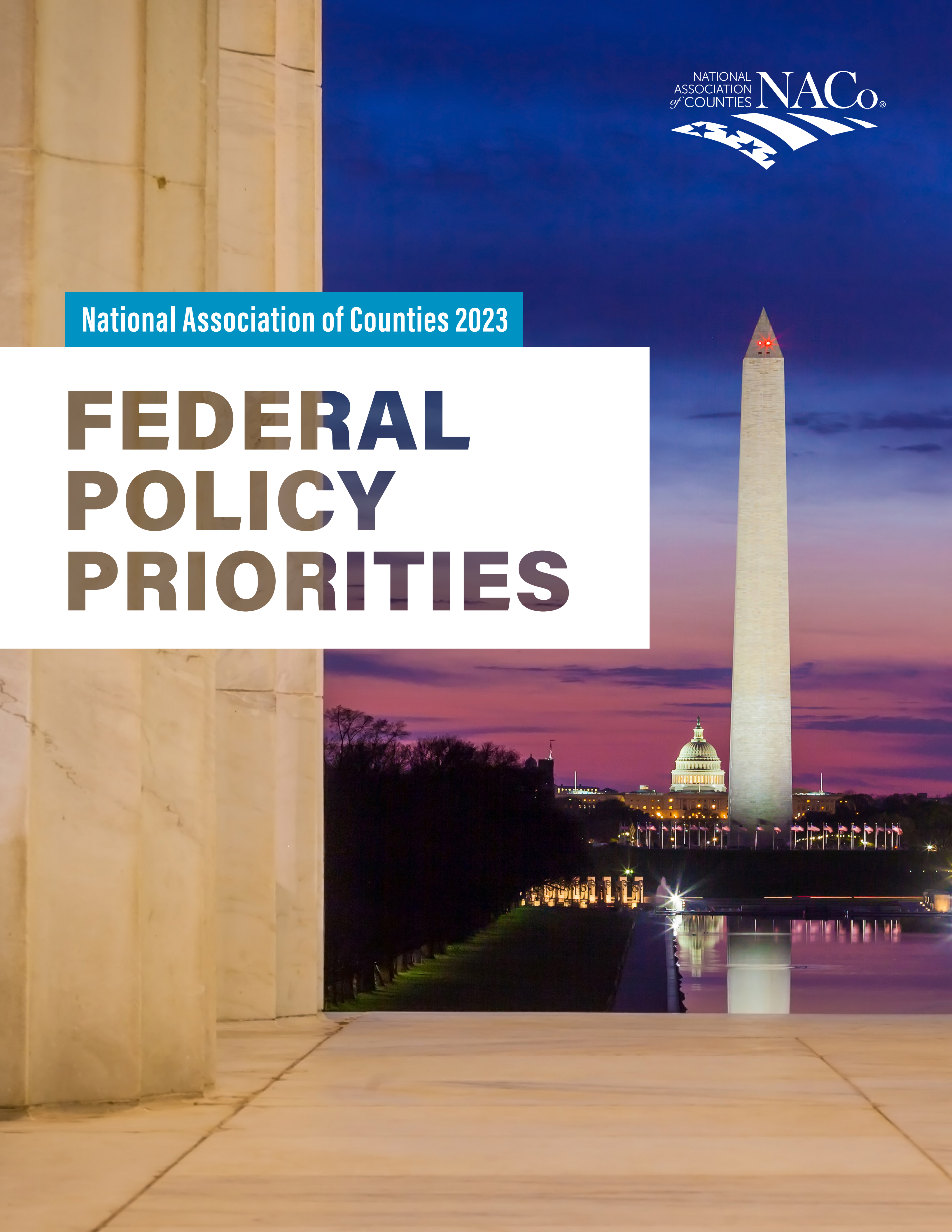


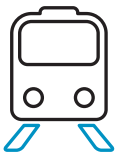
NATIONAL ASSOCIATION of COUNTIES NACo

National Association of Counties 2023

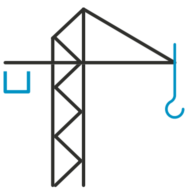
FEDERAL POLICY PRIORITIES

Counties play an instrumental role in the overall public administration and governance of federal, state and local policies, programs and services.

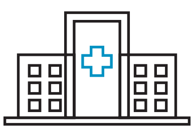
*Counties own and operate **45 percent** of America's roads and **38 percent** of bridges*



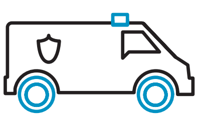
***78 percent** of public transit agencies are county supported*



*Counties invest **$134 billion** in infrastructure and maintaining and operating public works*



*Counties support and operate nearly **1,000** hospitals, over **800** long-term care facilities, **750** behavioral health centers and **1,900** public health departments*



*County governments operates **2,875** of our nation's **3,160** local jails*

America's 3,069 county governments provide essential building blocks for healthy, safe and vibrant communities. Counties invest over $600 billion each year in taxpayer resources through the leadership of nearly 40,000 county elected officials and almost 3.6 million county employees. Counties support and maintain key public and community infrastructure, help nurture and sustain a skilled workforce to support dynamic local economies, and promote public health and safety to protect our citizens.

NACo supports federal policies and programs that equip county governments with the resources and flexibility needed to effectively serve our residents. NACo works to preserve local decision making and protect counties from unfunded mandates and preemption of local authority. Since counties implement many federal programs at the local level and must enforce many federal regulations, NACo encourages meaningful intergovernmental consultation with counties throughout all federal policy, program and regulatory development processes.

NACo policy positions are introduced, debated and voted on by 10 policy steering committees with over 1,400 county officials, as well as NACo Board of Directors and full membership.

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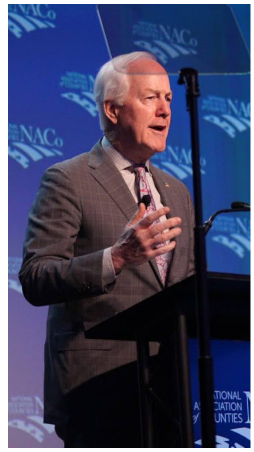


(Left to right) NACo President Denise Winfrey, Senator John Hickenlooper, Senator John Cornyn, U.S. Transportation Secretary Pete Buttigieg and NACo Immediate Past President Larry Johnson strengthen our intergovernmental system by engaging with key county partners.

Restore the Balance of Federalism and Optimize Intergovernmental Partnerships

County governments are instrumental partners in our nation's intergovernmental system, which balances, divides and shares power and responsibilities between all levels of government. Uniquely positioned to implement and administer policies and investments at the local level, NACo supports meaningful and consistent engagement between intergovernmental partners, and efforts that recognize and respect the unique roles and responsibilities of counties. Counties support the reintroduction and passage of the Restore the Partnership Act and the Unfunded Mandates Information and Transparency Act to reduce the regulatory burden of unfunded federal mandates on the public, increase transparency, foster intergovernmental dialogue and unite all levels of government in supporting our system of federalism. NACo applauds the passage of legislation such as the American Rescue Plan Act (ARPA), Bipartisan Infrastructure Law (BIL), Inflation Reduction Act (IRA) and the CHIPS and Science Act that designated funds directly to county governments, and will continue to advocate for further legislation that unites all levels of government in supporting our unparalleled system of federalism.

> *Counties invest over **$600 billion** each year in taxpayer resources, through the leadership of nearly **40,000 county elected officials** and **3.6 million county employees***

Seize Legislative Opportunities to Improve the Implementation of the American Rescue Plan Act's Coronavirus State and Local Fiscal Recovery Funds

The Coronavirus State and Local Fiscal Recovery Fund (Recovery Fund), part of ARPA, allocated $65.1 billion in direct, flexible aid to every county, parish and borough in the country. Throughout the pandemic and recovery from it, counties have invested these funds in public health response efforts, addressed negative economic impacts, increased essential worker pay, and had the opportunity to allocate their Recovery Funds to where their community needed them most. Counties support legislation and/or regulatory changes that provide additional flexibility for Fiscal Recovery Fund investments in order for county elected officials to choose how to best utilize their funds for both local and national recovery. We are pleased to have helped with the passage of the bipartisan State, Local Tribal, and Territorial Fiscal Recovery, Infrastructure, and Disaster Relief Flexibility Act as part of the Fiscal Year (FY) 2023 omnibus appropriations bill, which will grant counties additional flexibility when distributing their Recovery Funds. NACo will continue to fiercely advocate for maximum flexibility as the U.S. Department of Treasury begins to make clarifications to the Recovery Fund Final Rule with the recent passage of this legislation.

*As of June 30, 2022, **large cities and counties (>250,000 in population)** have spent **$15 billion** in SLFRF dollars—nearly one-quarter of their **$65 billion** allocation*

*As sound financial stewards, counties are investing these critical Recovery Funds to **ensure the health and well-being of our nation's residents, support economic recovery** and **make transformational investments** in a better future*

Past President of NACo, and Boone County, Ky. Judge Gary Moore testifies before the House Committee on Oversight and Reform to highlight critical investments counties have made using State and Local Fiscal Recovery Funds.

Successfully Implement and Execute the Bipartisan Infrastructure Law, the Inflation Reduction Act and the CHIPS and Science Act

NACo supports legislation that recognizes counties as essential intergovernmental partners through long-term, direct investments in local governments. As owners and operators of a vast amount of the nation's infrastructure, effective implementation of the Bipartisan Infrastructure Law (BIL) will require meaningful and ongoing engagement between officials at all levels of government. Competitive programs that counties are eligible to directly apply for in the BIL must also be fully funded at their authorized levels in the annual appropriations process to ensure successful implementation.

Environmental stewardship is another primary function of county governments to create healthy, safe and vibrant communities for our residents. Counties support the opportunity to pursue clean energy initiatives and reduce emissions through new competitive grant programs, and a direct pay option in lieu of clean energy tax credits in the Inflation Reduction Act (IRA).

Furthermore, counties seek to revitalize their economies and foster innovation through the implementation of the RECOMPETE Pilot and Regional Tech Hubs programs in the CHIPS and Science Act. The RECOMPETE and Regional Tech Hubs programs must be fully funded at their authorized levels in FY 2024 and beyond.

Counties own and operate **45 percent** of all public roads

Counties own almost **38 percent** of the National Bridge Inventory

Counties are directly involved in **40 percent** of all public transportation systems

Counties are directly involved in **34 percent** of public airports

*Counties invest **$134 billion annually** in building, maintaining and operating physical infrastructure and public works, including **transportation, water systems, ports, dams, hospitals, schools, libraries and courthouses***

Promote Health Equity by Reforming the Medicaid Inmate Exclusion Policy and through Mental Health, Substance Use Treatment Legislation and Other Criminal Justice Reforms

NACo supports legislation and administrative changes that will enhance counties' ability to provide comprehensive behavioral health services. Counties support federal funding for existing mental and behavioral health services through enhancements to programs like the Community Mental Health Services block grant and the Substance Abuse Prevention and Treatment block grant. County officials support the protection of the federal-state-local partnership structure for financing and delivering Medicaid services while maximizing flexibility to support local systems of care and improving healthcare access. Counties oppose "off-setting" funding through the reduction or elimination of other public health programs and support protecting the Public Health Prevention Fund, the only funding stream intended to be used at the local level for the public's health, from elimination or further cuts.

Furthermore, NACo supports prioritizing improving health outcomes for justice-involved individuals through legislative action to improve the federal, state and local partnership in providing safety-net services to pretrial incarcerated individuals that are currently denied access to federal benefits per the Medicaid Inmate Exclusion Policy (MIEP). Counties applaud the inclusion of MIEP reforms in the recently passed FY 2023 omnibus appropriations bill, which, as a result of NACo advocacy, authorized a state option to continue access to Medicaid and Children's Health Insurance Program benefits for juveniles awaiting trial and juveniles reentering their communities. Counties support policies that will further amend the MIEP to ensure continuity of access to federal health benefits for pretrial adults, and authorize the restoration of federal health benefits for adults reentering their community.

Counties also applaud the expansion of eligible uses for Justice and Mental Health Collaboration Program (JMHCP) funds in the JMHCP Reauthorization Act of 2022 passed last year, and urge Congress to fully fund the program at its authorized level in FY 2024. Counties support the use of JMHCP funds to decrease mental illness in jails by facilitating cross-system collaboration for individuals with mental illnesses who come into contact with the justice system.

*Counties own and support **903 hospitals** and operate **1,943 local health departments***

*America's counties annually invest **over $148 billion in community health systems** and **justice and public safety services***

*Counties operate **91 precent of local jails** with **over 8 million admissions** each year*

*At least **20 percent of jail inmates** have a serious mental illness*

Secure the Inclusion of County Priorities in Farm Bill Reauthorization Legislation

> *As the front line of the social safety net, counties are also responsible for administering SNAP in **ten states** representing **32 percent** of total participants*

NACo will continue to advocate for the inclusion of key county priorities, with an emphasis on rural development, in the creation of the 2023 Farm Bill. Counties support full funding for all Farm Bill titles, which help strengthen rural infrastructure including broadband and water and wastewater systems, support rural development initiatives coordinated with local officials, protect our nation's food supply, increase access to healthy food for low-income populations through the Supplemental Nutritional Assistance Program (SNAP), and promote environmental stewardship and conservation.

For the 70 percent of America's counties, parishes and boroughs considered rural, these titles represent significant opportunities to address acute issues unique to rural America. Furthermore, the U.S. Department of Agriculture (USDA) Rural Development office operates a broad range of grant and loan programs that are also critical to rural counties. Counties support preserving USDA Rural Development program funding, streamlining the grant and loan application process, and urge Congress and the Administration to oppose further cuts to these programs and agency staff in FY 2024.

Boost Advanced Broadband Deployment and Accessibility While Preserving Local Decision-Making

County officials play a crucial role in pursuing sustainable broadband access, affordability and reliability solutions. Counties support policies to attract broadband service, boost enrollment in federal broadband affordability programs, and promote interoperability efforts to bridge the digital divide. NACo strives to preserve the local authority of county governments and supports the removal of state-imposed bans and restrictions that stop counties from making investments in local broadband networks. As an essential intergovernmental partner, counties must be included as primary stakeholders in helping the Federal Communications Commission (FCC) update its new National Broadband Map, a comprehensive, location-by-location view of high-speed Internet availability across the nation. Furthermore, strengthening local cybersecurity systems is critical to ensure that citizen's personal information and critical infrastructure are adequately protected, recoverable, and secured in the event of any potential breach. Counties support direct federal funding grants that bolster cybersecurity infrastructure at the local level, participation in the implementation of the State and Local Cybersecurity Grant Program authorized under the BIL, and the adoption of a National Cybersecurity Strategy that includes a consistent funding mechanism for securing local government IT and information systems.

NACo Immediate Past President Larry Johnson; Palm Beach County, Fla. Mayor Gregg Weiss; Montgomery County, Md. Councilmember Craig Rice; and Stearns County, Minn. Commissioner Tarryl Clark attend a White House event to advocate for increased access to affordable high-speed internet in our nation's underserved communities.

With help from counties, over **15 million** households are now enrolled in the Affordable Connectivity Program (ACP) since its inception in January 2021, which is approximately 30 percent of eligible households.

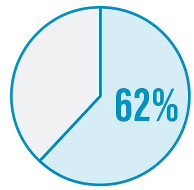
Less than **40 percent** of locations in the country have access to fiber-based high-speed internet, measured at 100/20 Mbps, with the problem exacerbated in rural and hard-to-build regions.

Counties have dedicated over ***$450 million to broadband infrastructure projects*** *through the American Rescue Plan Act's State and Local Fiscal Recovery Funds Program*

Support Full Funding for Payments in Lieu of Taxes and the Secure Rural Schools Program

Counties support maintaining long-term full funding for the Payments in Lieu of Taxes (PILT) program, which compensates public lands counties for untaxable federal land. Without predictable mandatory funding, PILT will remain a discretionary program subject to the annual appropriations process. Counties urge the administration and members of Congress to support long-term, predictable full funding for PILT in FY 2024, and modifying the program to make PILT payments to counties with smaller populations more equitable.

Counties also support extending the Secure Rural Schools (SRS) program as a transitional funding mechanism until the federal government fully implements a sustainable, long-term forest management program with adequate revenue sharing for forest counties and schools. NACo supports legislation such as the Secure Rural Schools Reauthorization Act of 2021 that provides forest revenue-sharing payments to counties, and promotes active natural resource management.



***Sixty-two percent** of counties have federal land within their boundaries, and unlike other local property owners, the federal government does not pay traditional property taxes*

NACo will continue to urge leadership in both chambers and on both sides of the aisle to work together to enact a long-term, sustainable solution.

Furthermore, counties support legislation and policies which would ensure federal land management agencies aggressively reduce the level of excessive fuel loading on a landscape scale. Counties support legislation for financing the suppression of catastrophic wildland fires without borrowing from other agency accounts for active management for forest and rangeland health and post-fire restoration and mitigation. Counties oppose any attempt to shift the costs of wildland fire suppression from federal agencies to counties.

Clackamas County, Ore. Commissioner Martha Schrader tells Senator Merkley why mandatory, full funding for PILT is important to counties.

Promote County Priorities and Local Decision-Making in Future U.S. Environmental Protection Agency and Other Federal Rulemaking

As owners and operators of public safety water conveyances, stormwater municipal separate sewer systems (MS4), green infrastructure construction and maintenance projects, water reuse and infrastructure, and emergency management readiness, the final definition of the Waters of the United States (WOTUS) rule has a direct impact on counties. Counties urge the Environmental Protection Agency (EPA) and U.S. Army Corps of Engineers to administer the recently finalized WOTUS rule in a way that appreciates counties' role as owners and operators of key public safety and water infrastructure, and as an intergovernmental partner in implementing federal regulations under the Clean Water Act. As the agency begins work on its second WOTUS rule, counties further urge EPA to consult closely with local governments throughout the rulemaking process. Furthermore, counties support preserving the long-standing partnership between the U.S. Army Corps of Engineers and state and local governments for funding, implementing and maintaining essential and environmentally sound navigation and other environmental improvement projects across the country. Additionally, counties support federal matching funds for local governments to implement projects authorized under the Water Resources Development Act (WRDA) and urge Congress to appropriate the funds needed to reduce the backlog of projects.

On average, more than ***two-thirds*** *of public spending for capital investment in water infrastructure since the 1980s has been made by* ***state and local governments***

DeKalb County, Ga. officials, including NACo Immediate Past President Larry Johnson (left), and EPA Assistant Administrator Radhika Fox (center), welcome new water infrastructure investments.

Maintain Election Integrity and Strengthen Safety for Election Workers

In the United States, the nation's 3,069 counties traditionally administer and fund elections at the local level, including overseeing polling places and coordinating poll workers for federal, state and local elections. County election officials work diligently with federal, state and other local election officials to ensure the safety and security of our voting systems. County election officials administer elections in a way that is accurate, safe, secure and accessible for all voters. Counties oppose legislation that imposes impractical requirements on the election process that adversely affect the conduct of state and local elections. Additionally, counties support legislation requiring federal entities to work with local governments to increase cybersecurity in elections and allocates funding directly to counties.

Finally, in recent years, the widespread circulation of misinformation and disinformation surrounding the administration of elections has led to a series of new challenges election officials must address, including the increase of targeted threats and harassment toward election officials. NACo urges Congress to enact legislation that will impose appropriate penalties for offenses related to harassing or intimidating election officials in the performance of their duty.

Weber County, Utah County Clerk/Auditor Ricky Hatch testifies before the House of Representatives Committee on Oversight and Government Reform on the county role in ensuring election safety and integrity.

*More than **201 million people** were registered to vote in the 2022 mid-term election within jurisdictions where **counties play a major role** in administering and coordinating elections*

*Between the 2018 and 2020 general elections, county jurisdictions processed **over 94 million** registration forms*

*Counties administer elections through the funding and management of over **100,000 polling places** staffed with over **630,000 poll workers** each election cycle*

Enhance Community Resilience Through Regional and Local Disaster Preparedness

Counties engage in all aspects of emergency management including planning, preparation, mitigation, response and recovery. As the regularity and costs of disasters increase, counties urge Congress and the administration to provide increased federal resources to counties so they can continue to protect our residents, property, infrastructure systems and local economies.

Counties support a long-term reauthorization and reform of the National Flood Insurance Program (NFIP) to improve affordability, mitigation assistance, flood risk mapping and program administration. The program aims to reduce the impact of flooding on private and public structures by providing affordable insurance to property owners, and by encouraging communities to adopt and enforce floodplain management regulations. Furthermore, counties support increased funding for the Emergency Management Grant Program and other mitigation grants to support local hazard mitigation and preparedness.

Last year, Congress passed an amendment as part of the FY 2023 omnibus appropriations package to allow for certain disaster-related spending eligible for ARPA Recovery Funds. NACo urges the U.S. Department of Treasury to allow counties maximum flexibility when using these funds for mitigation efforts and emergency relief from natural disasters as they begin to implement changes to the final rule.

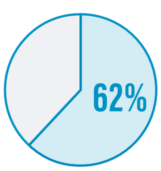
*On average, over **800 counties** per year experience a presidentially declared disaster*

Mecklenburg County, N.C. Commissioner George Dunlap testifies before the House Homeland Security Committee's Subcommittee on Emergency Preparedness, Response and Recovery on the county role in supporting resiliency and disaster preparedness.

*In 2022, the nation experienced **18 separate billion-dollar disasters** which totaled approximately **$165 billion** in damages*

Promote Workforce Opportunities and Supportive Services for County Residents to Support Economic Recovery

Miami-Dade County, Fla. Commissioner Eileen Higgins testifies before the U.S. House Select Committee on Economic Disparity and Fairness in Growth regarding utilizing infrastructure dollars to promote workforce opportunities and long-term prosperity.



*Nearly **62 percent** of counties have poverty rates exceeding the national average*

Counties are key players in crafting long-term economic development strategies, implementing local policies that support labor market recovery, and facilitating public-private partnerships that foster innovation. NACo supports federal programs and investments that help counties address their unique local economic challenges, close their prime-age employment gaps, increase per capita income and create sustained economic opportunity. Counties support increased funding for the Community Development Block Grant Program (CDBG) that assists urban, suburban and rural communities in improving housing and living conditions and expanding economic opportunities for low- and moderate-income persons. CDBG helps create jobs by expanding and retaining businesses and is an essential tool for helping local governments tackle serious challenges facing our communities. Counties also support reauthorization legislation of the Workforce Innovation and Opportunity Act (WIOA) that preserves local governance authority, while promoting innovation and flexibility to respond to local emerging economic realities and business needs.

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