housing and Community Development Act of 1974 to provide increased opportunities for elected county officials to plan, implement, and evaluate local community development and housing assistance programs. Under the Act, county officials, and particularly those whose counties receive urban county designation, are afforded additional resources to address long-range physical, social, housing and economic development needs in their jurisdictions in a comprehensive manner. Counties commit CDBG funds to projects that are determined to meet local priorities in addressing development, housing, economic infrastructure and low income needs.

Analysis:

The program was allocated \$3 billion in 2017, but the President's 2018 budget recommends zeroing out the program stating that "The broad purpose and flexible nature of this unauthorized program allows for a wide range of community activities to be supported, but it is this same flexibility that creates challenges to measuring the program's impact and efficacy in improving communities."

Florida Impact: If all housing and community block grant funding is eliminated as proposed, the estimated impact to Florida would be \$131,446,773 in 2018.¹

¹ Center on Budget and Policy Priorities, "[Trump Budget Eliminates House and Community Development Block Grants](#)"

FED-PP-7: Economic Development

Proposed Policy: The Florida Association of Counties **SUPPORTS** federal programs--including Federal Economic Development Administration (EDA), Small Business Administration (SBA), and USDA Rural Development--that recognize the importance of a federal role in state and local economic development, and provide funding resources, bonds, information, and technical assistance to further this important role.

Issue Summary: County officials should exercise strong leadership in creating a supportive environment for business investment by: promoting diversified economies; creating, rehabilitating and maintaining support infrastructure; providing quality education and training; and involving the non-profit and private sectors. Economic development efforts benefit counties through the retention and creation of jobs, the broadening of county tax bases, and the improvement of the overall quality of life.

Background:

Counties must provide and support sufficient infrastructure and support services to generate increased economic activity. Agencies at the federal and regional levels can support county governments by integrating housing, transit energy and environmental planning to support sustainable development that makes the most efficient use of existing transportation and other infrastructure. Infrastructure - including water, sewer, and broadband- should be modernized and expanded to maximize economic growth and the quality of life in a region while minimizing traffic congestion, environmental impacts, and energy use in urban, suburban, exurban and rural areas. Additionally, changes in federal regulations have affected the cost of providing infrastructure capacity significantly, and counties must work to ensure balanced regulations that protect the environment, without unreasonably increased costs.

Analysis:

Federal economic development programs make an impact in Florida's counties:

- **Economic Development Administration (EDA)** – provides a variety of services to local governments to support and enhance economic development. Programs include the Economic Adjustment Program- assisting local governments to adjust to economic change, focusing on areas that have experience or are under threat of serious structural damage to the underlying economic base; Planning – supporting local organizations with long-term planning efforts to develop comprehensive economic development strategies; and Local Technical Assistance to work with public and non-profit sector participants in distressed areas to provide knowledge and information to improve local economic development outcomes. The 2018 Whitehouse budget proposes eliminating the EDA,

calling it “duplicative of other economic development programs within the Federal Government and State and local efforts.”¹

- **USDA Rural Development** offers numerous programs to support rural economic development in the areas of Rural Business, Rural Housing Services, Rural Utilities Services, including electric, telecommunications, and water and environment
- **Small Business Administration (SBA)** assists state and local financial institutions in developing sources of capital to ensure the availability of funds to local entrepreneurs.
- **EPA Brownfields Program** - Brownfields are abandoned or underutilized commercial and industrial sites that have environmental contamination issues related to their previous uses, yet are potential resources for community economic revitalization.
- **Federal Communication Commission - Connect America Fund** to expand broadband access to rural areas. Fund will offer telecommunications carriers \$1.675 billion a year through 2020.

Florida Impact: Florida communities benefit from many Federal programs and their State counterparts and continued funding and expansion of these programs is imperative to maintain appropriate support for local governments.

¹ [Whitehouse 2018 budget proposal, p 16.](#)

FED-PP-8: Federal Tax Reform

(State and Local Tax Deduction and Municipal Bond Deduction)

State and Local Tax Deduction (SALT)

Proposed Policy: The Florida Association of Counties **SUPPORTS** the federal tax code retaining the deductibility of all state and local taxes, particularly the property tax, and it should reinstate the deductibility of sales taxes.

Issue Summary:

The state and local tax deduction allows taxpayers to deduct state and local taxes (SALT) paid they have paid from their federally taxable income. The tax reform plan currently proposed by Congress would repeal this deduction for individual and family filers. In 2015, over 36 million individuals and filers making less than \$200,000 claimed the deduction and these middle income families accounted for over half of the tax saving seen as a result of the deduction that year. Under the current plan, corporations would still be able to deduct the state and local taxes as business expenses.

Background: The ability of state and local governments to maintain taxing authority free from the interference by the Federal government is one of the pillars of fiscal federalism and the 10th amendment's reservation of power to the states and people. This concept has been reflected in the tax code since the creation of the Revenue Act of 1913, which allowed for the deduction of state and local taxes. This deduction provides two important benefits. First, the deduction prevents taxpayers from being taxed twice on the same income. Second, the property tax deduction, when paired with the mortgage interest deduction, provides a strong incentive for homeownership.

Analysis: If the SALT deduction were eliminated, it would represent a significant tax increase on homeowners and increase the cost of homeownership. Since home prices have been established assuming the SALT deduction, these prices are likely to fall, creating a loss of wealth for many Americans and destabilizing the real estate market. This impact will be doubly felt by second homeowners in Florida, who already pay increased property taxes as non-homesteaded property and who are likely to see the value of their investment decrease with the elimination of the federal tax benefit of owning more expensive and non-homesteaded property in Florida. This change also increases the incentive for Florida's second homeowners to rent their property or otherwise use it as a business, since the exemption of property taxes will still be allowable as a business expense.

Local governments have taken the existence of the SALT deduction into consideration when setting tax rates to provide local services. Local citizens will likely not accept the increase in taxes

paid and will seek lower taxes from level government they view as the most responsive – their local government. Local government responsiveness will result in decreased funding for critical public services and infrastructure and the continued expansion of federal taxation power at the expense of local tax revenue. Proposed alternatives to the SALT deduction, such as increasing the standard deduction or adjusting marginal tax rates, will mitigate the impact of the lost SALT deduction on some individual taxpayers, but will necessarily result in a redistribution of the tax burden and create a system where many tax payers will still see increased taxes.

Florida Impact: While Florida is generally categorized as a “low tax” state due to its lack of a state income tax, it ranks in the middle of the pack with respect to property taxes. This means that while the impacts may not be as widespread in Florida, rising property values mean that some individuals and regions will see impacts similar to those seen in “high tax” states.

<http://www.naco.org/advocacy/action-centers/tax-reform>

Tax-Exempt Status of Municipal Bonds

Proposed Policy: **SUPPORT** the preservation of the existing tax-exempt status of municipal bonds. **OPPOSE** legislative provisions that would repeal or eliminate the tax exempt status of municipal bonds. **Oppose** legislative provisions that would repeal, limit, or “cap” the deduction for interest earned on new and outstanding municipal bonds.

Issue Summary: The tax reform proposal currently under consideration in the U.S. House of Representatives would eliminate an income tax-exemption for interest income from certain types of municipal bonds. The House proposal would eliminate the ability of local governments to issue: (1)tax-exempt qualified private activity bonds;(2)tax-exempt advance refunding bonds; (3)tax-exempt professional sports stadium bonds; and (4) tax credit bonds. While the U.S. Senate bonds does not eliminate the exemption for private investment bonds, the Senate would also eliminate the issuance of tax-exempt advance refunding bonds.

Background: Counties, cities, are authorized by the Florida Constitution to issue bonds payable from ad valorem taxation; additionally, non- charter counties and certain special districts are authorized by statute to issue to bonds and other certificates of indebtedness subject to limitations under general law. Bonds are generally issued to finance public infrastructure projects like roads, utilities, governmental buildings, including police and fire stations, parks and recreation facilities, and parking garages. Interest income received from investing in municipal bonds is currently free from federal income tax, making municipal bonds more attractive to investors and lowering the cost of borrowing to counties and special districts.

Analysis: Under the proposals under consideration in both chambers, no tax-exempt bond issued after December 31, 2017 can be issued to advance refund another bond. The inability of to issue tax-exempt advance refunding bonds- currently a feature in both chamber’s tax reform proposal-

will increase the costs on state and local governments. Advance refunding bonds are bonds which are used to take advantage of lower interest rates before outstanding bonds can be called in. Less commonly, they can be used to revise burdensome covenants or to restructure debt service payments. Governments may engage in tax-exempt advance refunding only once over the life of the bonds. As a component of the proposals of both Chambers, this seems the most likely municipal bond-related proposal to remain in any adopted bill.

The tax reform proposal currently under consideration in the U.S. House of Representatives would eliminate an income tax-exemption for interest income from Private Activity bonds, which are typically issued to fund projects like education facilities, hospitals, airports, and low-income housing, ports, solid waste disposal revenue bonds, and wastewater treatment facilities that are being built and paid for by a private developer. Taxing income from these types of bonds makes them less attractive to investors, resulting in increased borrowing costs to local governments and making financing for these types of projects more challenging.

Of concern is the fact that these are the types of bonds typically used to finance public-private partnerships (“P3s”) which are a growing mechanism to effectively fund projects. Private vendors can benefit public projects by providing expertise in design, funding, construction, and operation of many types of public projects and this need for specialized expertise will only grow with advances in technology. Reducing the value of Private Activity bonds will make private involvement in public projects more costly.

Florida Impact: In 2016, Florida’s counties issued roughly \$4.2 billion in bonds. Without the benefit of tax exemption, the overall cost of financing some of these bonds will increase.

FED-PP-9: Offshore Drilling

Proposed Policy: **FAC SUPPORTS** making permanent the ban on oil and gas leasing contained in the Gulf of Mexico Energy Security Act of 2006 (GOMESA)

Issue Summary: The Gulf of Mexico Energy Security Act of 2006 (GOMESA) bans oil and gas leasing in the majority of the Eastern Gulf of Mexico Planning Area (EPA) and portions of the Central Gulf of Mexico Planning Area (CPA) until 2022. Specifically, oil and gas leasing activities are banned in areas of the EPA that are within 125 miles of Florida, and areas within the CPA that are within 100 miles of Florida (*see below map for details*). FAC supports extending the ban indefinitely.

Background:

Generally, state coastal waters extend three miles a state's coastline; Florida's west coast is an exception, where the state has jurisdiction over waters extending nine miles from the coast. Florida statute (s. 377.242(1)(2)(5.), F.S.) currently prohibits drilling for, or production of, oil, gas, or other petroleum products in state coastal waters.

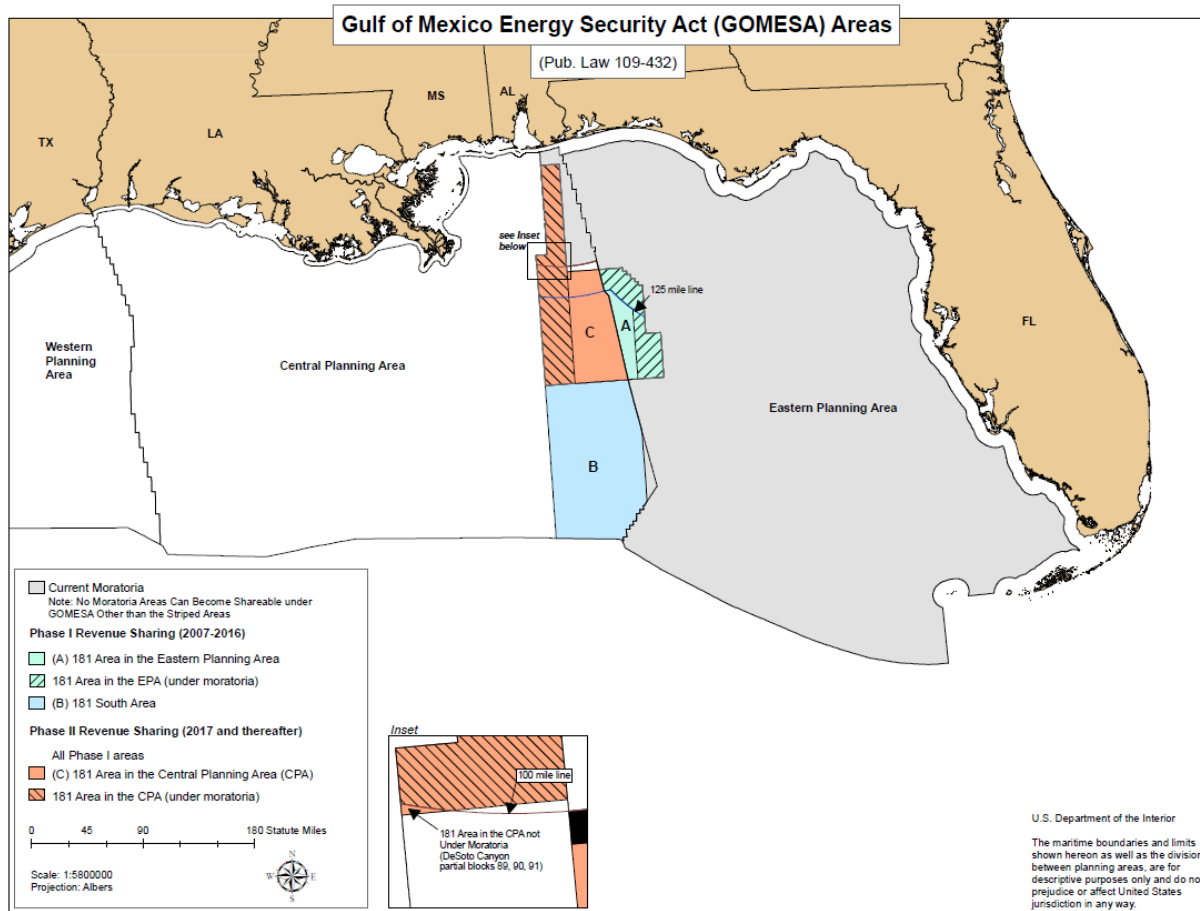
The federal government has jurisdiction over territorial waters beyond state waters. While significant oil exploration and drilling has taken place in the Gulf of Mexico since the 1930s, these activities have taken place primarily in the western and central areas of the Gulf of Mexico. Concerns over the impacts of increased drilling in the eastern Gulf of Mexico on military training and weapons testing activities led to the passage of GOMESA, which sets a moratorium on drilling in the EPA until 2022.

In recent years, bills have been filed, unsuccessfully, in the House of Representatives to roll back the GOMESA moratorium and to reduce the area subject to the moratorium. Additionally, in April 2017, President Trump signed an executive order aimed at expanding offshore drilling in the Arctic and Atlantic Oceans and directing the Secretary of the Interior to review the schedule of proposed oil and gas lease sales in certain federal waters, including the central Gulf of Mexico; the order does not include the eastern Gulf of Mexico.

Senator Bill Nelson has filed legislation to extend the GOMESA moratorium through 2027; however, the bill has not yet been heard.

Florida Impact:

In addition to the potential impacts on military activities, offshore drilling threatens Florida's beaches, coastlines, commercial and recreational fishing, and marine species, all of which are major economic drivers for the state.



2018 FAC LEGISLATIVE CONFERENCE

