

TO: Board of County Commissioners

FROM: Gary Schmidt, Jared Anderson and Chris Lyons
Public and Government Affairs

DATE: January 30, 2013

RE: 2013 Federal Legislative Agenda Planning Meeting

Today, the Board of County Commissioners will meet with County elected officials, department directors and the government affairs team to discuss and prioritize the County's 2013 federal legislative agendas. The meeting agenda and draft legislative agenda are attached.

PLANNING MEETING

Each department was asked to submit a list of federal policy and funding priorities and why these priorities are important to Clackamas County. A summary of those priorities is in the attached draft legislative agenda.

The planning session will include focused discussions by department in order to identify and narrow the County's federal legislative priorities for the 2013 calendar year. After the Board provides direction, the government affairs team will focus the agenda and present the final agenda for approval at a Board study session on February 5.

FEDERAL AGENDA

Clackamas County's 2012 federal agenda focused primarily on protecting federal funding for key county programs and services (public safety; health, housing and human services; juvenile services; emergency management and communications), extending county timber payments, and finalizing funding for the Sunrise System.

The first months of the 113th session of Congress will be spent addressing the national debt, spending cuts, entitlement reform and government funding. If agreements can't be reached, the federal deficit will be automatically reduced resulting in major federal budget cuts. This could reduce federal funds to state and County programs.

Appropriation requests were discontinued in 2010. Members of Congress can no longer bring federal funds to specific County programs as in past years. However, it appears that late 2013 will potentially bring back appropriation requests.

Oregon is finally reaping the rewards of seniority in the Congressional delegation. Senator Merkley is on the Appropriations Committee and Senator Wyden is Chair of the Energy and Natural Resources Committee. Congressman Blumenauer is on the Budget

and Ways and Means Committees and Congressman Schrader is on the Budget and Agriculture Committees. These are important positions to support the County's future legislative agendas.

NEXT STEPS

The County's federal legislative agenda serves as a blueprint to protect, maintain and enhance the County's federal funding and policy priorities. However, this is not the final word on the County's legislative priorities. Issues will arise during and throughout the calendar year. As those issues arise, the Board of Commissioners will be asked to comment and determine support or opposition to developing legislation.

The Board will approve the final federal legislative agendas at a study session on February 5. The federal legislative agenda will be promoted during the County's annual visit to Washington, D.C. the week of March 4-8, where visits will be made to Oregon's congressional delegation and key federal agencies.

**CLACKAMAS COUNTY 2013 FEDERAL LEGISLATIVE AGENDA
PLANNING MEETING**

January 30, 2013, 2:00 p.m. – 4:00 p.m.
Public Services Building, Commission Hearing Room

AGENDA

Goals of the planning meeting

Review of draft Federal Legislative Agenda (by Department)

- Finance
- Business and Community Services
- Health, Housing and Human Services
- Transportation and Development
- Juvenile
- Emergency Management
- Miscellaneous

Comments by Elected Officials

- Assessor, Clerk, District Attorney, Justice Court, Sheriff, Treasurer

Commissioner observations, comments and direction

Next Steps

Adjourn

**2013 FEDERAL LEGISLATIVE AGENDA:
DRAFT PRIORITIES FOR BOARD CONSIDERATION**

COUNTY FINANCE

Municipal Bond Market

Objective: Support measures to preserve the tax-exempt **municipal bond market**, which plays a critical role in financing essential infrastructure investments.

Issue: Currently, interest income received by holders of municipal bonds is exempt from federal income tax and taxes in the state in which the bonds were issued. By exempting municipal bond interest from taxes, the government creates an incentive for investors to buy them, which helps hold down borrowing costs of counties, cities and other entities that issue them. Curbing the exemption would likely reduce demand for these lower-yield bonds, pushing borrowing costs higher. States and localities argue that limiting the tax break would curtail a vital funding source for schools, libraries, bridges and roads.

President Barack Obama has twice advanced the idea of eliminating the tax-exempt status of municipal bonds since 2011. White House officials argue that too much of the roughly \$30 billion a year in forgone federal tax payments from the interest exemption goes to higher-income households. Also, House Speaker John Boehner was willing to consider curbing the tax-exempt status of municipal bonds as part of the "fiscal cliff" negotiations in order to raise revenue without raising tax rates. Although the tax-exempt status remains in place, the idea could resurface next year if Congress moves to overhaul the tax code, as many expect.

BUSINESS & COMMUNITY SERVICES

Federal Forest Management and O&C Lands

Objective: Support legislation for responsible management of federal forest lands, including O&C Lands, that provides a sustainable and predictable long-term solution to county revenue needs.

Issue: Federal forest legislation should balance economic, social and environmental values so that significant areas of federal forest are focused on environmental protection and significant areas of federal forest are also focused on producing forest products. The County supports the basic tenets of the DeFazio, Schrader and Walden O&C Trust, Conservation, and Jobs Act.

Governor Kitzhaber has also convened a panel of county, industry and environmental representatives in hopes of developing recommendations for federal legislation to resolve the controversy over the management of the O&C lands, increase timber harvests and generate revenue for county governments. Those recommendations are expected later this month and the Oregon Congressional Delegation will likely review them before planning their next steps (re-

initiating the O&C Trust bill in the House and possible legislation by Senator Wyden in the Senate).

The need for a revised approach to federal forest management is evident:

- Over 75% of Clackamas County's total land area is forested with 54.2% being in public land ownership. Policy supporting sustainable and predictable harvests will provide a significant revenue stream to the county general fund in the absence of Secure Rural School payments.
- Clackamas County has lost the greatest number of mills, with 12 mills and 798 mill jobs lost since 1990. 7 of 9 communities lost all mill infrastructure and GDP fell from \$151 million to \$47 million.
- Current agency funding and policies supporting timber harvest and sale administration are nowhere close to meeting legislated timber harvest levels:
 - Northwest Forest Plan: 60 mmbf (millions of board feet of timber); actual level less than 30 mmbf on the Mt. Hood National Forest.
 - O&C Timber Lands: 500 mmbf; actual level less than 200 mmbf.

Objective: Support future reauthorization or extension of the Secure Rural Schools and Community Self-Determination Act or similar legislation.

Issue: Extending the Secure Rural Schools Act would continue critical funding to timber dependent counties in Oregon while Congress works to enact legislation to allow for responsible management of federal forest lands. This historically important source of revenue, derived from federal O&C lands, is critical to timber-dependent counties in Oregon, including Clackamas County. From 2001-2010, the Act provided the County approximately \$12 million per year for the county road and general funds.

HEALTH, HOUSING & HUMAN SERVICES

Housing Choice Voucher Program (Section 8)

Objective: Oppose future discretionary funding cuts to the Federal Housing Choice Voucher program.

Issue: The Housing Choice Voucher program (formerly known as Section 8) provides assistance to families that rent units in the private rental housing market. An 8% reduction in Federal funds would require the County to subsidize the Federal Housing Choice Voucher program by approximately \$120,000 per year or reduce service levels by 75 families.

Objective: Support reform of the Housing Choice Voucher Program to reduce administration, streamline process, and benefit clients.

Issue: Over the past 3 years, funding to the County to administer the Housing Choice Voucher Program has been reduced, yet the administrative rules, regulations, and processes have not lessened commensurately. Any further reduction of funding without significant program reform

will cripple housing authorities across the country. Many, like the Housing Authority of Clackamas County, are at risk of not meeting compliance standards simply because staff levels needed to complete the required documentation has been reduced to bare minimums.

Community Development Block Grant (CDBG) & HOME Funding

Objective: Restore Community Development Block Grant (CDBG) and HOME funding to 2011 levels. If funding remains unchanged, Clackamas County programs would face significant cuts (could be 25%+).

Issue: CDBG funds are the only funds available to the County to construct infrastructure improvements in low income areas, while the HOME program is a keystone in the development of any affordable housing project in the County. In addition to the social impacts, there is a significant economic impact from the expenditure of these funds in the County. It is estimated that last year, through a combination of CDBG, HOME and leveraged funds, the County was able to create/maintain 107 direct jobs. A 25% would have a significant economic impact on local contractors, suppliers and businesses.

H3S recommends support of federal funding levels of \$3.3 billion in Community Development Block Grant (CDBG) formula funding; \$1.6 billion in formula funding for the HOME Investment Partnerships Program (HOME); \$1.9 billion for Homeless Housing Assistance grants, including an amount to fully fund expiring supportive housing and Shelter Plus Care rent subsidy contracts.

New Market Tax Credit (NMTC)

Objective: Support the New Market Tax Credit (NMTC) Extension Act of 2011 which stimulates investment and growth in low-income communities.

Issue: The NMTC program is a key catalyst for stimulating essential private sector investment in the nation's economically distressed urban and rural counties. The program was established by Congress in 2000 to spur new or increased investments into operating businesses and real estate projects located in low-income communities. The NMTC Program attracts investment capital to low-income communities by permitting individual and corporate investors to receive a tax credit against their Federal income tax return in exchange for making equity investments in specialized financial institutions called Community Development Entities (CDEs).

H3S recommends support of "The New Markets Tax Credit Extension Act of 2011" (H.R. 2655, S. 996), which would extend the NMTC program for 5 years (through 2016) and provide \$5 billion in annual allocation authority. In addition, the legislation would provide an exemption from the Alternative Minimum Tax (AMT) for investments in NMTC, affording such investors the same favorable treatment as other tax credits, including the Low-Income Housing Tax Credit and the Historic Tax Credit.

Census Bureau's American Community Survey (ACS)

Objective: Continue funding and support for the Census Bureau's American Community Survey (ACS), which provides key information for local communities that is not available elsewhere.

Issue: Discussions have occurred at the federal level to eliminate funding for the ACS, an ongoing statistical survey that samples a small percentage of the population every year -- giving communities the information they need to plan investments and services. While not perfect, this information is crucial to the administration of the CDBG program. Without this data identifying eligible low income areas, the County will be required to expend excess amounts of limited administrative funds to conduct area surveys.

H3S recommends support for funding the FY 2013 Commerce, Justice, Science and Related Agencies Appropriations Bill for the American Community Survey because it provides vital economic, social and housing estimates from America's counties, cities and towns, congressional districts that are not provided anywhere else.

Workforce Investment Act (WIA)

Objective: Support reauthorization of the Workforce Investment Act (WIA).

Issue: The WIA is the primary federal program that supports workforce development activities, including job search assistance, career development and job training. In Clackamas County, the WIA funds education and job training for adults, dislocated workers and youth. Job seekers receive services ranging from job search assistance to intensive occupational training. Community Solutions for Clackamas County utilizes WIA funds to serve vulnerable populations with significant barriers to employment, such as public assistance recipients, offenders, veterans and individuals utilizing public housing resources.

Older Americans Act (OAA)

Objective: Monitor potential 2013 reauthorization of the **Older Americans Act (OAA)**: support amendments that increase flexibility at the local level related to meal funding; oppose amendments that would give state more authority over some types of OAA funding.

Issue: The OAA is considered to be the major vehicle for the organization and delivery of social and nutrition services to seniors. There are two separate funding streams for OAA-funded nutrition programs: The first stream funds congregate (i.e. senior center) meals and the second stream funds home delivered meals.

Local agencies have limited flexibility to move dollars from one stream to another. Increased flexibility would enable the merging of two nutrition funding streams allowing local agencies to fund nutrition programs to meet local needs. In Fiscal Year 11/12, over 248,000 meals to seniors were provided by the 10 senior centers operating in Clackamas County.

Proposed reauthorization language would allow states to keep Health Prevention dollars at the state level and not contract them out to locally-operated Area Agencies on Aging. Although Clackamas County only receives approximately \$20,000 per year for Health Promotion activities, these dollars are contracted out to the network of 10 senior centers operating in Clackamas County.

Low-Income Home Energy Assistance Program (LIHEAP)

Objective: Oppose reductions to the Department of Health & Human Services' Low Income Heating Assistance Program (LIHEAP).

Issue: Over \$1 million/year of federal energy assistance helped over 3,000 low income households in Clackamas County keep their heat and lights on. Households including seniors and people with disabilities are prioritized for assistance. Many households include members who would have a medical emergency if their electricity was disconnected.

Supplemental Nutrition Assistance Program (SNAP)

Objective: Oppose reductions to the U.S. Department of Agriculture's Supplemental Nutrition Assistance Program (SNAP), formerly known as the Food Stamp program.

Issue: The SNAP program has grown significantly in Clackamas County over the past 5 years, from 19,330 recipients in 2007 to 44,380 as of October, 2012. It is an essential benefit to many individuals and families.

TRANSPORTATION & DEVELOPMENT

Sunrise Corridor System

Objective: Secure funding to complete the Tolbert Overcrossing component of the Sunrise System.

Issue: Clackamas County and its partners seek \$26 million to finance the last unfunded project component of the Sunrise Corridor System: the Tolbert Overcrossing. The project will construct a new overcrossing of the Union Pacific Railroad that will serve the Lawnfield Industrial Area and provide needed access improved to Camp Withycombe, a Department of Defense Facility that recently expanded.

In 2010, Clackamas County worked in cooperation with the Oregon Military Department to request a contribution of \$11.4 million from the Department of Defense through the Base Relocation Act. As a result, \$11.4 million might potentially be secured from the Department of Defense who authorized the revenue for distribution in 2016, but that money has not yet been appropriated. The funding for the preliminary engineering will likely be provided by the State's Sunrise project because Oregon Department of Transportation set aside \$2 million for the design of the Tolbert Overpass as a part of the JTA. With the potential Department of Defense and

Oregon Department of Transportation cost reductions, the total project cost is \$14 million. Without these partnerships, it remains \$26 million.

The Sunrise Corridor System is a package of transportation projects totaling \$184 million, which are designed to improve local and regional access for freight, motor vehicles, cyclists and pedestrians to the Clackamas Industrial Area, a key mixed employment and industrial area in Clackamas County. The proposed projects will significantly improve regional economic competitiveness and community livability by providing safe and efficient access to a vital industrial district.

The Sunrise Corridor System will strengthen the local and regional economy by providing safe and efficient freight access from the Clackamas Industrial Area to I-205, which in turn provides access to other highways, the Port of Portland, Portland International Airport and railroads. The project will also expand transportation choices and provide safe connections for the more than 5,900 employees that work in the Area.

Transportation Reauthorization

Objective: Advocate for passage of a surface transportation authorization bill that adequately funds the maintenance and construction of roads in order to improve the reliability and safety of our transportation system and meet the needs of our interconnected economy.

Issue: Federal transportation authorization bills, which authorize spending for federal surface transportation programs, are necessary to ensure stable transportation funding for local governments. The last five-year authorization bill (SAFETEA-LU) expired in 2009, followed by several short-term extensions until the two-year Moving Ahead for Progress in the 21st Century (MAP-21) authorization bill was passed by Congress in 2012. MAP-21 is scheduled to expire in September of 2014.

Failure of Congress to enact a new, long-term surface transportation act or one that does not have an adequate funding level has potentially severe effects on our ability to properly maintain the county road system or apply for federal funds for a variety of transportation projects. Should federal funding be reduced, it is likely that the Oregon Department of Transportation will reduce funds that they have the discretion to allocate to counties and cities.

Federal transportation authorization bills also establish policy priorities for the nation's transportation system. Clackamas County has historically supported a reauthorization bill that reflects the principles developed and approved by the regional Joint Policy Advisory Committee on Transportation (JPACT). JPACT will develop this policy piece prior to their lobbying trip to Washington, D.C. in March of 2013. The Board of County Commissioners should advocate for their preferred transportation policy priorities via JPACT and the county's adopted federal agenda.

PUBLIC SAFETY

Juvenile Justice Funding

Objective: Support increased federal funding for juvenile justice.

Issue: Federal allocations for juvenile justice services have dropped significantly in the past decade. Since 2002, funding for the State Formula Grants Program has declined 55%, the Delinquency Prevention Program has declined 79% and the Juvenile Accountability Block Grant has declined 88%. These reductions result in more youth incarcerated in adult jails; erode and jeopardize nationwide progress on juvenile justice improvements that have led to historic low rates in youth-offending across all US states; and eliminate support for cost-effective delinquency prevention programs and alternatives to incarceration shown to increase public safety and decrease recidivism, while producing cost savings to the public.

Over the last decade, the County has successfully worked with the Oregon Congressional Delegation and federal agencies to secure special appropriations and competitive grants from the Community Oriented Policing Services (COPS) program, the Office of Juvenile Justice and Delinquency Prevention (OJJDP) and other federal programs. Federal grant opportunities are essential to the operation of prevention programs, research and implementation of evidence based programs. However, the Juvenile Department has received diminished funding from the Federal Juvenile Assistance Grant and the Federal COPS grants and Bureau of Justice Affairs grants are both scheduled to end in 2012.

Community Oriented Policing Services (COPS)

Objective: Support reauthorization and continued appropriations for COPS grants to local governments.

Issue: The Office of Community Oriented Policy Services (COPS), which advances the practice of community policing in law enforcement agencies, has awarded more than \$2.7 million in grant funding to Clackamas County since 1999. The County's Interagency Methamphetamine Initiative has been funded multiple times, including funds for enforcement teams, technology upgrades, youth outreach and improved juvenile detention efforts. Each grant has supported the creation of programs that employ partnerships and advanced problem-solving techniques to proactively address the conditions that give rise to public safety issues. The Clackamas County Sheriff's Office has been a leader in creating and implementing innovative community policing strategies, as well as developing regional and interagency partnerships, which exemplify the types of investments the COPS program seeks to make. Continued federal funding of these grant programs are important to building upon the successes of the Clackamas County Sheriff's Office and securing the safety of our community.

Emergency Management

Objective: Support continuation of grant funding for the Emergency Management Performance Grant (EMPG) Program.

Issue: EMPG is the backbone of the nation's emergency management system and provides key assistance in building and implementing the county's emergency management capabilities. EMPG funding has grown over the past few years and has become a stable source of funding for state and local emergency management since the 1980s. The grant includes funding for staff and program materials for emergency management plan updates, relationship building, response and recovery. It is important that funding continue in order to support local emergency management since the number and frequency of natural disasters in the United States continues to rise. Without continued funding, response for disasters will be delayed and in some cases non-existent, endangering lives and the economy.

WILLAMETTE FALLS LOCKS & HERITAGE AREA

Willamette Falls Locks

Objective: Support continued operation of the Willamette Falls Locks.

Issue: The historic Willamette Falls area should be preserved and restored so that it may continue to provide the economic, recreational and historic drivers to the region. The Willamette Falls Locks is the oldest continuously operating multi-lock system in the United States and is a critical historic and cultural resource for Clackamas County and the region. The Locks bridge the upper and lower stretches of the Willamette River, without which the Willamette becomes two disconnected rivers for navigation purposes.

The Locks were operated safely under a reduced schedule until November 2011, when a further inspection discovered the gates were in danger of fracture and could not be safely operated. Clackamas County remains a member of the One Willamette River Coalition and seeks federal support to repair and reopen the Willamette Falls Locks.

Willamette Falls Heritage Area

Objective: Support designation of the Willamette Falls Heritage Area.

Issue: In 2007, public and private sector organizations gathered to designate a stretch of the Willamette River between the mouths of the Clackamas and Tualatin rivers as a National Heritage Area. This group became the Willamette Falls Heritage Area Coalition, whose mission is to advocate for and strengthen the identity of the historic working communities of Oregon City and West Linn by preserving and promoting their important and distinctive natural, cultural, scenic, recreational and industrial resources through public/private partnerships.

Clackamas County remains an active partner in this coalition and fully supports federal designation of the Willamette Falls as a National Heritage Area.