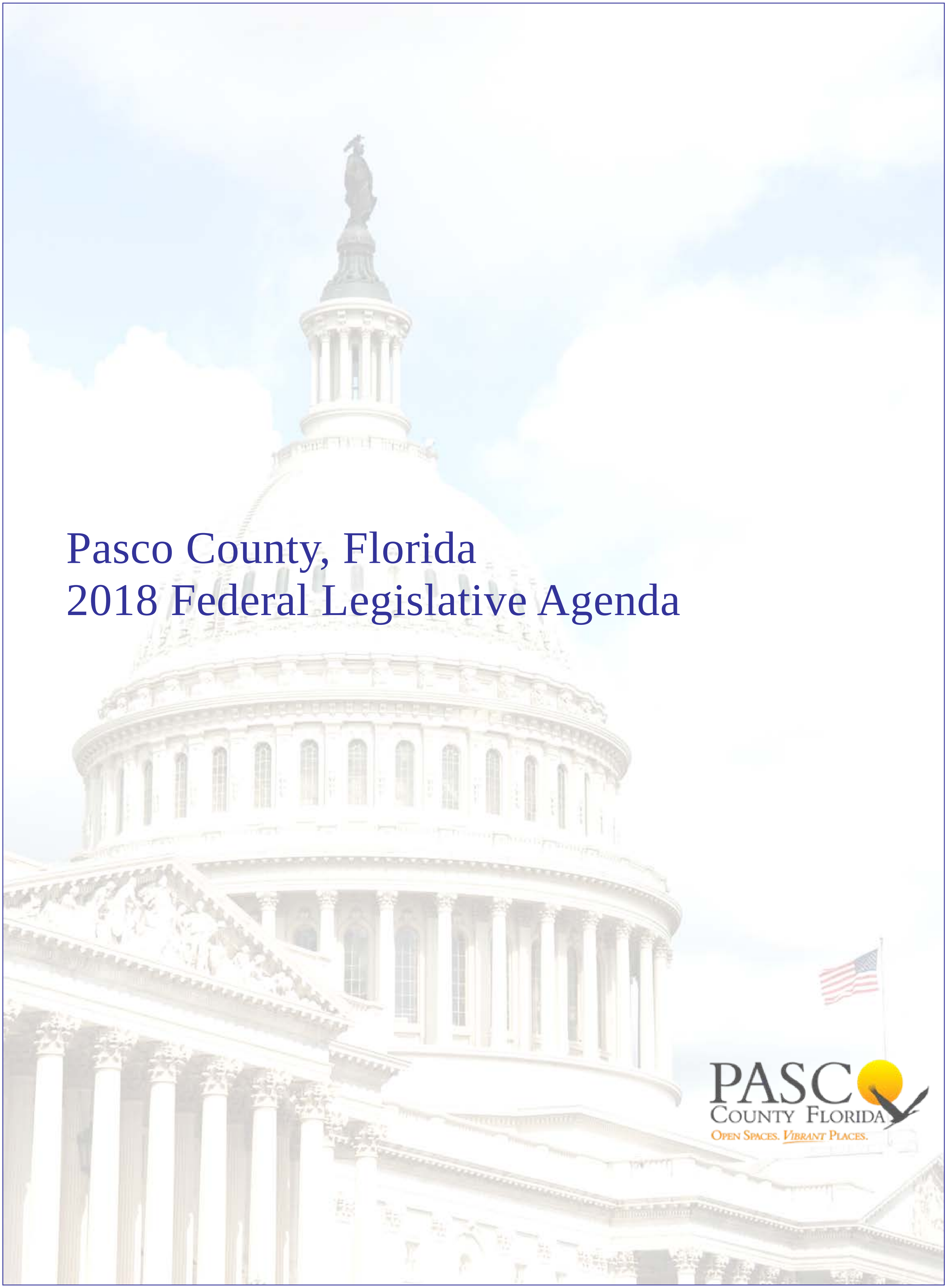

Pasco County, Florida
2018 Federal Legislative Agenda

Prepared by Van Scoyoc Associates for the

Pasco County Board of County Commissioners

Commissioner Mike Wells, Chairman
Commissioner Ron Oakley, Vice Chairman
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February 2018

Pasco County, Florida
2018 Federal Legislative Agenda

Water Resources and Transportation Infrastructure

Infrastructure Investment

Support new federal investment in infrastructure. ***Support*** all opportunities to secure funding for Pasco County's infrastructure priorities.

Ridge Road Extension Emergency Evacuation Project

Support expedited review of the permit for the Ridge Road Extension Emergency Evacuation Project by the Corps of Engineers so Pasco County can complete final design and construction of this vital emergency evacuation route. ***Support*** efforts to expedite the National Environmental Policy Act review of the Ridge Road Extension project via President Trump's "Executive Order Expediting Environmental Reviews and Approvals For High Priority Infrastructure Projects."

Water Infrastructure Investment

Support adequate funding of the WIFIA loan program**.** ***Support*** additional federal investment for new water infrastructure programs.

National Flood Insurance Program

Support efforts to improve the National Flood Insurance Program for the benefit of all participants.

Pithlachascotee Anclote Conservation Effort (PACE)

Support efforts to pursue funding for the Pasco County Pithlachascotee Anclote Conservation Effort study through the Corps.

Recreational Trails Program

Support the Recreational Trails Program and any Pasco County applications for funding through Florida's Department of Environmental Protection.

Waters of the United States

Monitor activity related to the Waters of the U.S. rule.

Environmental Permitting and Regulatory Reform

Support improvements to environmental permitting and further regulatory reform.

Transportation Funding

Support opportunities to secure funding for Pasco County's transportation priorities via grant programs or through the development of an infrastructure package.

RESTORE Act

Monitor federal implementation of the RESTORE Act to ensure benefit to Pasco County. ***Support*** efforts to secure funding for projects and programs supported by Pasco County.

<u>Social Services and Economic/Community Development Programs</u>

Healthcare Reform

Monitor efforts to repeal, replace or amend the Affordable Care Act. ***Monitor*** changes to Medicaid and Medicare. ***Support*** the repeal of the excise tax on high-cost health insurance plans (a.k.a. the Cadillac tax) within the Affordable Care Act.

Department of Labor Apprenticeship Programs

Support adequate funding for and the continuation of the *ApprenticeshipUSA* Initiative. ***Support*** Pasco County applications for these funds. ***Support*** changes to the definition of registered apprenticeship that provide flexibility for more hours to be achieved through relevant college and workshop classroom instruction, rather than all hours having to be recorded working with a journeyman.

Older Americans Act

Support continued adequate annual funding for Older Americans Act programs that support critical social service programs serving elder persons in Pasco County.

Social Services Grants

Support continued adequate annual funding for the Community Services Block Grant. ***Support*** continued adequate annual funding for the Social Services Block Grant.

Economic Development Administration

Support Pasco County Economic Development Administration grant applications as applicable. ***Support*** continued adequate funding of the Economic Development Administration.

Community Development Block Grant and HOME Investment

Support adequate funding for the Community Development Block Grant and HOME Investment Partnerships programs for future fiscal years because of their critical role in the County's efforts to support those that are least fortunate.

Opioid Addiction

Support appropriations activities to fund programs in CARA and the 21st Century Cures Act. ***Monitor*** HHS for guidance regarding the allocation of 21st Century Cures state formula funding. ***Support*** attempts by entities within Pasco County to secure funding to fight opioid addiction.

<u>Emergency Management</u>

Homeland Security Grant Programs

Support continued funding for DHS grants including Urban Areas Security Initiative grants and the State Homeland Security Grant Program. ***Support*** maintaining the current number of 29 high-risk urban areas eligible for UASI. ***Support*** Pasco County's applications for these funds. ***Support*** reclassification of Public Safety Telecommunicators via the Office of Management and Budget's Standard Occupational Classification revision.

Public Safety Grant Programs

Support continued adequate funding for the wide variety of DOJ and DHS grants, i.e., Community Oriented Policing Services, Byrne Justice Assistance Grants, Emergency Management Preparedness Grants, Assistance to Firefighters Grants, Staffing for Adequate Fire and Emergency Response Grants, and other public safety grants. ***Support*** any Pasco County applications for these funds.

Federal Emergency Management Agency Disaster Assistance
Support legislation to prohibit the Federal Emergency Management Agency from de-obligating previously awarded disaster funds for projects that have been certified as complete by the state for at least three years. ***Support*** changes to the Stafford Act to ensure that counties are not denied for an appeal when the state, acting as the grantee, fails to meet the regulatory timeline through no fault of the county.

Energy & Environment

Land and Water Conservation Fund
Support an annual appropriation of at least $110 million in the Land and Water Conservation Fund for the state conservation grant program. ***Support*** legislation reauthorizing the Land and Water Conservation Fund, including an increased authorization for the state conservation grant program, which would better position Pasco County for acquisition or land preservation improvement opportunities.

Offshore Energy Exploration
Monitor the potential expansion of offshore energy exploration in the Eastern Gulf of Mexico.

General Government

Tax-Exempt Bonds
Oppose tax reform legislation that threatens the tax exemption on state and local bonds, including a 28 percent cap on tax-exempt municipal bonds, especially as this could have negative implications for the Central Pasco Judicial Complex detention expansion project.

FEDERAL ISSUE: Infrastructure Investment

BACKGROUND; HOW IT MAY AFFECT PASCO COUNTY: Traditionally, Congress has invested in infrastructure via a number of methods, primarily through legislation or programs like transportation authorizations, Federal Aviation Administration authorizations, revolving loan funds, through the tax code via bond programs, or earmarks prior to 2009. The last big influx of new investment in infrastructure occurred via the 2009 Stimulus bill, which, among other things provided $105.3 billion for infrastructure, including $48.1 billion for transportation, $18 billion for water, environment, and public lands, and the remainder for government buildings, telecommunications, broadband, and energy infrastructure.

Recently however, federal funding for infrastructure fell to a 30-year low as a share of Gross Domestic Product. The American Society of Civil Engineers said in its latest report that $3.6 trillion was needed to bring all segments of U.S. infrastructure up to a state of good repair.

In response, the Trump Administration has made bold promises to invest $1 trillion in infrastructure over ten years. The President's 2018 budget proposal provides an outline of the Administration's proposed infrastructure investment. It includes a 10-year distribution of a proposed $200 billion in direct federal spending, but did not specify where that money would be spent or what projects will be eligible for funding. For FY 2018, the budget calls for $5 billion, increasing to $50 billion in FY 2021 and then decreasing through FY 2026. The Administration is expected to release a set of principles to guide the development of an infrastructure package in early 2018. In an Administration document recently leaked to the press, the plan emphasizes a local commitment to creating new taxes or other revenue sources to fund infrastructure improvements. As a result of this focus, little emphasis is placed on leveraging private investment. The key elements of the plan are:

1) Infrastructure Incentives Initiative: 50 percent of overall funding, nearly any infrastructure project is eligible to compete, based on whether the applicant can demonstrate that they will "secure and commit new [emphasis added], non-federal revenue to create sustainable, long-term funding" (50 percent of overall score) and additional new "revenue for operations, maintenance and rehabilitation" (20 percent of the overall score). Further, grant awards may only account for 20 percent of the overall cost of a project with states not eligible to receive more than 10 percent of overall funding.
2) Transformative Projects Program: 10 percent of overall funding; will support "exploratory and groundbreaking ideas."
3) Rural Infrastructure Program: 25 percent of overall funding; most forms of infrastructure are eligible as in the Infrastructure Incentives Initiative, including broadband. 80 percent of the funding in this category will be made available to Governors for further allocation, must be used in areas with a population of less than 50,000.
4) Federal credits program: 7.05 percent of overall funding to be used to expand existing infrastructure loan programs, such as WIFIA.
5) Public Lands Infrastructure Fund: would create a new fund from on- and off-shore mineral and energy development to fund improvements on public lands.

The draft document also includes other changes to financing mechanisms and tweaks to existing federal programs. The document does not provide any funding level or any way to pay for the federal investment.

Congress on the other hand, continues to discuss a desire to provide more funding for infrastructure, but has not offered a formal proposal or a specific timeline as to when they may be able to tackle the issue, given other priorities.

While it is unclear how this discussion will progress during the remainder of 115th Congress, it is possible that new infrastructure investment opportunities could be created and used to fund projects in Pasco County.

POSITION: ***Support*** new federal investment in infrastructure. ***Support*** all opportunities to secure funding for Pasco County's infrastructure priorities.

FEDERAL ISSUE: Ridge Road Extension Emergency Evacuation Project

BACKGROUND; HOW IT MAY AFFECT PASCO COUNTY: Pasco County continues to experience healthy growth in residential and commercial development. A considerable amount of that growth has been concentrated within a few miles of its coast with the Gulf of Mexico. The growth along the coast carries with it an increased need for mobility and additional evacuation capacity from these vulnerable areas. In addition, population growth in adjacent counties places further demand on existing evacuation routes. With Hurricanes Hermine and Irma causing significant in damages in Pasco County and displacing thousands of constituents over the past several years, evacuation routes are more important than ever.

The most critical project in the County's plans for increasing emergency mobility is a project to extend Ridge Road from its current terminus to U.S. Highway 41. The Ridge Road Extension (RRE) project consists of a four-lane limited access highway. The western portion of the project traverses the Serenova Tract of the Starkey Wilderness Preserve. The RRE project requires a permit from the U.S. Army Corps of Engineers (Corps) under Section 404 of the Clean Water Act.

Following extensive local and State planning in the 1980s and 1990s, the County applied for permits for the RRE from the State and Corps in November 1998. The County completed comprehensive avoidance and minimization studies and analysis for the State and Corps regulatory agencies between 1998 and 2008.

Subsequently, the County has prepared two separate Alternatives Analyses in response to directions from the Corps. Each analysis consists of over 1000 pages of information incorporating extensive engineering and environment studies. The County's preferred alternative has incorporated substantial and expensive features to avoid and protect wetlands, endangered species and other environmental assets along its route. The total cost of the RRE project with these substantial protections for the environment is estimated to exceed $100M.

The latest Alternatives Analysis, submitted in April 2015, was prepared in strict accordance with guidance from the Corps Jacksonville District, which has responsibility for this permit action. The Corps reviewed the Alternatives Analysis and even transferred review management to a different office to improve their permit review action. In May of 2017, the Corps gave preliminary approval to the planned route, deeming it the "least environmentally damaging practical alternative." This approval is not a permit and the project will still require additional studies and environmental mitigation approvals, but it does move the County closer to being able to construct the project.

Meanwhile, in January 2017, President Trump signed the "Executive Order Expediting Environmental Reviews and Approvals For High Priority Infrastructure Projects." In it, a process is described whereby a Governor or the head of any federal agency may request that the Council on Environmental Quality (CEQ) review within 30 days whether a project is deemed "high priority" and can therefore be subject to expedited National Environmental Policy Act (NEPA) review. If a project is deemed high priority by CEQ, then the agency in charge of the permits must develop a schedule for "expedited" NEPA review. The Governor of Florida submitted a letter in March 2017 requesting that the RRE project be identified as a high priority infrastructure project, however, CEQ wrote back in April 2017 stating that they were still in the process of working with other federal agencies and that information regarding the designation of high priority infrastructure projects would be made available as that process moved forward.

POSITION: ***Support*** expedited review of the permit for the Ridge Road Extension Emergency Evacuation Project by the Corps of Engineers so Pasco County can complete final design and construction of this vital emergency evacuation route. ***Support*** efforts to expedite the National Environmental Policy Act review of the Ridge Road Extension project via President Trump's "Executive Order Expediting Environmental Reviews and Approvals For High Priority Infrastructure Projects."

FEDERAL ISSUE: Water Infrastructure Investment

BACKGROUND; HOW IT MAY AFFECT PASCO COUNTY: Several legislative efforts addressing water infrastructure may be of interest to Pasco County. Of particular interest is stormwater infrastructure which presents a unique financial challenge. Pasco County has an estimated $300 million worth of needed stormwater projects to help solve flooding challenges. A failed attempt to raise the local stormwater fee in the County makes significant local funding challenging. In addition, there may be an opportunity to fund water projects through an anticipated infrastructure plan.

Water Infrastructure Finance and Innovation Act

Water Infrastructure Finance and Innovation Act (WIFIA) was created under the Water Resources Reform and Development Act of 2014 as a low-interest loan program for large drinking water, wastewater, and water reuse projects. When originally written, the law prohibited the use of tax-exempt bonds to pay for the non-federal portions of the project, essentially taking away the most cost-effective tool for local governments that might seek WIFIA loans. However, the five-year surface transportation bill, which was passed by Congress in December 2015, included a provision to lift the ban on using tax-exempt bonds for WIFIA loans.

WIFIA loans may be a beneficial funding mechanism because they have lower interest rates and fees, often times less expensive than municipal bonds, and have flexible financial terms to fit a borrower's unique needs. Some of these flexible terms includes customized repayment scheduled, customized disbursements, longer terms, and no penalty for prepayment of the loan. Congress included $20 million for the WIFIA program in FY 2017. With these funds, EPA announced a round of funding and accepted letters of interest from jurisdictions seeking funding. The EPA received 43 letters of interest and invited 12 entities to move forward with the application process. EPA has yet to close on any of those loans, but expects to close on the first loan in February of 2018. A round of funding will be opened again in 2018 shortly after Congress completes the appropriations process. The Administration requested level funding of $20 million for FY 2018 and both the House and Senate have allocated $30 million in their respective appropriations bills. The Trump Administration has indicated that the WIFIA program is an important element of infrastructure investment and they plan to increase funding to this and similar programs as a part of their larger infrastructure plan.

POSITION: ***Support*** adequate funding of the WIFIA loan program***.*** ***Support*** additional federal investment for new water infrastructure programs.

FEDERAL ISSUE: National Flood Insurance Program

BACKGROUND; HOW IT MAY AFFECT PASCO COUNTY: Congress established the National Flood Insurance Program (NFIP) in 1968 to address the nation's flood exposure. Private insurance companies at the time claimed that the flood peril was uninsurable and, therefore, could not be underwritten in the private insurance market. A three-prong floodplain management and insurance program was created to (1) identify areas across the nation most at risk of flooding; (2) minimize the economic impact of flooding events through floodplain management ordinances; and (3) provide flood insurance to individuals and businesses.

Until 2005, the NFIP was self-supporting, as policy premiums and fees covered expenses and claim payments. Today, the program is roughly $25 billion in debt due to a number of large storms.

In mid-2012, Congress passed, and the President signed, the Biggert-Waters Flood Insurance Act (BW12), a 5-year reauthorization of the NFIP that attempted to restore the program to firmer financial footing by making a number of changes to the program that impact the County's residents. Then, in early 2014, the Homeowner Flood Insurance Affordability Act (HFIAA), was enacted in an attempt to address some of the so-called unintended consequences of BW12. While HFIAA delayed many of the premium increases implemented by BW12, in the long run, the only real difference between rate increases envisioned by the two bills is that HFIAA reinstated grandfathering. This provision originally ended by BW12 allows property owners to pay flood insurance rates based on original risk, not that which is determined by new community flood maps.

Authorization of the NFIP expired September 30, 2017, and has been continued along with funding for the government several times through continuing resolutions. The 115th Congress still needs to address a longer-term reauthorization this year. Reauthorization may include reforms to the NFIP.

In Pasco County, there are 24,509 NFIP policies for both homes and commercial properties.

115th Congressional Approach

The House Financial Services Committee drafted and passed several bills to address the reauthorization of NFIP. The proposals have many areas of concern for consumers and local governments. Specifically, the package of bills would:

- Raise the minimum average premium increase to 8% from 5%. FEMA has reported that a majority of risk classifications had increases of less than 8%, thereby this provision would mean higher premiums for the majority of policyholders.
- Increase a variety of surcharges for all policyholders in the NFIP while not holding the private insurance market to the same standards
- Changes the definition of a multiple loss property and places additional restrictions on policyholders that fall into this category, increasing their expenses and limiting their choices for coverage
- Increases the regulatory burden on local governments by requiring communities with more than 50 repetitive loss structures (defined as properties that have had two or more claims totaling $1,000 in the past ten years) to map the properties and surrounding infrastructure and then enact a FEMA approved mitigation plan. The communities would then be subject to potential sanctions

from FEMA if sufficient progress was not made on the plan. These sanctions are not clearly defined in the bill, but references to removal from the NFIP was taken out of the bill by amendment in committee.

The package of bills was then merged into a single bill, entitled the 21st Century Flood Insurance Reform Act, which ultimately passed the House last fall. This bill is unlikely to gain traction in the Senate.

In the Senate, several Senators, including both Senators Nelson and Rubio, have introduced their own version of flood insurance reauthorization, entitled The Sustainable, Affordable, Fair and Efficient National Flood Insurance Program Reauthorization Act (SAFE NFIP Act), that includes beneficial provisions from a significantly more consumer-friendly perspective. Among them include efforts to further limit premium rate increases, create new means-tested mitigation and affordability provisions, expand the Increased Cost of Compliance program, focus on existing pre-disaster mitigation programs and developing accurate flood maps, cap Write-Your-Own compensation, and offer a policyholder credit if they secure an elevation certificate. Additionally, Senators Kirsten Gillibrand (D-NY) Bill Cassidy (R-LA) have introduced the Flood Insurance Affordability and Sustainability Act of 2017. The Senate Banking Committee has drafted their own reauthorization bill, which will ultimately serve as the vehicle for reauthorization in the Senate, however the Committee has indicated that this bill is a “base text” that will be amended as it moves forward.

<u>POSITION</u>: ***Support*** efforts to improve the National Flood Insurance Program for the benefit of all participants.

FEDERAL ISSUE: Pithlachascotee Anclote Conservation Effort (PACE)

BACKGROUND; HOW IT MAY AFFECT PASCO COUNTY: The Pinellas-Anclote (West) Watershed, located in southwest Pasco County, includes the Anclote River and the evacuation routes of State Road 54 and Little Road. This area is very prone to flooding. Over the past fifteen years tropical storms and hurricanes have caused severe flooding, damaged homes, and damaged public infrastructure; impacting thousands of citizens and causing millions of dollars in damages. Pasco County has constructed projects to alleviate flooding from smaller rainfall events, but the most recent storms have shown that previous efforts are insufficient. It is evident that significant storm water retention and conveyance improvements are necessary to provide the necessary flood protection measures for the area.

The Pithlachascotee Anclote Conservation Effort (PACE) could potentially divert flood waters from the Pithlachascotee and Anclote Rivers onto Southwest Florida Water Management District property. The project has multiple benefits from the County's perspective such as flood relief for downstream properties along with water quality improvements.

Congress provides the U.S. Army Corps of Engineers with standing authorization, known as the Continuing Authorities Programs (CAP), to respond to a variety of water resource issues without the need to seek specific congressional authorization or funding for each project. In theory, this decreases the amount of time required to budget, develop, and approve potential projects for construction. The CAP 205 program authorizes the Corps to partner with a non-federal sponsor to plan and construct small flood damage reduction projects. The Corps of Engineers issued a Federal Interest Determination for the PACE study on June 23, 2016 and the County entered into a Feasibility Cost Sharing Agreement with the Corps in December 2016, however, in December of 2017 it was determined that the project would exceed the federal cost share cap of $10 million and the study was halted.

The Corps is able to partner with local governments on larger studies. The County is assessing potential options moving forward to secure ongoing engagement with the Corps.

POSITION: ***Support*** efforts to pursue funding for the Pasco County Pithlachascotee Anclote Conservation Effort study through the Corps.

FEDERAL ISSUE: Recreational Trails Program

BACKGROUND; HOW IT MAY AFFECT PASCO COUNTY: The Recreational Trails Program (RTP) of the Federal Highway Administration provides funds to states to develop and maintain recreational trails and trail-related facilities for both non-motorized and motorized recreational trail uses. Federal transportation funds can be used to benefit recreation, including hiking, bicycling, in-line skating, equestrian use, cross-country skiing, snowmobiling, off-road motorcycling, all-terrain vehicle riding, four-wheel driving, or using other off-road motorized vehicles. Between 1993 and 2016, Florida provided 209 RTP project grants throughout the state; Pasco County received a grant in 2004 for a hiking and bicycle trail in the James Grey Preserve.

The Fixing America's Surface Transportation (FAST) Act signed in 2016 reauthorized the RTP for fiscal years (FY) 2016 through 2020 as a formula set-aside of funds from the Transportation Alternatives set-aside under the Surface Transportation Block Grant Program to states.

Overall, slightly more than $80 million is available throughout the country from the program between 2016 and 2020. In the most recent round of funding, Florida received $2,576,507 for RTP projects via formula. Each state administers its own program; in Florida, the RTP is managed by the Florida Department of Environmental Protection. The application period for Florida's 2018 grant cycle closed in December of 2017.

POSITION: Support the Recreational Trails Program and any Pasco County applications for funding through Florida's Department of Environmental Protection.

FEDERAL ISSUE: Waters of the United States

BACKGROUND; HOW IT MAY AFFECT PASCO COUNTY: A series of decisions by the Supreme Court over the past decade imposed restrictions on the scope of wetland regulation governed by Section 404 of the Clean Water Act (CWA), which regulates "dredge and fill" activities in navigable waters and their adjacent wetlands. Opponents of these restrictions have urged Congress to redefine Waters of the U.S. (WOTUS), and apply that definition to all aspects of the CWA.

As legislation along those lines failed to pass previous Congresses, the Environmental Protection Agency (EPA) and Army Corps of Engineers (Corps) over the past several years developed a final rule to redefine WOTUS. This effort raised concern in that it may have significantly expanded the definition of WOTUS to include tributaries, ditches, canals, and other water bodies that can potentially drain into navigable waters, interstate waters, or the territorial seas. These water bodies would be subject to new requirements, and some waters currently covered by a permit could be subject to additional monitoring and regulation when those permits are renewed.

As a result of this expanded definition, 31 states sued to stop implementation of the rule. Courts blocked the implementation of the rule while the various lawsuits proceeded. The Supreme Court recently ruled that challenges to the rule should be heard by federal district courts, not federal appeals courts. This ruling further complicates the issue of which rule is in effect, however the Administration was already in the process of clarifying the rule prior to the Supreme Court decision. Once President Trump took office last year, he issued an executive order directing the EPA and Corps to reevaluate the Obama Administration's rule. The definitions of WOTUS directly impacts how local governments maintain stormwater infrastructure such as detention ponds, ditches, flood control structures and drinking water facilities, among other things.

The EPA and Corps announced in late June that they would begin a two-step process to rewrite the WOTUS rule as a part of implementing President Trump's executive order. The first step rescinds the prior rule from the Obama Administration and reverts to the previous definition. The second step includes a review and redefinition of WOTUS which will consider "Supreme Court decisions, agency guidance, and longstanding practice." It is anticipated that the new definition will signal a significant change in the government's legal strategy for deciding which wetlands and streams are protected under the Clean Water Act. For more than a decade, federal agencies have relied on Justice Anthony Kennedy's opinion in the 2006 wetland-permitting case, Rapanos v. United States, in determining where the federal reach over waterways begins. The court ruled in favor of Rapanos, but in a 4-1-4 vote, the majority split on what approach to use to define government jurisdiction. President Trump's executive order specifically asked the agencies to consider the opinion the late Supreme Court Justice Antonin Scalia wrote in the 2006 case, saying the Clean Water Act ought only to cover navigable waters and waterways "with a continuous surface connection" to them — a far more restrictive definition than what the Obama Administration put into its rule. Relying on Scalia's opinion would likely restrict federal jurisdiction.

The EPA and Corps closed the commenting period on the recodification of the pre-2015 rule in September of 2017. Over the next several months they will work to develop a new proposed rule which will then be available for public comment.

POSITION: ***Monitor*** activity related to the Waters of the U.S. rule.

FEDERAL ISSUE: Environmental Permitting and Regulatory Reform

BACKGROUND; HOW IT MAY AFFECT PASCO COUNTY: The repeal or rolling back of federal agency regulations and executive orders and actions has long been a topic of legislative debate. Congressional Republicans are exploring ways to reverse numerous regulations and executive orders enacted by the Obama Administration. The Congressional Review Act (CRA), which allows Congress to cast simple majority votes of disapproval for regulations within 60 legislative days of their adoption, is often cited as a way to block executive actions. Prior to 2017, it had only been used once since its passage 21 years ago. In the 115th Congress, it was used to roll back 15 rules issued by the Obama Administration. Those rules included regulations on teacher training, coal mining runoff, and bear hunting in Alaska, among other issues.

With regard to infrastructure, streamlining or eliminating permitting provisions is the most commonly noted goal for regulatory reform. President Trump has repeatedly cited reducing permitting and regulations as a key component of his infrastructure plan. In December 2015, the FAST Act (the most recent transportation reauthorization bill) was enacted. The bill includes the Federal Permitting Improvement Act which aims to improve the permitting process for major infrastructure projects. The law establishes an interagency council to develop permitting performance standards, set deadlines and enable better public tracking of the progress of major federal permitting actions.

The permitting streamlining provisions apply to construction of infrastructure for surface transportation, aviation, ports and waterways, water resource projects, broadband pipelines and energy production and transmission projects. Projects must require authorization or environmental review by a federal agency involving infrastructure that is subject to NEPA and either likely to require an investment of at least $200 million or likely to benefit from enhanced permitting oversight and coordination.

While the law has the potential to improve infrastructure permitting times, it does not amend any of the substantive laws that provide the basis for requirements for permits and authorizations (like NEPA, the Federal Power Act, Clean Air Act, etc...). It also establishes a process for interagency negotiations through the interagency council versus establishing statutory deadlines to which agencies must adhere.

While Congress has debated regulatory reform within many contexts and has made some strides towards enactment of these reforms, we can expect much more to come from the 115th Congress. The conservative House Freedom Caucus has compiled a list of over 200 regulations it wants to subject to a disapproval vote. These include rules and regulations governing school lunch standards, tobacco regulations, climate change, financial/corporate oversight, and labor laws and practices.

Additionally, on January 5, 2017, the House passed the Regulations from the Executive In Need of Scrutiny (REINS) Act, which was introduced by Congressman Doug Collins (R-GA-9). A companion measure, introduced by Senator Rand Paul (R-KY) has passed the Homeland Security and Governmental Affairs Committee, but has yet to be heard on the floor of the Senate.

The bill revises provisions relating to congressional review of agency rulemaking by requiring any executive branch rule or regulation designated as a “major rule” to come before Congress for an up-or-down vote before being enacted. A "major rule" is any rule that the Office of Information and Regulatory Affairs of the Office of Management and Budget finds results in: (1) an annual effect on the economy of

$100 million or more; (2) a major increase in costs or prices for consumers, individual industries, government agencies, or geographic regions; or (3) significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of U.S.-based enterprises to compete with foreign-based enterprises.

A joint resolution of approval must be enacted within 70 legislative days after the agency proposing a major rule submits its report on the rule to Congress in order for the rule to take effect. A major rule may take effect for 90 days without such approval if the President determines it is necessary because of an imminent threat to health or safety or other emergency, for the enforcement of criminal laws, for national security, or to implement an international trade agreement.

While the debate surrounding many of these regulations is likely to be contentious, there may be areas where Pasco County benefits. For example, if permitting processes or agency review of projects and applications is sped up, projects like the Ridge Road Extension may benefit.

POSITION: ***Support*** improvements to environmental permitting and further regulatory reform.

FEDERAL ISSUE: Transportation Funding

BACKGROUND; HOW IT MAY AFFECT PASCO COUNTY: After the passage of several short-term transportation authorizations following the expiration of MAP-21 in 2014, Congress finally passed, and the President signed, a five-year surface transportation authorization called the Fixing America's Surface Transportation (FAST) Act in 2016. The FAST Act generally maintains many of MAP-21's reforms, but makes a few changes to existing surface transportation programs, as well as slightly increases funding for those programs.

One of the most significant changes within the FAST Act is the conversion of the Surface Transportation Program to the Surface Transportation Block Grant Program, which purportedly allows states greater flexibility in utilizing the funds. Also significant to Pasco County and Pasco County Public Transportation (PCPT), is the reinstatement of the competitive grant program within the Bus and Bus Facilities Program. The grant is designed to provide funds to rehabilitate or replace buses or bus equipment and/or construct bus facilities; it also includes funding for low- or no-emissions buses. PCPT additionally receives over $1 million in funding annually as a sub allocation of the Tampa-St. Petersburg Urbanized Area 5307 Formula Grant.

Meanwhile, in terms of other competitive grant opportunities that may benefit the County, the Trump Administration has announced changes to the FASTLANE grant program established by the FAST Act. The program has been renamed the Infrastructure for Rebuilding America (INFRA) grant program and now is meant to emphasize projects that support economic vitality, leverage federal funding with non-federal sources, and use innovative approaches to improve safety and project delivery speed. INFRA has placed an emphasis on innovative technologies, which may be a good fit with the City's interest in autonomous transit and connected vehicles. The INFRA program is authorized through 2020 and is not subject to the annual appropriations process. The County recently submitted an application to the INFRA program for the I-75 overpass and road interchange project.

Another transportation grant program, the Transportation Investment Generating Economic Recovery program (TIGER) is a discretionary opportunity that must be funded annually by Congress via the appropriations process. Most recently, the program has been proposed for elimination in the Administration's FY 2018 budget and in the House's appropriations bill for transportation programs, but the Senate has proposed to minimally increase funding for the program. In FY 2017, the TIGER program was funded at $500 million. The County also submitted an application for the interchange project in the most recent round of TIGER funding.

POSITION: ***Support*** opportunities to secure funding for Pasco County's transportation priorities via grant programs or through the development of an infrastructure package.

FEDERAL ISSUE: RESTORE Act

BACKGROUND; HOW IT MAY AFFECT PASCO COUNTY: In April 2010, an explosion at the BP-operated Deepwater Horizon oil rig caused the worst oil spill in U.S. history, with millions barrels of oil spilling into the Gulf of Mexico.

In the summer of 2012, Congress passed the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies (RESTORE) Act, which established the Gulf Coast Restoration Trust Fund and mandated that 80 percent of Clean Water Act (CWA) civil damages from the parties involved in the spill be allocated directly to the five impacted states, including Florida.

A civil trial between BP and the Department of Justice (DOJ) began in 2013, and, in 2014, a U.S. District Court judge ruled that BP was "grossly negligent" in the Deepwater Horizon spill, citing the company's extreme measures to cut costs despite safety risks. In January 2015, the same judge ruled that BP dumped 3.2 million barrels of oil into the Gulf during the disaster.

Separately, in 2013, DOJ settled with Transocean for their role in the Deepwater Horizon spill. As a result of the agreement, Transocean paid $1 billion in CWA fines, resulting in the first allocation of funding to be distributed via the RESTORE Act.

In July 2015, BP and DOJ reached a settlement for all federal and state claims in which BP will pay $5.5 billion in CWA fines. BP will also pay $4.9 billion in economic claims to the Gulf states, including $2 billion to Florida; and $350 million for region-wide claims; and approximately $600 million to resolve the economic loss claims of local governments. The settlements will be paid out over a period of fifteen years.

These CWA fines will flow to the Gulf States via three channels created by the RESTORE Act: Direct Component, Council-selected projects, and the Spill Impact Component. The Department of the Treasury is tasked with implementing the RESTORE legislation and published a final rule for the RESTORE Act on December 14, 2015, with an effective date of February 12, 2016.

Since the spill, BP and Transocean have also settled with the federal government for $4.5 billion in criminal penalties. The National Fish and Wildlife Foundation (NFWF) has received $2.5 billion of these funds, with the remainder being allocated to several other trust funds. To date, NFWF has awarded more than 100 million for 25 projects in Florida. In 2016, the Natural Resources Damage Assessment (NRDA) Trustees released their programmatic restoration plan, which included up to $8.8 billion from a settlement reached with BP. Just over $680 million of this settlement has been allocated to Florida.

Direct Component (Bucket 1)
The Direct Component portion makes up roughly 35 percent of the total Trust Fund and is equally divided among the five Gulf States. In Florida, these funds are then distributed to the 23 Gulf Coast counties. The "disproportionally affected" counties receive 75 percent of the state's share with the remaining 25 percent divided among the other 15 counties, including Pasco, based on a formula that takes into account population, distance from the spill and average tax collection per capita. Pasco County has developed a

multi-year implementation plan (MYIP) and has reviced their first award from Treasury for the Waterfront Restoration Plan on the Pithlachascotee River.

Council-selected Projects (Bucket 2)
The RESTORE Act also established the Gulf Coast Ecosystem Restoration Council (the Council), which is responsible for administering 60 percent of the total funding allocated to the Trust Fund. Thirty percent of the Trust Fund is to be used by the Council to develop and fund a Comprehensive Plan for the restoration of the entire Gulf Coast ecosystem, and the remaining thirty percent is to be distributed under the Spill Impact Component. The Council includes the Secretaries of the Interior, Commerce, Agriculture, the Administrator of the Environmental Protection Agency, Secretary of the Army for Civil Works, the head of the Coast Guard, and the Governors of each state. The Council is projects to receive approximately $1.6 billion for Council-selected projects as a result of the settlements with BP, Transocean and Anadarko.

Project and program requests for initial funding from the Transocean settlement under the Council's Comprehensive Plan were due in late 2014. In December of 2015, the Council approved the Initial Funded Priorities List (FPL) . The FPL funds approximately $156.6 million in restoration activities and prioritizes 12 additional projects in the future, subject to further environmental and Council review. The Council also reserved $26.6 million for a future round of funding, that will be subject to a public process.

In December of 2016, the Council adopted an update to its Comprehensive Plan, which included a Ten-Year Funding Strategy for Gulf restoration. The Ten-Year Strategy does not identify specific programs or projects, but does anticipate that the next FPL will have a three-year development period, with all future FPLs also operating on a three-year schedule. According to the update, spacing out FPLs will allow the Council to include much larger projects and programs in future FPLs, as well as explore alternative financing mechanisms, such as public-private partnerships, to support these large-scale projects.

In January of 2018, the Administrator of the EPA became Chair of the Council and Administrator Pruitt announced that Kenneth Wagner would be serving as his designee on the Council. If the Council continues to follow the three-year time frame for the development of the next FPL, they should begin the process at some point this calendar year. This will provide an opportunity for Pasco County to submit projects for consideration.

Spill Impact Component (Bucket 3)
In Florida, the Spill Impact Component is administered by the Gulf Consortium. The Gulf Consortium is tasked with drafting a State Expenditure Plan (SEP) which must then by submitted to the Council by the Governor for approval. Once an approved plan is in place, the Consortium can begin to draw down funding for projects. The Gulf Consortium was created by interlocal agreement in 2012 and has been meeting since that time. The Board of Directors consists of representatives from each of the 23 Gulf Coast counties, including Pasco, and six appointments made by the Governor. The Consortium has agreed to divide their allocation up evenly between the counties. This will result in an allocation for Pasco of just under $12.5 million. The Consortium has released their draft SEP for public comment, which includes several projects in Pasco County. The comment period will be open for at least 45 days. The Consortium anticipates approving the SEP for transmittal to the Governor in April of 2018.

POSITION: ***Monitor*** federal implementation of the RESTORE Act to ensure benefit to Pasco County. ***Support*** efforts to secure funding for projects and programs supported by Pasco County.

FEDERAL ISSUE: Healthcare Reform

BACKGROUND; HOW IT MAY AFFECT PASCO COUNTY: The Patient Protection and Affordable Care Act (PPACA), often referred to simply as the Affordable Care Act (ACA) or "Obamacare," was passed by Congress and signed into law in 2010. The primary goal of the ACA was to increase the quality and affordability of health insurance, as well as lower the uninsured rate by expanding public and private insurance coverage. The law included a number of mechanisms, including individual and employer mandates, insurance exchanges, minimum standards of care, and new taxes/fees to accomplish these goals.

Since its passage in 2010, Republicans have unsuccessfully worked to repeal the law many times. The 2016 election, which resulted in unified government under Republican control, provided an opportunity to successfully do so, however repeated legislative efforts during the 115th Congress have, thus far, failed. Congress did repeal the individual mandate as a part of the recently passed tax reform legislation.

With legislative efforts to fully repeal and replace the ACA failing last year, several smaller efforts have now emerged to undermine or modify the ACA. These efforts include the Trump Administration's decision in October to cut off subsidies to insurers selling coverage through the ACA, an earlier decision to reduce the advertising budget for the ACA's open enrollment period by 90 percent, and cutting back on grants to navigators, who assist citizens in enrolling by approximately 40 percent. Additionally, some members of Congress have sought to address other parts the ACA through legislative means. Potential legislative action including a bipartisan plan in the Senate to restore ACA subsidies for two years in exchange for additional state flexibility.

With respect to Medicaid, if it were changed to a block grant program, federal expenditures would be limited to a set amount given to states, ostensibly with fewer strings attached. This however, could end up forcing states and counties to come up with more money for Medicaid depending on how large of a block grant is provided to Florida and what type of program the state develops.

Meanwhile, House Speaker Paul Ryan (R-WI) has long supported the idea of privatizing Medicare and has stated that entitlement reform will be a priority issue for the House in 2018. Specifically, Speaker Ryan supports changing Medicare from a single payer system in which the federal government pays directly for healthcare to a system where beneficiaries would use government benefits (i.e. a voucher) to purchase private insurance. According to Ryan, this would inject competition into the market, thereby reducing prices. However, critics point out this would effectively end the program, and force seniors to navigate the private insurance market. There are also concerns that this could actually increase costs, as Medicare tends to be less expensive than private insurance.

Additionally, Centers for Medicare and Medicaid Services (CMS) Administrator Seema Verma has supported changes to the Medicaid program. In late 2017, she indicated that CMS would encourage states "to propose innovative Medicaid reforms, reduce federal regulatory burdens, increase efficiency, and promote transparency and accountability." As an example of the type of changes CMS would be supportive of, CMS recently announced they would approve waiver requests from states that include a requirement that recipients participate in community engagement activities, such as employment, job training and education. Shortly thereafter, CMS approved the first of these waiver requests from the state of Kentucky. This is a significant shift for the Medicaid program and could affect the number of participants in the program, impacting the County's cost-share with the state and shifting uninsured health care costs onto local hospitals and communities.

Future ACA repeal or reform could provide an opportunity to address the issue of the Cadillac tax. Under the ACA, a Cadillac health plan is defined as a plan with annual premiums exceeding $10,200 for individuals or $27,500 for families. Under current law, and beginning in 2022, a 40 percent excise tax will be assessed on any dollar amount paid in premiums exceeding the aforementioned values, which, after 2022, will adjust to inflation annually. However, the rate of growth in healthcare costs often outpaces the rate of inflation, meaning employers are likely to pay significantly more each year. Originally envisioned as a tool to reduce healthcare costs, the tax in practice looks increasingly like an increase in out-of-pocket costs for workers. The tax, which is estimated to generate $87 billion over the next ten years, is an offset to pay for the ACA.

The excise tax was originally slated to begin in 2013. However, due to strong concerns expressed by labor groups and others, the ACA has amended by Congress to delay the tax until 2020. In late January, a continuing resolution passed by Congress and signed into law by the President delays the tax for an additional two years until 2022. Additionally, a House bill to repeal the Cadillac tax completely now has 231 cosponsors, which is over half of the members. The companion legislation in the Senate currently has 20 cosponsors.

<u>POSITION</u>: ***Monitor*** efforts to repeal, replace or amend the Affordable Care Act. ***Monitor*** changes to Medicaid and Medicare. ***Support*** the repeal of the excise tax on high-cost health insurance plans (a.k.a. the Cadillac tax) within the Affordable Care Act.

FEDERAL ISSUE: Department of Labor Apprenticeship Programs

BACKGROUND; HOW IT MAY AFFECT PASCO COUNTY: The Department of Labor (DOL) has awarded nearly $90 million in funding for the *ApprenticeshipUSA* initiative, established in 2016. The goal of this initiative is to double and diversify Registered Apprenticeships by 2019. The funding includes investments to accelerate and expand state apprenticeship strategies and grow the use of apprenticeships in new industries, while ensuring that these educational and economic opportunities are within reach for more Americans. The Fiscal Year 2016 appropriations cycle provided the first ever programmatic funding for Registered Apprenticeships.

The *ApprenticeshipUSA* initiative includes several different types of grants. The State Expansion Grant provided over $50.5 million to help states develop and implement comprehensive strategies to support apprenticeship expansion. The purpose of the grants is to engage industry and workforce intermediaries, employers and partners to expand and market apprenticeship to new sectors and underserved populations; enhance state capacity to start new programs; and expand and diversify participation through state innovations, incentives and system reforms. Grants were awarded to 37 applicants, including the Florida Department of Economic Opportunity (DEO).

Specifically, the Florida DEO was awarded $1,498,269 to fund the *Florida ApprenticeshipUSA* project to develop and maintain an innovative public-private partnership involving employers, industry, Registered Apprenticeship sponsors, state and local workforce development systems, educational institutions and non-profits. The project seeks to address Florida’s critical need for skilled, demographically diverse workers in high demand, occupation-growth industries, including the Building Trades, Health Services and Manufacturing, and Information Technology sectors. Projected to create 2,500 new apprentices over 3.5 years, the project will serve women, veterans, members of racial and ethnic minorities, individuals with disabilities, ex-offenders, and young adults. Key partners include CareerSource Florida, the Florida State Apprenticeship Agency, industry intermediaries.

Additional State Accelerator Grants were awarded to expand and expedite registered apprenticeship programs nationwide. The Florida Department of Education received $200,000 to help integrate apprenticeship into their education and workforce systems, engage industry to expand apprenticeship to new sectors and new populations, conduct outreach with employers to start new programs, promote greater diversity and inclusion, and implement state incentives and system reforms.

In June of 2017, President Trump signed an executive order entitled “Expanding Apprenticeships in America”. The EO directs the Secretary of Labor, in consultation with the Secretary of Commerce and the Secretary of Education, to propose new regulations that promote the development of apprenticeships by third parties, such as trade groups, industry groups, and non-profits. These rules will seek to reduce the federal role in creating and monitoring apprenticeships and will allow third-party groups to help set their own standards and guidelines for apprenticeship programs. There has been some concern in Congress that changes to apprenticeship standards could negatively impact the quality of apprenticeships and reduce their benefits to participants. The Department of Labor has not yet published draft regulations. Pasco County has sought to modify the requirements for registered apprenticeships to provide flexibility to those who are enrolled in college courses while completing their apprenticeships and to accommodate certain skills that may be better taught in a classroom setting. The County has worked with NACO and Senator Rubio to encourage flexibility for the Registered Apprenticeship Program to allow more hours to be achieved through relevant college and workshop classroom instruction, rather than all hours having to be recorded working with a journeyman.

The EO also directs the Secretary of Labor to use available funding to promote apprenticeships. This funding is subject to the appropriations process and the EO does not provide any new source of revenue to the Department of Labor. The President's 2018 budget proposal did not include any additional funds for this purpose. The Secretaries of Defense, Labor, Education and the Attorney General are directed by the EO to promote apprenticeships among several groups, including, Job Corps participants, high school students, those who have previously been incarcerated, members of the Armed Services and veterans, and community college and four-year college students

Finally, the EO creates a Task Force on Apprenticeship Expansion and directs the task force to make recommendations to the President to promote and improve apprenticeships. The Task Force members were appointed in October of 2017 and held their first meeting in November. The Task Force will be developing a report to the President outlining strategies and proposals to promote and expand apprenticeships. The Task Force will disband 30 days after the submission of the final report. The Task Force is expected to meet several times in early 2018 to develop this report.

In the Fiscal Year 2018 Senate Labor, Health and Human Services and Education Appropriations bill, the *ApprenticeshipUSA* Initiative is funded at $95 million, which is a level with Fiscal Year 2017. In stark contrast, the House eliminates the *ApprenticeshipUSA* Initiative in its Fiscal Year 2018 appropriations bill. Currently, the government is operating on a Continuing Resolution, so no final decisions for Fiscal Year 2018 have been made. The Trump Administration has proposed $89.8 million for apprenticeships and has released a statement of administrative policy criticizing the House's elimination of the ApprenticeshipUSA program.

Issues regarding the implementation of the American Manufacturing Skills initiative (AMskills) beyond the definition of a registered apprenticeship, are primarily state and local in nature. AMskills is an industry-led, state and county funded initiative that brings together American and German companies and training partners to build a strong manufacturing future. Education and training centers are located in Pasco, Hernando, and Pinellas counties.

<u>POSITION</u>: ***Support*** adequate funding for and the continuation of the *ApprenticeshipUSA* Initiative. ***Support*** Pasco County applications for these funds. ***Support*** changes to the definition of registered apprenticeship that provide flexibility for more hours to be achieved through relevant college and workshop classroom instruction, rather than all hours having to be recorded working with a journeyman.

FEDERAL ISSUE: Older Americans Act

BACKGROUND; HOW IT MAY AFFECT PASCO COUNTY: Most federal programs that exist for the delivery of social and nutritional services for the elderly in Pasco County emanate from the Older Americans Act (OAA). These include supportive services, congregate nutrition services (meals served at group sites such as senior centers, schools, churches, or senior housing complexes), home-delivered nutrition services, family caregiver support, community service employment, and services to support the health, and prevent the abuse, neglect, and exploitation, of older persons.

The OAA was reauthorized in April 2016 through Fiscal Year 2019. This marks a major milestone as the programs under the OAA operated without authorization since Fiscal Year 2011. The bill was championed by Senators Alexander and Sanders and ultimately passed both the House and Senate by a voice vote.

The majority of the funding for OAA grant programs goes through the Department of Health and Human Services' Administration for Community Living (ACL), which provides formula funds to state and local agencies designated to provide direct services to the elderly. The ACL also offers some competitive opportunities.

The federal government provides some flexibility for spending allocated OAA funds in areas where there is a greater need. These services are available to all persons aged 60 and older, but are targeted to those with the greatest economic or social need, particularly low-income and minority persons and the elderly who live in rural areas.

During a time when funding for many federal domestic programs has been significantly reduced, appropriations provided for the ACL have remained relatively stable. Between Fiscal Years (FY) 2013-2016, funding for the ACL was $1.47 billion, $1.61 billion, $1.62 billion, and $1.96 billion respectively. In FY 2017, Congress provided a slight decrease in funding of $1.919 billion. For FY 2018, the House has proposed $2.237 billion while the Senate has proposed $1.993 billion. Both of these amounts are higher than the $1.907 billion request in the President's budget request.

POSITION: ***Support*** continued adequate annual funding for Older Americans Act programs that support critical social service programs serving elder persons in Pasco County.

FEDERAL ISSUE: Social Services Grants

BACKGROUND; HOW IT MAY AFFECT PASCO COUNTY:

Community Services Block Grants
The Community Services Block Grant (CSBG) program allocates federal funding to alleviate the causes and conditions of poverty in communities. The funds provide for a range of services and activities to assist the needs of low-income individuals, including those addressing employment, education, better use of available income, housing, nutrition, emergency services and/or health.

CSBG funding is administered by Mid Florida Community Services, Inc. in Pasco County and used to address self-sufficiency initiatives. The program has income requirements, yet is not an entitlement program, thereby allowing the agency to work with clients that are highly motivated to reduce their dependence on public benefits.

The CSBG program has seen strong funding levels over the past few years, receiving $674 million in FY 2014 and FY 2015 and $715 million in FY 2016. For FY 2017, Congress provided level funding of $715 million. In President Trump's FY 2018 budget, he proposed eliminating CSBG, however, Congress has not agreed to that request. For FY 2018, the House has recommended $600 million while the Senate has proposed $700 million for CSBG.

Social Services Block Grants
The Omnibus Reconciliation Act of 1981 amended Title XX of the Social Security Act establishing the Social Services Block Grant (SSBG). Each year, the federal government allocates funds to states to support social services for vulnerable children, adults, and families through the SSBG. States receive SSBG funding by formula.

States have broad discretion in the specific services they support with SSBG funds and may tailor these funds over time to reflect changes in the needs of their populations. While states have the flexibility to determine what services and activities are supported, the funds must be targeted at a broad set of goals, including reducing or eliminating poverty, achieving or maintaining self-sufficiency, and preventing neglect, abuse, or exploitation of children and adults.

In FY 2017, the SSBG program was funded at $1.7 billion. The Trump Administration has proposed eliminating funding for the program in their FY 2018 budget. Both the House and Senate have recommended level funding of $1.7 billion for the SSBG program in FY 2018.

POSITION: ***Support*** continued adequate annual funding for the Community Services Block Grant Program and for the Social Services Block Grant Program.

FEDERAL ISSUE: Economic Development Administration

BACKGROUND; HOW IT MAY AFFECT PASCO COUNTY: The Economic Development Administration (EDA) is primarily a granting agency that funds economic development projects throughout the country. Local governments or non-profits, such as Pasco County are the local sponsors of projects.

Funding from the EDA is used to support private investment and generally funds projects such as road and water infrastructure improvements that can help reinvigorate areas and lead to additional reinvestment in homes and businesses. Successful projects usually leverage roughly 200 new jobs and $24 million in private investment for every $1 million of EDA investment. The EDA is the best opportunity to secure federal funding for potential economic development projects in the County and could likely have been sought for infrastructure projects to support investments like Raymond James, Mettler Toledo, TRU Simulation + Training Inc., or Manitowac. The EDA could also help support a business incubator like the SMARTstart Pasco Business Incubator in the future.

The Trump Administration has proposed eliminating the Economic Development Administration (EDA). Although Congress has not gone along with this proposal so far in the 2018 appropriations process, both the House and Senate have proposed cuts to the EDA's funding. In FY 2017, Congress provided the EDA with $276 million. In their respective FY 2018 appropriations bills, the House has proposed $176 million in funding while the Senate has suggested $254 million for the EDA.

POSITION: ***Support*** Pasco County Economic Development Administration grant applications as applicable. ***Support*** continued adequate funding of the Economic Development Administration.

FEDERAL ISSUE: Department of Housing and Urban Development Formula Programs

BACKGROUND; HOW IT MAY AFFECT PASCO COUNTY: Pasco County receives direct allocations of funding from three Department of Housing and Urban Development (HUD) formula programs: Community Development Block Grants (CDBG), Emergency Solutions Grants (ESG) and the HOME Investment Partnerships (HOME).

CDBG is a flexible grant program that provides communities with federal funding to address a wide range of unique community development needs. The CDBG program provides annual grants on a formula basis to states and local governments. Pasco County is an entitlement community under the CDBG program and receives dedicated funding each year through the program. In FY 2017, Pasco County received just under $2.6 million in CDBG funding.

HOME funds are designed to create affordable housing for low-income households and are awarded annually as formula grants to participating jurisdictions, including Pasco County. HUD establishes HOME Investment Trust Funds for each grantee, providing a line of credit that the jurisdiction may draw upon as needed. The program allows local governments to use HOME funds for grants, direct loans, loan guarantees or other forms of credit enhancement, rental assistance, or security deposits. In FY 2017, Pasco County received just over $833,000 through the HOME program.

The ESG program provides funding to work with the homeless population and those at risk for becoming homeless to provide shelter, rapid rehousing, or intervention to prevent homelessness from occurring. The Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act) of 2009 revised the program significantly, placing additional emphasis on permanent housing rather than on emergency or transitional shelters. In FY 2017, Pasco County received just over $227,000 through ESG.

Since Fiscal Year (FY) 2010, nationwide funding for the CDBG and HOME programs has been significantly reduced with varying changes to individual recipients. The FY 2017 omnibus appropriations bill provided $3 billion for the CDBG program and $950 million for HOME, both of which were level with FY 2016 funding.

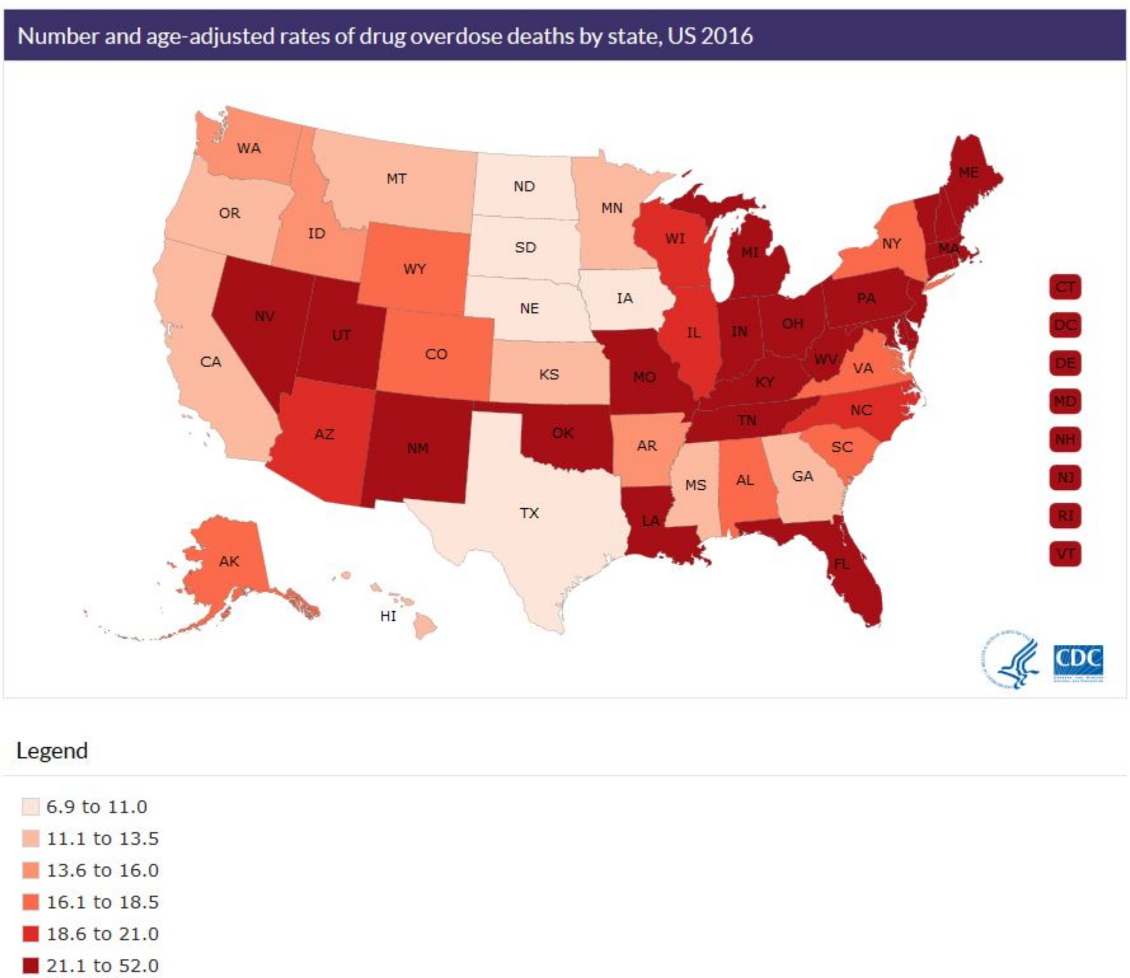
For FY 2018, the Administration proposed eliminating the CDBG and HOME programs. To date, both the House and Senate have proposed $2.9 billion and $3 billion respectively for CDBG and $950 million for HOME in their respective FY 2018 appropriations bills which have yet to be completed. The Administration proposed a $15 million reduction in funding for the ESG program to $255 million. Both the House and Senate have proposed $270 million for ESG, level with FY 2017 funding.

POSITION: ***Support*** adequate funding for the Community Development Block Grant, Emergency Solutions Grants, and HOME Investment Partnerships programs for future fiscal years because of their critical role in the County's efforts to support those that are least fortunate.

FEDERAL ISSUE: Opioid Addiction

BACKGROUND; HOW IT MAY AFFECT PASCO COUNTY: Opioids are a class of drugs made from opium, as well as synthetic or semi-synthetic drugs that resemble these opium-based drugs. Many opioids are available by prescription. Examples include oxycodone, codeine, morphine, and fentanyl. Heroin is an opioid that is illegal. These drugs are often referred to as narcotics.

Over 42,000 people died of opioid overdoses in the United States in 2016. The below map from the Centers for Disease Control and Prevention (CDC) shows total opioid death rates by state. The data in the map encompasses everything from heroin to hydrocodone to fentanyl. New Hampshire, Ohio, Kentucky, West Virginia and Pennsylvania have highest death rates in the country. For 2016, Florida has the 16th highest opioid related death rate among states as calculated by the CDC, and the problem has been increasing dramatically. According to a recent report from the Florida Department of Law Enforcement (FDLE), the number of opioid related deaths in the state increased by 35 percent from 2015 to 2016.



Congress has taken two major steps on opioid addiction. First was the Comprehensive Addiction and Recovery Act (CARA) passed in July 2016. This bill authorized a variety of activities across many federal agencies to combat opioid addiction. This includes pharmaceutical research and development, law enforcement tools, and addiction recovery programs. However, CARA does not provide any funding for these activities, leaving the funding levels for each of the authorized activities subject to annual appropriations.

The 21st Century Cures Act, passed in December 2016, also addresses opioid abuse. Section 1003 of the bill provides $1 billion to the states to address opioid abuse. The $1 billion is to be provided over a two-year period, and the first $500 million was appropriated in the FY 2017 Continuing Resolution in December 2016. Florida received just over $27.1 million through the first allocation of funding. During a recent Senate Health, Education, Labor and Pensions (HELP) Committee hearing regarding the implementation of the 21st Century Cures Act, the Administration stated that they plan to continue to allocate opioid epidemic funding based on a state's population, rather than considering need. This will provide more funding to Florida as a high-population state.

In October of 2017, President Trump declared the opioid crisis a national public health emergency. Public health emergencies are typically reserved for outbreaks of infectious diseases and provide a narrow focus. The public health emergency declaration falls short of the national emergency declaration recommended by the President's Commission on Combating Drug Addiction and the Opioid Crisis. No additional federal funds are provided through the declaration and it provides few tangible, on the ground benefits. It does allow Health and Human Services (HHS) to redirect some existing resources and to eliminate some paperwork and administrative procedures from certain tasks, such as hiring personnel and expanding access to telemedicine. The declaration lasts for 90 days and was renewed in January of 2018.

In addition to the public health emergency declaration, the President announced a new anti-drug advertising campaign and emphasized several other ongoing efforts, such as a public-private partnership through the National Institute of Health to develop safer pain treatments. He also stated that the administration would be looking at waiving some inpatient treatment Medicaid restrictions, but did not commit any additional dollars to the effort or outline any details about the waivers.

Either through appropriators funding of CARA activities or federal agencies fighting opioid addiction through discretionary programs under the Secretary, there will continue be opportunities to address opioid addiction in the remainder of the 115th Congress.

<u>POSITION:</u> ***Support*** appropriations activities to fund programs in CARA and the 21st Century Cures Act. ***Monitor*** HHS for guidance regarding the allocation of 21st Century Cures state formula funding. ***Support*** attempts by entities within Pasco County to secure funding to fight opioid addiction.

FEDERAL ISSUE: Homeland Security Grant Programs & Public Safety Telecommunicators Classification

BACKGROUND; HOW IT MAY AFFECT PASCO COUNTY: The purpose of the Homeland Security Grant Program (HSGP) is to implement the National Preparedness System by supporting the development and delivery of core capabilities vital to achieving the National Preparedness Goal of a secure and resilient Nation. The HSGP is comprised of three grant programs – the State Homeland Security Program (SHSP), the Urban Area Security Initiative (UASI), and Operation Stonegarden. SHSP and UASI grants are of particular relevance to Pasco County.

State Homeland Security Program

The SHSP supports state, local and tribal preparedness activities that address high-priority preparedness gaps across all core capabilities and mission areas where a nexus to terrorism exists. According to FEMA, "SHSP supports the implementation of risk driven, capabilities-based approaches to address capability targets set in urban area, state, and regional Threat and Hazard Identification and Risk Assessments."

All states and territories are eligible to apply to FEMA for SHSP funding. In FY 2017, $402 million was available for the SHSP, level with the last two fiscal years. The allocation methodology for FY 2017 SHSP was based on minimum amounts as legislatively mandated and DHS' risk methodology. Each state and territory received a minimum allocation under SHSP using the thresholds in the Homeland Security Act of 2002. All 50 states, the District of Columbia, and Puerto Rico received 0.35 percent of the total funds allocated for grants under Section 2003 and Section 2004 of the Homeland Security Act of 2002, as amended. Florida received $11.02 million in FY 2017 in SHSP funding, a slight decrease from their $11.04 million allocation the previous two fiscal years.

Urban Area Security Initiative

Also of interest to Pasco County is the Urban Area Security Initiative (UASI) grant program. UASI provides funds to eligible regions to help communities prepare for, prevent, respond to, and recover from potential attacks and other hazards. The grants address planning, organization, equipment, training and exercise needs of high-threat, high-density urban areas. The purpose of the program is to help these areas build capacity to prevent, protect against, mitigate, respond to and recover from acts of terrorism.

Eligible candidates for the UASI program are determined through an analysis of relative risk of terrorism faced by the 100 most populous metropolitan statistical areas in the United States, in accordance with the 9/11 Act. The allocation methodology is based on DHS' risk methodology. In FY 2017, $605 million was available for UASI, compared to $580 million in FY 2016 and $587 FY 2015. The Tampa Bay area received $2.96 million in UASI funding in FY 2016 and $2.86 million in UASI funding in FY 2017.

In the FY 2018 budget request, the President proposed a significant decrease in funding for the SHSP to $301 million and a significant decrease in funding for the UASI to $449 million and suggested requiring a 25 percent non-federal cost share. While Congress has yet to complete work on the FY 2018 appropriations bills, both the House and Senate Appropriations Committees are poised to reject the proposed cuts. For SHSP, the House proposes $467 million while the Senate proposes $471 million, which are both an increase from the FY 2017 funding level of $402 million. The FY 2018 House Homeland Security Appropriation bill increases funding to $630 million for UASI, while the Senate bill proposes $600 million.

Public Safety Telecommunicators Classification
The Standard Occupational Classification (SOC) is one of several classification systems established by the federal government to ensure coordination of federal statistical activities. In its current version, 9-1-1 professionals are identified as "Police, Fire, and Ambulance Dispatchers" and classified as "Office and Administrative Support Occupations." The Office of Management and Budget (OMB) coordinates the SOC. In 2014, OMB initiated a revision for the 2018 SOC.

As part of the SOC revision process, two changes have been suggested:

1. Use the title, "Public Safety Telecommunicators" (instead of "dispatchers".)
   - "Public Safety Telecommunicators" better encompasses both 9-1-1 call taking and emergency dispatch

2. Classify them as a "protective" occupation, in the same category as police officers, firefighters, lifeguards, crossing guards, and TSA screeners (instead of with clerks and secretaries), because Public Safety Telecommunicators:
   - Coach 9-1-1 callers through first aid
   - Coordinate police, fire, and EMS to keep them and the public safe
   - Operate specialized systems for tracking field responders, locating 9-1-1 callers, and communicating in emergencies
   - Deal with the stress of life or death situations. If a Public Safety Telecommunicator makes a mistake, it can cost lives. Members of the public might not get the help they need, and first responders might walk into a trap or might not receive the help *they* need.

Such a classification change would improve salary and benefits for Public Safety Telecommunicators, but is seen as warranted given their responsibilities. In November of 2017, OMB published the 2018 SOC and they have agreed to change the title to "Public Safety Telecommunicators", however the position still remains in the Office and Administrative Support Occupations category.

<u>POSITION</u>: ***Support*** continued funding for DHS grants including Urban Areas Security Initiative grants and the State Homeland Security Grant Program. ***Support*** maintaining the current number of 29 high-risk urban areas eligible for UASI. ***Support*** Pasco County's applications for these funds. ***Support*** reclassification of Public Safety Telecommunicators via the Office of Management and Budget's Standard Occupational Classification revision.

FEDERAL ISSUE: Public Safety Grant Programs

BACKGROUND; HOW IT MAY AFFECT PASCO COUNTY: Federal grant funding for many Department of Justice (DOJ) and Department of Homeland Security (DHS) programs are provided as block grants with each state receiving a certain amount of funding, generally linked to population. That funding is then passed through to local jurisdictions to help support police, fire, emergency management, and homeland security functions. Examples of these formula programs include the Emergency Management Performance Grant (EMPG) and the Byrne Justice Assistance Grant (JAG).

In other instances, funding from federal programs is made available to local governments via competitive grant solicitations. Competitive program funds can be used to hire police officers through Community Oriented Policing Services (COPS) or firefighters through Staffing for Adequate Fire & Emergency Response Grants (SAFER), and purchase equipment through the Assistance to Firefighters Grant (AFG). There is also another category of grants that are distributed to certain recipients based on specific criteria, such as the Urban Area Security Initiative (UASI), which provides funds to eligible regions to help communities prepare for, prevent, respond to, and recover from potential attacks and other hazards.

For FY 2017, Congress provided $345 million each for AFG and SAFER, $605 million for UASI, and $350 million for EMPG. COPS and JAG, meanwhile, were provided with $221.5 million and $376 million, respectively.

For FY 2018, the House included $500 million for the JAG program and the COPS program combined, while the Senate included $404.5 million for the JAG program and $207.5 for the COPS program. With regard to the homeland security programs, the House and Senate included $345 million for each of the SAFER and AFG programs, $350 million for EMPG in their respective versions of the FY 2018 Homeland Security Appropriations bill. The federal government is currently operating under a Continuing Resolution through February 8, 2018. The FY 2018 appropriations process is not expected to be completed prior to that time.

POSITION: ***Support*** continued adequate funding for the wide variety of DOJ and DHS grants, i.e., Community Oriented Policing Services, Byrne Justice Assistance Grants, Emergency Management Preparedness Grants, Assistance to Firefighters Grants, Staffing for Adequate Fire and Emergency Response Grants, and other public safety grants. ***Support*** any Pasco County applications for these funds.

FEDERAL ISSUE: Federal Emergency Management Agency Disaster Assistance

BACKGROUND; HOW IT MAY AFFECT PASCO COUNTY: The Federal Emergency Management Agency (FEMA) assists local governments, through the state, after disasters with funding for recovery projects. This funding follows a specific process where counties seek reimbursement through the State Division of Emergency Management and FEMA for projects. Once a project is completed, a close-out process is requested of FEMA by the county and state and a final payment is made. Currently, a county could have its project audited by the Department of Homeland Security's Inspector General's office for up to three years after the closeout of the entire disaster, rather than the closeout of the project. As a result of these audits, the Department of Homeland Security can determine that monies were spent incorrectly and must now be "de-obligated" or repaid to the state and federal government. In recent years in Florida, most of these audits are from storms during the 2004 and 2005 hurricane season, meaning many of these projects have been completed for over a decade.

In the House, Representative Lois Frankel (D-FL) filed HR 1678, the Robert T. Stafford Disaster Relief and Emergency Assistance Act, along with several other Florida representatives, including Representative Brian Mast that would limit the statute of limitations for an audit to three years following the completion of a project, rather than the final expenditure report for the entire disaster. This bill passed the House in May of 2017. Senator Nelson introduced companion legislation in the Senate and Senator Rubio has filed a separate bill that would also limit the time period for review to three years. Neither Senate bill has any cosponsors nor have they been scheduled for any hearings. Nearly all members of the Florida delegation signed a letter to the House and Senate Appropriations committees in the aftermath of Hurricane Irma urging them to include the limit on de-obligations in an upcoming supplemental appropriations bill.

Florida local governments must also work through DEM to file any appeals of claims initially denied for funding from FEMA. In the aftermath of Hurricane Matthew in 2016, several counties that had claims denied by FEMA submitted the necessary documentation to file an appeal within 60 days. The state, through DEM, was supposed to officially submit those claims to FEMA, but failed to do so in time. DEM subsequently discovered 26 appeals for 18 applicants dating back to 2004 that they failed to file in a timely manner, costing local governments necessary disaster recovery funding. DEM committed in late 2017 to reviewing each of these appeals and submitting them to FEMA, however FEMA has not offered any assurance that they will consider them.

POSITION: ***Support*** legislation to prohibit the Federal Emergency Management Agency from de-obligating previously awarded disaster funds for projects that have been certified as complete by the state for at least three years. ***Support*** changes to the Stafford Act to ensure that counties are not denied for an appeal when the state, acting as the grantee, fails to meet the regulatory timeline through no fault of the county.

FEDERAL ISSUE: Land and Water Conservation Fund

BACKGROUND; HOW IT MAY AFFECT PASCO COUNTY: The Land and Water Conservation Fund Act of 1965 was enacted to help preserve, develop, and assure access to outdoor recreation facilities for our nation. The law created the Land and Water Conservation Fund (LWCF) in the U.S. Treasury as a funding source to implement outdoor recreation goals.

The LWCF has been the principal source of monies for land acquisition for outdoor recreation by four federal agencies—the National Park Service, Bureau of Land Management, Fish and Wildlife Service, and Forest Service. The LWCF also funds a matching grant program via the National Park Service to assist states (and local governments as sub-recipients) in acquiring recreational lands and developing outdoor recreational facilities. A portion of the appropriation is divided equally among the states, with the remainder apportioned based on need, as determined by the Secretary of the Interior. The states award their grant money through a competitive selection process based on statewide recreation plans, as well as establish their own priorities and criteria. This state program could offer opportunities for Pasco County to either purchase open space opportunities or for additional public park amenities.

The LWCF is authorized at $900 million annually. While the fund accrues revenues and collections from multiple sources, the vast majority of the revenues are derived from oil and gas leasing in the Outer Continental Shelf. Congress determines the level of appropriations each year, and yearly appropriations have fluctuated widely since the origin of the program.

Of the total revenues that have accrued throughout the history of the program ($33.5 billion), less than half have been appropriated ($15.8 billion). For FY 2017, Congress funded the programs at $110 million, level with FY 2016 funding. The Administration then requested $64 million in funding in its FY 2018 budget. The House has included $79 million in funding in its version of the FY 2018 Interior and Environment Appropriations bill and the Senate has included $124 million.

In addition to yearly funding challenges, the current authorization for the LWCF is set to expire at the end of 2018. While this is still a year away, the previous authorization was allowed to lapse for over two months when Congress failed to reauthorize the program after its expiration on October 1, 2015. A three-year reauthorization was finally included in the FY 2016 omnibus.

There have been legislative attempts over the past few years to reauthorize the LWCF, on both a permanent and temporary basis. During the 115th Congress, Representatives Raul Grijalva (D-AZ) and Pat Meehan (R-PA) introduced legislation to permanently reauthorize the LWCF and direct a small amount of funding (1.5%) to opening up additional access to public lands for sportsmen and recreational users. This bill has 218 bipartisan cosponsors. Similar legislation has been introduced in the Senate by Senators Richard Burr (R-NC) and Michael Bennet (D-CO) and has 11 bipartisan cosponsors. Neither bill has had a hearing in either chamber. Senators Richard Burr (R-NC) and Maria Cantwell (D-WA) have also introduced legislation that would permanently authorize the LWCF and provide full, dedicated funding that could not be siphoned off to other purposes during the appropriations process. This legislation has 36 bipartisan cosponsors, including Senator Bill Nelson.

Meanwhile, other senior legislators are likely to seek significant changes to the LWCF in the future, primarily due to concerns over the large percentage of western lands owned by the federal government, all of which would drastically reshape the program in the future and funnel significantly more money to the state and local programs. As stated above, this would boost the County's chances of securing funding for priorities in the community.

POSITION: ***Support*** an annual appropriation of at least $110 million in the Land and Water Conservation Fund for the state conservation grant program. Support legislation reauthorizing the Land and Water Conservation Fund, including an increased authorization for the state conservation grant program, which would better position Pasco County for acquisition or land preservation improvement opportunities.

FEDERAL ISSUE: Offshore Energy Exploration

BACKGROUND; HOW IT MAY AFFECT PASCO COUNTY: Active energy drilling currently occurs in both the western and central Gulf of Mexico, while nearly the entire eastern Gulf is protected from drilling until 2022 by the Gulf of Mexico Energy Security Act of 2006 (GOMESA). Drilling does not currently occur off of the Atlantic coast of Florida.

For many years, the federal government has developed five-year Outer Continental Shelf (OCS) Oil and Gas Leasing programs to guide energy exploration activities in federal waters. The most recent plan, developed for 2012-2017, did not propose to lease any areas in the Eastern Gulf for oil and gas drilling. On January 17, 2017, the Secretary of the Interior approved the Bureau of Ocean Energy Management's (BOEM) finalized OCS Oil and Gas Leasing Program for 2017-2022 and issued a Record of Decision (ROD) for the programmatic Environmental Impact Statement (EIS).

Although typically a new five-year plan would not be developed for several years, in April, President Trump signed the America First Offshore Energy Strategy Executive Order. The Executive Order aims to increase domestic energy production and reduce the use of foreign oil by, in part, expanding offshore drilling. As a part of implementing that order, BOEM is in the process of developing a new 2019-2024 National Outer Continental Shelf Oil and Gas Leasing Program. BOEM will consider all 26 OCS planning areas, including Eastern Gulf of Mexico.

In January 2017, BOEM released a draft proposed program (DPP) for the National Outer Continental Shelf Oil and Gas Leasing Program for 2019-2024. The DPP includes 47 potential lease sales in 25 of the 26 planning areas, which is the largest number of lease sales ever proposed for a 5-year lease schedule. The DPP includes 2 sales in the Eastern Gulf after the expiration of the current moratorium. BOEM will also host a public meeting on the matter on February 8th in Tallahassee, among other places.

After accepting comments on the DPP, BOEM will then need to draft and release a Proposed Program, which will be made available for an additional public comment period, so there will be several opportunities to weigh in before the program is finalized.

Governor Scott has released a statement in reaction to the release stating his opposition to offshore drilling on Florida's coast and has stated that he has requested a meeting with Interior Secretary Zinke to discuss the proposal. Additionally, Senator Nelson and other members of the Florida delegation have already released statements criticizing the DPP. Shortly after the release of the DPP, Governor Scott met with Secretary Zinke to discuss the issue. After the meeting, Secretary Zinke stated that Florida was being removed from consideration for any new oil and gas platforms. In a House Natural Resources Committee meeting shortly thereafter, the Acting Director of BOEM testified that this promise was not an official declaration, and did not officially remove the state of Florida from the plan.

Meanwhile, Representative Steve Scalise (R-LA), the third-ranking Republican in the House has filed the Strengthening the Economy with Critical Untapped Resources to Expand American Energy Act (SECURE American Energy Act), that reinforces the call for increased offshore energy exploration first proposed in President Trump's Executive Order. If the Florida Atlantic Coast is included in the plan developed by BOEM, this bill would require that the approved lease sales be executed and remove the ability of any Administration to cancel them. Additionally, the bill would require that any future moratoriums on offshore drilling be designated by an act of Congress, and areas could not be withdrawn from exploration by the President alone.

POSITION: ***Monitor*** the potential expansion of offshore energy exploration in the Eastern Gulf of Mexico.

PASCO COUNTY FLORIDA
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FEDERAL ISSUE: Tax-Exempt Bonds

BACKGROUND; HOW IT MAY AFFECT PASCO COUNTY: Although municipal bonds have been tax-exempt for almost 100 years, a number of federal proposals target this exemption, particularly as part of the debate regarding tax reform or federal spending reduction. With local governments facing severe budget difficulties, any proposal to limit the tax exemption would put more pressure on local finances by reducing demand for tax-exempt bonds and increasing borrowing costs for local governments, ultimately leading to higher taxes or reduced services. In Pasco County, eliminating the tax-exempt status for municipal bonds would increase borrowing costs and could reduce the viability of this financing mechanism for projects like the Central Pasco Judicial Complex detention facility expansion.

The Obama Administration had proposed a 28 percent limit on all itemized deductions for high-income individuals in its Fiscal Year (FY) 2017 budget. If this proposal had been accepted by Congress, it would have applied to all new and outstanding municipal bonds. According to a study conducted by the National Association of Counties, if this 28 percent cap had been in place over the past decade, borrowing costs to state and local governments would have increased by over $173 billion, while a full repeal would have cost nearly $500 billion over the same time period.

The issue of the deductibility of municipal bonds was not included in the comprehensive tax reform legislation signed into law at the end of 2017, however it may continue to be an issue in the future. If this deduction was eliminated in the future, it would mean that bond issuers would have to offer higher rates to attract investors. It is estimated that the difference in the rate of earnings the County and other local governments would need to offer prospective buyers for their taxable bonds would depend on the market, but typically would range from 1.5 to 2 percent more for those offerings. On $1 million borrowed, this would likely cost $20,000 more in interest per year. Taking this further, if the County were to amortize a $100 million loan over 30 years at taxable bond rates two percent higher than if the bonds were tax-exempt, the additional cost to taxpayers over those 30 years could be roughly $30 million.

POSITION: ***Oppose*** tax reform legislation that threatens the tax exemption on state and local bonds, including a 28 percent cap on tax-exempt municipal bonds, especially as this could have negative implications for the Central Pasco Judicial Complex detention expansion project.