

# FEDERAL LEGISLATIVE GOALS

On Saturday, December 8<sup>th</sup>, 2008 President-elect Barack Obama laid out his economic recovery plan. President-elect Barack Obama's initiative speaks of rebuilding the nation's infrastructure and improving schools. In particular, the initiative addresses "making the largest investment in our national infrastructure since President Eisenhower" and renewing investment in the "information superhighway by boosting broadband deployment in communities across America." Humboldt County wants to participate in this recovery effort and is ready and able to do so.

Humboldt County's primary, overarching Federal legislative goals for 2009 include:

## **SUPPORT INCREASING THE FEDERAL FINANCIAL PARTNERSHIP IN COUNTY PROGRAMS**

- Support funding for Public Infrastructure programs such as transportation and water infrastructure.
- Support the provision of fully authorized funding for programs such as Payment in Lieu of Taxes Act (PILT).
- Support Aviation Reauthorization which should include a well-funded Airport Improvement Program with funding for rural and underserved communities through the Small Communities Air Service Programs.

## **SUPPORT RELIEF FROM FEDERAL MANDATES AND STATUTORY BARRIERS**

- Support the broadening of the allowable uses of Secure Rural Schools Act (Title III) funding to include fire protection services.
- Oppose Medicaid reform that excludes Probation from Participation in Title XIX-Targeted Case Management.

## **SUPPORT FEDERAL FINANCIAL PARTICIPATION IN LOCAL COMMUNITY TECHNOLOGY ADVANCEMENTS**

- Support funding for redundant (fiber) broadband link for the rural north coast of California.

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

# FEDERAL LEGISLATIVE PROPOSALS

## GENERAL GOVERNMENT

### **STREAMLINED SALES TAX AGREEMENT**

Internet sales have largely been tax-free to encourage the development of the internet commerce medium, and because of differing tax laws in each of several thousand different taxing jurisdictions. Sales taxes generate 33% of all state revenue and 12% of all revenue to local governments. However, this revenue is rapidly eroding as an increasing number of consumers make purchases on-line. Sales taxes are never collected on almost two-thirds of business-to-consumer transactions over the internet.

States can only require retailers located within their borders to collect sales tax on their behalf. The U.S. Supreme Court has ruled that it is a violation of the Commerce Clause of the United State Constitution for a state to require a retailer that is not physically located within a state to comply with a state's tax laws.

Proposed federal legislation would overturn the *Quill* decision and require out-of-state retailers to collect sales taxes – but only for states that become members in the Streamlined Sales Tax Agreement. California is not yet a member of the Agreement.

House Resolution (H.R.) 3396 would grant the consent of Congress to the Streamlined Sales and Use Tax Agreement (Agreement), the multistate agreement for the administration and collection of sales and use taxes adopted on November 12, 2002. It expresses the sense of Congress that the Agreement provides sufficient simplification and uniformity to warrant federal authorizations to states that are parties to it (member states) to require remote sellers (sellers without a physical presence in the taxing state) to collect and remit the sales and use taxes of such states and their local taxing jurisdictions.

The County supports H.R. 3396.

### **USA PATRIOT ACT**

In the aftermath of the terrorist attacks of September 11, 2001, the U.S. Congress and Executive Branch took actions designed to expand the tools available to the federal government to combat terrorism. Among the actions was the passage of legislation known as the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA Patriot Act). Many local governments around the country were concerned by certain provisions of the USA Patriot Act restricting civil liberties, particularly with regard to locally-held library records.

The County is seeking legislation that would affirm the following: support for fundamental Constitutional rights and repeal provisions of the USA Patriot Act that infringe on important civil liberties; support for the Constitutional rights of immigrant

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communities in Humboldt County and oppose racial profiling of immigrants; and Every person has the right of freedom of religion, has the right to assembly and privacy, has the right to due process in judicial proceedings, as the right to be free from unreasonable search and seizure, and has the right to equal protection under the law, and the right not to be deprived of life, liberty, or property without due process of law.

## **PUBLIC SAFETY**

### **BROADEN THE ALLOWABLE USES OF SECURE RURAL SCHOOLS ACT FUNDING**

The Secure Rural Schools Act of 2000 (also known as HR 2389 Forest Service Funding) allows counties to receive U.S. Forest Service funding for specified purposes for roads, schools, and fire protection on federal lands. However, the allowable uses under Title III for fire protection limit eligible expenditures to fire planning and safety on federal lands. Many rural fire districts and volunteer fire departments respond to fires adjacent to federal land, and/or drive through federal lands to reach structural fires on non-federal lands. It would increase the safety of Humboldt County lives and property if the funding could be used to augment structural fire protection in rural areas adjacent to federal lands.

The County supports legislation that would broaden the allowable use of Secure Rural Schools funding.

## **PUBLIC WORKS**

### **FEDERAL TRANSPORTATION BILL**

Support the creation of a new and visionary transportation act which builds upon the successful programs currently being implemented under the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU).

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

Support 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

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- Local road
- Bicycle and Pedestrian

This could take shape by reducing 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.

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

# **FEDERAL APPROPRIATIONS REQUESTS**

## **COMMUNITY DEVELOPMENT**

### **FUNDING FOR PUBLIC INFRASTRUCTURE PROJECTS**

Public infrastructure in Humboldt County is in need of 200 million in upgrades to bring existing systems up to public works and regulatory standards, and needs to be expanded to meet current and anticipated population needs. There are numerous sewer, water, and drainage systems in the County that currently pose serious health risks to the public, hamper development, and degrade the community due to their inadequacy such as the Arcata Water Storage Reservoir, and Orick Waste Water System . Infrastructure is critical to maintaining the local economy. These projects require federal financial assistance due to their high costs.

The County strongly supports legislation that maintains or increases federal funding for public infrastructure (sewer, water, drainage) projects.

### **FUNDING FOR REDUNDANT BROADBAND LINK**

Humboldt County has one fiber optic cable line that runs along U.S. Highway 101 from Ukiah to Eureka. Humboldt County has had four fiber optic outages over the last several years. As a result of these outages, internet service was cut off, many businesses were unable to process debit cards and retail gift cards, ATM machines were down, and some cellular phone service was interrupted. These outages affected Mendocino, Humboldt, and Del Norte Counties.

AT&T, Suddenlink and Charter Communications are interested in developing backhaul broadband capacity to the north, through Orick up to Crescent City. The estimated cost is between 4 and 5 million dollars. Up to forty percent of these costs may be covered by the California Advanced Services Fund.

The County strongly supports legislation to support funding for a fiber optic link from the north to provide broadband redundancy and funding or business incentives to assist companies in bringing broadband service to unserved and underserved areas of the country. In addition, the County supports legislation to support funding for a fiber optic link over Highway 299 Redding.

### **BROWNFIELD REMEDIATION AND LIABILITY FUNDING**

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 depending upon the amount of toxins found. The County has received funding from the U.S. Environmental Protection Agency (EPA) in the

# **FEDERAL APPROPRIATIONS REQUESTS**

past to assess the number of brownfield sites in redevelopment areas. The County's goal is to expand this work to other unincorporated areas of the County.

The County strongly supports legislation and developing bond grant guidelines that includes brownfield remediation funding.

## **GENERAL GOVERNMENT**

### **FULFILL THE PROVISIONS OF THE PAYMENT IN LIEU OF TAXES ACT RELATED TO THE REDWOODS NATIONAL PARK LAND ACQUISITION**

In 1978, the federal government expanded Redwood National Park in Humboldt County. Per Section 6905 of the Payment in Lieu of Taxes Act, the County and the associated agencies affected by the park acquisition are entitled to PILT payments until 5% of the fair market value has been reached. The fair market value of the Redwood National Park Expansion has been estimated to be \$738,909,235; therefore 5% of that amount is \$36,945,462, or almost \$37 million. However, Congress has paid in-lieu taxes to Humboldt County of less than \$32 million. According to the Auditor-Controller, the remaining amount due is \$4,984,193. These remaining payments could not be made as a result of federal funding limitations. The Bureau of Land Management does not have authority to carry forward any PILT payment, or portion of a PILT payment that could not be made as a result of funding limitations.

Thus, this request is for enabling legislation or an administrative remedy that would allow for a one-time PILT appropriation of \$4.9 million to complete the original acquisition agreement.

## **NATURAL RESOURCES**

### **CONTINUED FUNDING OF THE SUDDEN OAK DEATH REGULATORY PROGRAM**

*Phytophthora ramorum*, the pathogen that causes Sudden Oak Death (SOD) poses a serious threat to the nursery industry and environment of California. Nursery product producers in California that ship plants out-of-state are required to participate in a Federal/State/County regulatory program that ensures that nursery stock is not responsible for the artificial spread of SOD. In Humboldt County, twenty one nurseries operate under compliance agreements and are certified by the SOD Regulatory Program to ship plant products out-of-state. Continued Federal funding of the SOD Regulatory Program would benefit County nursery products producers and would also

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allow the Agricultural Commissioner's Office to continue the wide range of regulatory activities it undertakes to prevent the spread of SOD.

In FFY 2008-09, Humboldt County will receive \$34,215 in Federal funds to off-set the local costs associated with administering the SOD Regulatory Program. Federal funds for SOD program activities are provided to the County through a contractual agreement with California Department of Food and Agriculture (CDFA).

The County supports continued Federal funding of United States Department of Agriculture (USDA) and CDFA cooperative Sudden Oak Death Regulatory Program.

## INCREASED FUNDING FOR WILDLIFE SERVICES PROGRAM

The Humboldt County Agricultural Commissioner's Office and the U.S. Department of Agriculture (USDA) currently share costs to maintain the Humboldt County's Wildlife Services Program. In prior years, this program was funded one-third by the USDA, one-third by the California Department of Food & Agriculture, and one-third by the County. However, State funding was eliminated some years ago. The program responds to public needs in handling conflicts with wildlife, to reduce losses to livestock producers by predatory animals, and to protect urban areas and respond to nuisance complaints. Due to the proximity of urban areas to wildlife areas in Humboldt County, it is inevitable that conflicts arise between humans and wild animals. In these cases, it is crucial to have trained Wildlife Service professionals available to respond to complaints and/or concerns.

Humboldt County's portion of the cost is \$63,253, or 61% of the total cost of approximately \$103,693 annually.

The County supports legislation or budget language that would provide an adequate federal contribution to the cost of the Wildlife Services Program.

## REDUCING DISEASE IN KLAMATH RIVER SALMON

Severe infection by the myxozoan parasite *Ceratomyxa shasta* has been a primary contributor to the declining numbers of juvenile Klamath River salmon and subsequent negative impacts on later adult returns. Research conducted by Oregon State University and the US Fish and Wildlife Service has identified a stretch of the river in which high parasite densities and large numbers of infected invertebrate hosts for the parasite result in severe disease and high mortality, thus providing a target for management actions.

The County supports legislation to fund the management of the disease in Klamath River salmon.

# FEDERAL APPROPRIATIONS REQUESTS

## PUBLIC SAFETY

### COMBAT METHAMPHETAMINE DRUG TRAFFICKING PROGRAM

Humboldt County has a significant problem with the manufacture, sale, and personal use of methamphetamine. This major issue significantly impacts our local business community, private and public health care, social services, schools, law enforcement, and judicial resources in a very adverse manner – both financially and socially. Our methamphetamine problem directly impacts our crime rate, especially property crimes such as burglary and larceny, domestic violence and child abuse crimes, and officer safety,. Due to Humboldt County's limited financial resources, only two Deputy Sheriffs can be dedicated to directly deal with and combat this type of narcotic-related crime.

Lack of funding prevents the Humboldt County Sheriff's Office from directing an appropriate amount of resources to bring about a significant reduction in the manufacture, sale, and personal use of methamphetamine that has been brought into our rural community by organized drug trafficking organizations.

The County supports funding that would allow small rural counties to better fight the growing methamphetamine problem and combat the growing activity of organized drug trafficking organizations.

### OPPOSITION TO MEDICAID REFORM THAT EXCLUDES PROBATION FROM PARTICIPATION IN TITLE XIX- TARGETED CASE MANAGEMENT (TCM) PROGRAM

In July 2004, the Federal Centers for Medicare and Medicaid Services (CMS) notified the State Department of Health Services (SDHS) that it would not approve the Adult Probation and Public Guardian Targeted Case Management (TCM) programs' inclusion in the FY 2003-04 State Plan Amendment (SPA). SDHS successfully argued against the CMS ruling. However, CMS indicated that it intended to pursue legislation to remove Probation entirely from the State Medicaid Plan in 2005.

Amendments were made to the Medicaid Regulations which resulted in a number of changes in the federal Medicaid program. These amendments seek to find cost savings by amending the federal statutory definitions and establishing new standards for Medicaid case management and rehabilitation services, including the exclusion of coverage for rehabilitative services that are "intrinsic elements of programs other than Medicaid". The Medicaid reform amendments, as currently written, would have resulted in the exclusion of Probation from further participation in specified provisions of Title XIX of the Social Security Act. However, a one-year federal moratorium was imposed delaying the effective date of specified TCM provisions affecting Probation's ability to participate in the TCM program.

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If the moratorium is lifted on these federal CMS rule changes, the County's ability to care for its most at-risk and vulnerable citizens will be compromised, and limited state and local financing structures will be strained.

The County supports federal legislation removing the moratorium on proposed changes to the Medicaid Regulations that would exclude Probation from participating in the Targeted Case Management (TCM) program covered under the Medicaid program.

## **NATURAL DISASTER PLANNING AND PREPAREDNESS FUNDING**

Over the last five years, the federal government has provided Homeland Security monies to local governments to assist in terrorism planning and preparedness. However, these monies could not be spent on planning and preparedness for natural disasters such as floods and earthquakes. Local governments need funding for staff to prepare disaster response plans, conduct tabletop exercises, and to purchase any equipment that may be useful in responding to a natural disaster.

Therefore, the County supports funding to local governments for natural disaster planning and preparedness activities.

## **DRUG TREATMENT SERVICES**

In California and within Humboldt County, very few resources exist for youth drug treatment, specifically residential or inpatient care. Even the state's Drug Medi-Cal program neglects many of the drug treatment needs of youths. The increasing trend of both youth substance abuse disorders and juvenile drug arrests is compounded by the lack of drug treatment in the juvenile institutional setting. There is clearly a huge youth treatment gap that needs to be addressed.

The County strongly supports legislation that would support Drug Treatment Services for Youth.

## **PUBLIC WORKS**

### **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

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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 and/or federal regulations that postpone implementation of the NPDES permit requirements for the Storm Water Management Program. The County also supports legislation that provides funding for implementation of these requirements.

## **“SECOND CHANCE” TO USE SMALL COMMUNITIES AIR SERVICE DEVELOPMENT PROGRAM (SCASDP) FUNDING**

Congress authorized the Small Communities Air Service Development Program (SCASDP) under the federal Vision 100 Plan signed by President Bush on December 16, 2003 to assist isolated and rural communities in obtaining commercial passenger air service. The program was established as one-time-only funding for each applicant. Humboldt County partnered with the City of Redding in 2004 to develop direct air service from Arcata/Eureka and Redding to Los Angeles International (LAX) airport utilizing \$500,000 in SCASDP support funding for Horizon Air (Alaska Air) and \$81,000 in locally-raised funding for marketing. These flights have been enormously successful since their inception, continuously generating load factors of 77%.

Humboldt County is extremely isolated. San Francisco International (SFO), the closest major airport, is a six-hour drive away. Because of this, Humboldt has a high retention factor: 77% of passengers in the service area fly out of Arcata/Eureka rather than driving out of the area to another airport. Air service becomes even more important in the winter months: the two major highways leading into the Humboldt County area frequently suffer from mudslides, cutting off the region from Interstate 5 to the east and the San Francisco Bay area to the south. Local air service is therefore extremely critical for Humboldt area communities.

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Given the current economics of the air travel industry, major airlines such as these are not likely to take the financial risk of adding additional routes without some financial assistance from the local community. The County of Humboldt does not have the financial resources to provide these financial incentives without assistance from the federal government. Because the authorizing legislation for the SCASDP program allows each community to receive funds only once, Humboldt cannot apply again for funding.

The County supports legislation that allows successful SCASDP recipients to apply for a second round of funding.

## FEDERAL AVIATION AUTHORIZATION (FAA) REAUTHORIZATION

The County supports legislation that improves funding for Airports. The current funding bill for FAA expires on March 6, 2009. The following items are supported by Humboldt County when the bill is reauthorized:

- Raise the Passenger Facility Charge (PFC) cap from \$4.50 to \$7.00.
- Streamline the PFC process and give Airports more flexibility on how PFC funds can be expended.
- Increase the funding levels for the Airport Improvement Program (AIP) from the current \$3.8 billion for FFY 2008 and \$3.9 billion for FFY 2009 to \$4.0 billion in FFY 2010 and \$4.1 billion in FFY 2011.
- Maintain \$150,000 for non-primary, general aviation, and reliever airports. This funding amount is critical for updating airports such the County's five general aviation airports.
- Increase discretionary funding from \$148 million to \$520 million to give FAA the ability to work with unanticipated projects that will be of benefit to aviation.
- Maintain AIP match at 95% for small airports.
- Maintain Small Community Air Service Development at \$35 million per year.

