

FEDERAL LEGISLATIVE GOALS

Humboldt County's primary, overarching federal legislative goals for 2012 include:

SUPPORT INCREASING THE FEDERAL FINANCIAL PARTNERSHIP IN COUNTY PROGRAMS.

- Support funding for public infrastructure programs such as transportation and water infrastructure.
- Support Aviation Reauthorization which includes a well-funded Airport Improvement Program with funding for rural and underserved communities through the Small Communities Air Service Programs.
- Support legislation to extend Medicaid and Medicare electronic health record incentive funds to behavioral health providers.

SUPPORT RELIEF FROM FEDERAL MANDATES AND STATUTORY BARRIERS.

- Support broadening of allowable uses of Secure Rural Schools Act (Title III) funding to include fire protection services.

SUPPORT FEDERAL FINANCIAL PARTICIPATION IN LOCAL COMMUNITY TECHNOLOGY ADVANCEMENTS.

- Support funding for broadband service to rural north coast of California.

OPPOSE REDUCTIONS TO THE CURRENT LEVEL OF FEDERAL FUNDING FOR COUNTY PROGRAMS.

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GENERAL GOVERNMENT

CRIME VICTIM RESTITUTION AND COURT FEE INTERCEPT ACT

The Crime Victim Restitution and Court Fee Intercept Act (HR 1416) will increase revenue for cities, counties, states and the payment of restitution owed to victims of crimes by offsetting federal Income Tax returns of defendants owing past-due State Judicial Debt. HR 1956 requests an amendment to Internal Revenue Code 1416 to allow an offset against income tax refunds to pay for state judicial debts that are past due. There is the opportunity of increased revenue due to the tax offsets increasing collections. Humboldt County estimates 30% in increased collections once the IRS Tax offset is implemented, which equates to increased revenue for counties, cities, and states as well as an increase in restitution payments for victims of crimes.

The County supports legislation similar to HR 1416.

FEDERAL REPORTING REQUIREMENTS FOR STATE AND LOCAL GOVERNMENTS

The County is opposed to HR 567 legislation introduced by Representative Devin Nunes (R-CA) that challenges the validity of current state and local government accounting rules and practices and would mandate inappropriate federal reporting requirements on state and local governments regarding their pension costs. In addition, the legislation sets a precedent for federal intervention into areas that are the financial responsibility of, and have thus been historically regulated by, states and/or localities.

This legislation represents a lack of understanding regarding the strong accounting rules and strict legal constraints already in place that require open and transparent governmental financial reporting and processes. The County opposes this legislation because it conflicts with existing governmental accounting standards, and increases state and local government costs.

INDIAN FEE TO TRUST REFORM

On February 24, 2009, the United States Supreme Court issued its landmark decision on Native American trust lands in *Carcieri v. Salazar*. The decision held that the Secretary of the Interior lacks authority to take land into trust on behalf of Native American tribes that were not under the jurisdiction of the federal government upon enactment of the Indian Reorganization Act (IRA) in 1934.

In the wake of this significant court decision, legislation has been introduced in both the House and Senate that would reverse the Supreme Court's decision. The County supports the inherent rights and dignity of Native American tribes and recognizes that

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there are potential benefits to the local community when the fee to trust process is undertaken.

Therefore, the County supports legislative repeal of *Carcieri v. Salazar*, as well as providing additional direction to the Secretary of the Interior on local impacts involving the fee to trust process. The County would welcome a fee to trust process that would give local governments notice when an application is filed, provide opportunity for public comment and consultation, and ensure that local impacts are addressed through Intergovernmental Agreements between tribes and local governments to provide for the mitigation of environmental and economic impacts.

POLITICAL SPEECH

The United States Supreme Court ruled that corporations and unions have the same political speech rights as individuals under the First Amendment. The Supreme Court found no compelling government interest for prohibiting corporations and unions from using their funds to make election-related expenditures. Thus, the Supreme Court struck down a federal law banning this practice and also overruled two of its prior decisions.

The County supports a Constitutional Amendment to reverse the ruling in the *Citizens United v. Federal Election Commission*.

REGULATORY SYSTEM REQUIRED FOR ANY CHANGES TO LEGAL STATUS OF MARIJUANA

As a result of recent changes in the federal government's treatment of marijuana, there needs to be a discussion on the application of a consistently applied regulatory system. The current landscape of medical marijuana dispensaries is problematic given the significant variations in the regulation of those businesses from one jurisdiction to another. If Congress or the Administration decides to change the legal status of marijuana, such changes must be accompanied by a uniform, precise, and clear regulatory framework that explicitly states the roles and responsibilities of all jurisdictions.

The County takes the position that any change to the legal status of marijuana at the federal level must be accompanied by a thorough regulatory framework that delineates the clear roles and responsibilities of the jurisdictions involved.

HEALTH AND HUMAN SERVICES

INSTITUTIONS FOR MENTAL DISEASE EXCLUSION

Federal law prohibits Medicaid reimbursement for services obtained in Institutions for Mental Disease (IMD) by Medicaid-eligible adults, 22 to 64 years of age. Recently, the California Department of Mental Health indicated that medical ancillary costs, such as medications, surgeries, and laboratory services, will also not be covered by Medi-Cal

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due to this exclusion, leaving the County to bear the unreimbursed financial responsibility of all physical and mental health needs of Medi-Cal patients age 22-64 residing in IMDs. Legislation is introduced in the House each year to repeal the IMD exclusion.

The County supports the repeal of the Institutions for Mental Disease exclusion.

HITECH ACT – INCLUSION OF BEHAVIORAL HEALTH PROVIDERS

The HITECH Act, a component of the American Recovery and Reinvestment Act of 2009, offered Medicaid and Medicare incentive funds to health care providers for implementing the meaningful use of electronic health records. The Department of Health and Human Services is currently investing in implementing electronic health records for the Mental Health Branch. Legislation has been introduced to extend eligibility for these much-needed incentive funds to behavioral health, mental health, and substance abuse treatment professionals and facilities that were not previously included as eligible.

The County supports legislation to extend Medicaid and Medicare electronic health record incentive funds to behavioral health providers.

PUBLIC WORKS

FEDERAL TRANSPORTATION BILL

As Congress explores a new federal transportation bill to replace the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) program, the County strongly supports the creation of a new and visionary act that builds upon the successful programs that are already implemented under SAFETEA-LU.

While SAFETEA-LU provided a solid start to rebuilding the infrastructure throughout the nation, it is clear that the funding was insufficient to the documented needs of this nation's infrastructure.

The County supports a more streamlined and flexible approach to allocating federal funds, in which federal programs provide state, regional, and local agencies the ability to allocate federal funds for a range of improvement projects based on need such as: Highway, Transit, Local Road, and Bicycle and Pedestrian.

The primary source of funding for walking and bicycling, the Federal Transportation Enhancements program (TE), has and continues to excel at providing a skeleton upon which integrated systems can be constructed. The dispersed nature of TE program funding allocations, however, has minimized its role in facilitating substantial mode shift. The County of Humboldt supports legislation that would encourage an active transportation investment program and encourage a mode shift to active

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transportation within communities by providing safe and convenient options to bicycle and walk for routine travel, and for other purposes. Legislation is needed that addresses non-motorized transportation and allows communities to complete *systems*, instead of just focusing on *segments*.

A way to streamline federal funds is to reduce the current 108 programs under SAFETEA-LU into a smaller number of more flexible programs, such as the 10 new federal programs recommended by the National Surface Transportation Policy and Revenue Study Commission. Regardless of what a more streamlined act looks like, the following are priorities that should be included in the next reauthorization:

Protect and Enhance Transportation Revenues and Expenditures

- Enhance revenues, keep the Highway Trust Fund solvent, and find a long-term solution for a stable funding source. This includes support for an increase and/or index of the federal gas tax.

Protect Previous and Future Investments via System Maintenance and Preservation

- Provide increased funding for adequate maintenance and preservation of the existing local and state transportation systems, including bridges.

Increase Safety on Existing Transportation System

- Increase funding for safety infrastructure projects, with an emphasis on programs aimed at reducing fatalities, especially on the rural road system where fatality rates are the highest. Specifically, support and increase funding for the High Risk Rural Roads Program (HRRR).

Improve Environmental Stewardship and Address Climate Change Concerns

- Provide incentives in current programs and/or provide new funding sources for climate neutral or friendly transportation projects and programs, including local street and road maintenance and preservation programs.
- Provide financial incentives for rural sustainability.
- Provide financial support for regional and local planning processes, such as California's Regional Blueprint Planning Program.
- Provide assistance for data collection and determining and quantifying greenhouse gas emission sources/levels and vehicle miles traveled in order to assist local and regional agencies in efforts aimed at addressing climate change.
- Provide funding for retrofitting equipment and for alternate fuel infrastructure.

Streamline the Regulatory and Project Delivery Processes

- Designate California as a permanent participant in the Surface Transportation Project Delivery Pilot Program and expand the program beyond Federal Highway Administration projects to include transit and air quality conformity projects.

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- Support streamlining of federal regulations/requirements to facilitate more expeditious project delivery. Mandate federal permitting agencies to meet the prescribed schedules and deadlines that are specified in the environmental review process, reduce overhead, eliminate waste, and reduce documentation that is redundant with processes required under state law.
- Ensure that federal project oversight is commensurate to the amount of federal funding.

Increase State, Regional, and Local Agency Flexibility to Respond to Needs

- Maximize the use and flexibility of federal funds by not requiring minimum federal matches.
- Eliminate the need to program multiple phases for small projects.
- Eliminate need for Transportation Improvement Programs for air quality neutral projects.

The County of Humboldt supports the above principles for reauthorization of the new federal highway funding bill as supported by the California State Association of Counties.

KLAMATH BASIN ECONOMIC RESTORATION ACT OF 2011

The “Klamath Basin Economic Restoration Act of 2011”, was introduced concurrently into the Senate and House of Representatives by Senator Merkley (S-1851) and Congressman Thompson (H.R. 3398) on November 10, 2011.

Passage of this legislation is crucial so that the Secretary of the Interior and Secretary of Commerce are authorized to sign the Klamath Basin Restoration Agreement on behalf of the federal government and perform all implementation actions necessary to carry out the responsibilities.

In 2006, local government, State and federal agencies, tribes, irrigators, PacifiCorp, an electric power company based northwestern United States, and conservation groups began constructive discussions outside the courts in an attempt to bring resolution to a region long fraught by water controversies. The product of the multi-year negotiation process is an agreement package that includes the Klamath Hydroelectric Settlement Agreement (KHSA) and Klamath River Basin Restoration Agreement (KBRA). The two agreements were developed to be executed concurrently. The agreements are intended to provide for a transition to sustainability for Klamath River fisheries, economic stability for affected agricultural interests, and substantial improvement to the overall ecosystem health of the Klamath River basin. The agreements call for specific actions as well as adaptive management programs and strategies, with the keystone action being the removal of the four lowermost Klamath River dams.

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Humboldt County is a signatory to both the KHSA and KBRA. The Humboldt County Board of Supervisors supports the “Klamath Basin Economic Restoration Act of 2011 (*S-1851 and H.R. 3398*), and full removal of the four hydroelectric dams.

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AGRICULTURE

SUPPORT FOR FARM BILL FUNDING

Farm Bill funding that supports programs important to Humboldt County and the State of California are threatened by impending federal budget cuts. The intent of the Farm Bill is to create jobs, protect the environment and natural resources, revitalize rural economies, invest in education, promote renewable energy, and improve public health and nutrition. The Farm Bill in its current form benefits rural communities by supporting healthcare, housing and economic development. The Farm Bill safety net that helps protect farmers in bad years when weather does not cooperate or the market creates instability is threatened as is funding for research critical to advancing and sustaining agricultural productivity.

Humboldt County supports maintaining funding for Farm Bill programs at 2008 levels to revitalize rural communities, assist farmers, protect the abundance of healthy food and safeguard natural resources.

STABLE FUNDING FOR FOREST LEGACY PROGRAM

The Forest Legacy Program (FLP) was established in 1990 under the federal Farm Bill to protect forest lands. Although city and county governments are able to direct development away from sensitive lands through zoning, this federal program helps to establish easements which restrict development and require sustainable forestry practices on private lands. FLP funded acquisitions serve public purposes specified by participating states and the landowner.

To qualify for participation in the FLP, private landowners must submit a multiple resource management plan. The federal government may fund up to 75 percent of the project cost, while private landowners, state and local governments are required to pay at least 25 percent of the project cost. Additionally, land owners have the added benefit of reduced taxes on the land.

As of 2010, the Forest Legacy Program had protected nearly 21,000 acres of privately held forested land in California. A large portion of that land is in the Chalk Mountain Area in Humboldt County. Humboldt County is home to nearly 1,500,000 acres of public and private forest and home to over forty percent of all remaining old-growth Coast Redwood forests in California.

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In Fiscal Year 2010, federal funding for the FLP grew by 60 percent to \$79.5 million. Conversely, the Fiscal Year 2011 Continuing Resolution cut funding by 31 percent to \$53 million. At the State level it is unlikely that general fund money would be available in the current fiscal environment, but current or future bonds under the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act (2006) could allow for funding to protect natural resources.

The County of Humboldt supports adequate funding for the Forest Legacy Program and programs which promote conservation efforts for the old-growth Coast Redwood forests. The County encourages the State of California and the federal government to engage in acquisition of partial interest in privately owned forest lands, while maintaining private ownership, to conserve our natural lands for timber, wildlife habitat, open spaces and recreation.

COMMUNITY DEVELOPMENT

BROWNFIELD REMEDIATION AND LIABILITY

Rural areas of Humboldt County include large unused vacant industrial sites, particularly former mill sites. Clean-up of these apparent toxic Brownfield sites is the single largest hindrance to redevelopment of these areas. These sites can cost tens of thousands into the millions of dollars depending upon the amount of toxins found. The County has received funding from the U.S. Environmental Protection Agency in the past to assess the characterization and cleanup of Brownfield sites. The County's goal is to receive additional funding to expand the program and provide greater incentives to property owners to cleanup and redevelop Brownfield properties.

The County strongly supports legislation and developing bond grant guidelines that include Brownfield Remediation funding.

FUNDING FOR WATER SUPPLY AND WASTEWATER PROJECTS

Humboldt County's small rural communities are in need of financial assistance to maintain or upgrade water supply and wastewater systems. Many systems are approaching the end of their useful life and require levels of capital investment that exceed rate payers' ability to pay. In the worst cases, failing systems pose serious health risks, degrade water quality, prevent economic development and trigger regulatory violations and financial penalties.

The County strongly supports legislation that maintains or increases federal funding for small community water and wastewater projects.

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FUNDING FOR BROADBAND SERVICE TO RURAL AREAS

Humboldt County is served by a north-south fiber optic line from Ukiah to Eureka and will soon be served by an east-west line running from the Central Valley along the Highway 36 corridor. This infrastructure provides improved telecommunications service to developed areas of the County but additional investment is necessary to make “last mile” and “middle mile” connections between developed areas and small outlying communities.

The County strongly supports legislation to provide funding or business incentives to assist companies in bringing broadband service to unserved and underserved areas of the County.

SUPPORT FOR PROPERTY ASSESSED CLEAN ENERGY (PACE) PROGRAMS

In 2008, the State of California passed legislation (Assembly Bill 811) to give localities the authority to create Property Assessed Clean Energy (PACE) programs, providing businesses and homeowners the ability to finance energy-efficiency and clean-energy upgrades to their property. These upgrades provide consumers the opportunity to obtain lower energy costs while reducing greenhouse gas emissions.

The County of Humboldt, in partnership with the counties of Del Norte, Lake, Mendocino, Modoc, Sonoma and Trinity was the recipient of a \$4.38 million American Recovery and Reinvestment Act PACE grant funded through the California Energy Commission. The program was expected to leverage an additional \$22 million in financing and create more than 150 full-time jobs.

On July 6, 2010 the Federal Housing Finance Agency (FHFA) issued a statement amounting to a prohibition of PACE financing for homes that might be financed with FHFA approved mortgages. The FHFA statement resulted in the loss of the \$4.38 million grant and a cessation of PACE programs nationwide.

The County supports the right to implement PACE programs and establish property assessment liens for energy conservation and renewable energy investments. PACE programs create jobs, stimulate business growth, reduce greenhouse gas emissions and add lasting value to residential and commercial properties without increasing risks of mortgage defaults. Therefore, the County supports H.R. 2599 (PACE Protection Act of 2011) which would prevent Fannie Mae, Freddie Mac, and other Federal residential and commercial mortgage lending regulators from adopting policies that contravene established State and local property assessed clean energy laws.

RE-AUTHORIZATION OF THE WORKFORCE INVESTMENT ACT

A well-trained workforce and a system that supports people to transition from a declining industry into a growing one is essential to a healthy economy. The County

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needs federal funding to provide training for workers who are laid off from their jobs, adults who have been unemployed long-term and youth seeking to prepare for success in the workplace. The Humboldt County Workforce Investment Board is an effective working collaboration of business, government and non-profit leaders. Our county has successfully utilized these funds to identify growing industries—Targets of Opportunity—to listen to employers and translate their highest needs into meaningful programs, and to link transitioning and young workers with growing industries.

The County supports re-authorization and full funding of the Workforce Investment Act.

RESTORE CDBG PROGRAM FUNDING TO FISCAL YEAR 2011 LEVELS

The fiscal year 2012 Transportation-Housing and Urban Development Appropriations bill included funding for the Community Development Block Grant (CDBG) at \$2.95 billion. Previous year's funding for the CDBG program was \$3.3 billion. This cut, in addition to the \$600 million cut CDBG sustained in fiscal year 2011, would total a 38 percent reduction in two years.

The CDBG program facilitates affordable housing, service provision to low-income and vulnerable citizens, job creation and efforts to support economic growth. At least 70 percent of the funds must be used on programs benefiting low and moderate income individuals. The County of Humboldt has benefited from the CDBG program and has received \$11.5 million in CDBG funding over the past seven fiscal years.

The County of Humboldt supports legislation that would return funding to fiscal year 2011 levels or increase funding for the CDBG program.

HEALTH AND HUMAN SERVICES

ELDER JUSTICE ACT

The Patient Protection and Affordable Care Act incorporated provisions of the Elder Justice Act, including authorizing \$100 million in federal fiscal years 2011-2014 in first-time dedicated federal funding for adult protective services (APS). The funds are to supplement, not supplant, existing APS resources.

The County supports full appropriation of Elder Justice Act dedicated Adult Protective Services funding.

PREVENTION AND PUBLIC HEALTH FUND

The Patient Protection and Affordable Care Act (PPACA) appropriated \$750 million in federal fiscal year (FY) 2011, escalating to \$2 billion in FY 2015 and each fiscal year thereafter to expand prevention, wellness and public health activities. Proposals to divert these funds as offset for other federal spending continue to surface. This

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unprecedented investment in prevention and public health must be protected to be used as intended under the Act.

The County supports full funding of the PPACA Prevention and Public Health Fund and requests that the funds be allocated to local public health departments.

EMPLOYMENT AND SAFETY NET PROGRAM INVESTMENT

The American Recovery and Reinvestment Act (ARRA) of 2009 included investments in County programs that provided employment for nearly 600 Humboldt County youth and low-income residents, as well as support for domestic violence shelters, housing and nutrition assistance and other safety net services for families in need. The Department of Health and Human Services partnered with the non-profit and private sector to utilize more than \$5.6 million in federal funds made available through the ARRA to encourage economic recovery, much of which was used for temporary employment subsidies that benefitted local businesses during the recession.

The County supports federal investment in safety net programs, employment development and subsidized employment opportunities.

NATURAL RESOURCES

NATURAL RESOURCE AFFAIRS

Humboldt County resides along the Pacific North Coast and is home to significant water resources that include the Eel, Klamath, Mad and Trinity Rivers; home to fish populations of salmon, groundfish and crab; and home to dense forests which include coastal Redwoods. These considerable natural resources were once in abundance to the community and contributed notably to the local economy.

Decisions and regulatory management of these natural resources often occur at the State and federal levels. These decisions have had cumulative impacts on water resources, fisheries and timber, and therefore on the community as well. State and federal decisions need to adequately account for local priorities, knowledge and needs in order to minimize adverse economic and social impacts, while appropriately managing and restoring these significant natural resources.

The County strongly supports legislation that provides stable funding for long-term engagement, administration and capacity development for natural resource affairs in the County of Humboldt.

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PUBLIC WORKS

FEDERAL AVIATION ADMINISTRATION FUNDING

The current Federal Aviation Administration (FAA) funding bill expired in September 2007 and has been kept active through 21 short-term extensions. The current extension runs through January 31, 2012. The short-term extensions do not allow for long-term planning and have affected many aviation projects. Many large aviation projects cross over several fiscal years. Without certainty of funding, these projects cannot move forward or move forward at the economic risk of the County.

Repeated delays in approving a new multi-year FAA reauthorization bill have already affected Humboldt County and projects such as the Arcata-Eureka airport terminal remodel and expansion project. It was only because the Headwaters Fund was available to loan monies for infrastructure improvements that this project able to move forward. However, passage of a new FAA funding bill is needed to ensure that the loan from the Headwaters Fund can be repaid through future passenger facility charges (PFC's). The uncertainty of funding duration makes it difficult to administer and program projects that take longer than the short term extensions of FAA funding. This issue would be alleviated by the long term guarantee of the ability to collect PFC's.

The County supports legislation that provides for long term FAA Funding.

FUNDING AND FOR REDWOOD CREEK LEVEE REHABILITATION AND ESTUARY RESTORATION

Humboldt County maintains the Redwood Creek federal flood control project, which was constructed by the U.S. Army Corps of Engineers from 1966 to 1968 to protect the community of Orick from floodwaters. The levee system is impaired by the deposition of large volumes of sediment each winter, which reduces the capacity of the levee relative to design conditions. Sediment impairment occurred the first winter after construction, and recent technical studies demonstrate fundamental design flaws as the root cause of the problem. The County has been forced to perform annual gravel extraction to re-gain some flood capacity, however the scale of the problem overwhelms the County's ability to remediate the system. The cost to reclaim the full design capacity of this flood control system through sediment removal is \$4.4 million; however, permits and approvals for such an action are not obtainable due to the environmental impacts, and similar work would be needed periodically due to the annual influx of sediment.

Construction of the flood control project caused major physical changes to the lower reach of Redwood Creek and its estuary. The estuary volume has been reduced by approximately one-half of its pre-levee size due to sediment deposition, and fish habitat and water quality are impaired. The net result has been a reduction in the ecological function of the estuary in terms of productivity for fish and other aquatic species.

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Restoration of the Redwood Creek estuary would provide substantial benefit for the recovery of three salmonid species listed as threatened under the federal Endangered Species Act, and would complement other large-scale restoration efforts conducted by the National Park Service within Redwood National Park, which occupies the lower one-third of the watershed.

A large-scale, multi-objective water resources project is needed to achieve a sustainable solution for flood protection, ecosystem restoration, and endangered species recovery in lower Redwood Creek. The County is seeking a Congressional appropriation for the U.S. Army Corps of Engineers to initiate a new-start Reconnaissance Study to analyze opportunities to provide adequate flood protection to the community of Orick and restore the Redwood Creek estuary. It should be noted that the Corps is on record indicating that the Redwood Creek levee system is not performing as intended and that a Reconnaissance Study is needed to address urgent flood protection and ecosystem restoration concerns.

The established cost for a Reconnaissance Study by the Corps of Engineers is \$100,000. Authorization for such a study exists under Section 209 of the Flood Control Act of 1962 (Northern California Streams Study Authority) and Section 216 of the River and Flood Control Act of 1970 (Review of Completed Projects). The Reconnaissance Study may come in the form of a Section 905(b) Analysis as authorized under Section 216 of the River and Harbors Flood Control Act of 1970.

The County supports legislation that appropriates \$100,000 to the U.S. Army Corps of Engineers (San Francisco District) for a new-start reconnaissance study to analyze opportunities for a large-scale, multi-objective water resources project in lower Redwood Creek to achieve a sustainable solution for flood protection, ecosystem restoration, and endangered species recovery.

INDIAN RESERVATION ROADS FUNDING (IRR)

California's tribes have long been underserved in the federally funded IRR program. As a result, the roads, bridges and transit systems that make up the California State Transportation System and that provide access to the 109 federally-recognized Tribes and rancherias in California are in such poor condition that the health, safety, security and economic well being of Tribal members and California's traveling public are in jeopardy. While SAFETEA-LU provided modest improvements for California tribes, there are efforts underway to erase those improvements and decrease the amount of money flowing to California.

The changes proposed to the IRR funding would remove State and County roads from the IRR inventory. These changes would reduce current funding available to California tribes by nearly one-third. To date, Humboldt County has received over 1.3 million dollars from local tribes for improvements on County Roads, with 2.5 million in

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additional projects moving forward. This funding could be compromised by proposed changes in IRR funding allocations.

The County opposes changes to the Indian Reservation Roads (IRR) Program that would remove State and County Roads from the IRR inventory.

STORMWATER MANAGEMENT PROGRAM: MCKINLEYVILLE AND HUMBOLDT AIRPORTS

The Federal Clean Water Act requires that most municipal entities obtain National Pollutant Discharge Elimination System (NPDES) permits and reduce the pollutant load from municipal storm sewers to the maximum extent practicable. NPDES has been an unfunded mandate. Under the authority of the Federal Clean Water Act, the California State Water Resources Control Board has issued Water Quality Order 2003-0005-DWQ. In response, the County has prepared a StormWater Management Program (SWMP) for the unincorporated community of McKinleyville, and the Arcata/Eureka and Murray Field airports for Phase II of the NPDES program.

The SWMP outlines activities to be implemented during the first five-year NPDES permit period, such as regulation and inspection of construction, industry, municipal operations, commercial uses, and maintenance activities. It also requires a program of public outreach and education, as well as research studies and water quality monitoring programs. For certain types of development, on-site storm water filters or treatment and implementation of Best Management Practices are required to minimize pollutants discharged to surface water.

Although these requirements are unfunded mandates, failure to implement the program will subject the County to fines of up to \$27,500 per day, and both civil and criminal liability for willful noncompliance. Either the NPDES requirements need to be deferred, or funding mechanisms for implementation need to be identified.

The County supports legislation that would postpone implementation of the NPDES permit requirements for the StormWater Management Program. The County also supports legislation that will provide funding for implementation of these requirements.

SECURE RURAL SCHOOLS AND COMMUNITY SELF-DETERMINATION ACT

The 100-year plus Partnership that was created between the federal government and rural communities in 1908 compensated counties affected by placement of timber into federal ownership. The Partnership stipulated that 25 percent of the revenues derived from U.S. Forest Service activities (timber sales, mineral extraction and grazing fees, etc.) would be returned to the counties that housed the forests. These revenues supported schools and the maintenance of infrastructure, and the health of watersheds and ecosystems.

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By 2000, these revenues had dwindled – as policies and lawsuits restricted much of the economic activity that supported the payments. To ensure that the terms of the Partnership were upheld, in 2000 Congress passed the *Secure Rural Schools and Community Self-Determination Act* (SRSCA). In 2007, the SRSCA was authorized for an additional four-year period and is scheduled to end in 2011. Although the funding provided for County Roads has decreased over the last four years of the bill, it is still significant to maintaining Humboldt County’s road system. In fiscal year 2010-11, Humboldt County Roads received \$675,049 and projections for the current year payment are \$432,837. It is critical to the County road system that this funding is continued into the future.

Under current law, the expenditure of SRSCA Title III funds are limited to fire protection activities on federal lands, severely restricting fire departments from containing fires adjacent to federal land. Expanding the authorized uses of Title III to include firefighting on adjacent lands would enhance public safety in rural communities and reduce the likelihood of fires spreading to federal lands. This important issue also impacts the neighboring counties of Trinity, Mendocino, Siskiyou, and Del Norte. Title III of the SRSCA should be revised to allow fire protection funds to be spent as flexibly as possible.

The County supports the reauthorization of the Secure Rural Schools and Community Self-Determination Act.

FEDERAL TAX ON OIL PRODUCERS

Over the past few years, oil producers have seen record profits while County revenues have stagnated. Exxon Mobil, the world’s largest publicly owned and traded oil company, reported earnings of \$10.7 billion during the first quarter of 2011. This is nearly a 70 percent increase from the first quarter profits in 2010 at \$6.3 billion.

Although the annual crude oil price per barrel was at record high in 2008 at \$91.48 per barrel, 2011 prices are not far behind at \$87.48 per barrel. Crude oil prices per barrel were at \$53.48 in 2009 and \$71.21 in 2010. For County services provided by the Sheriff’s Department and the Public Works Department, the cost of crude oil per barrel directly impacts the ability to provide services to residents. As fuel prices go up, cities and counties are stuck with the burden of added fuel expenditures.

Over the past ten years, crude oil prices have increased dramatically. In 2002, crude oil prices averaged \$22.81 per barrel and the County spent \$174,784.73 on fuel for motor pool vehicles. Crude oil prices in 2008 averaged \$91.48 per barrel and the County spent \$511,360.04 on fuel for motor pool vehicles. Although crude oil prices dropped in 2009, 2010 and 2011 saw increases in crude oil prices and 2012 crude oil prices are expected to exceed \$100 per barrel. Goldman Sachs predicts 2012 crude oil prices to average \$112 per barrel.

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The County of Humboldt supports federal legislation which would implement a tax on oil producers when crude oil prices exceed \$100 per barrel. The County encourages federal representatives to support directing these funds to local governments to help subsidize local police and public works fuel and fleet maintenance in an effort to continue providing quality service.

