Is It Really Just Gridlock?
Delayed the 40% Excise Tax
Behavioral Health Matters to Counties

America's 3,069 counties are integral to America's behavioral health system. Counties annually invest $70 billion in community health systems, including behavioral health services. Through 750 behavioral health authorities and community providers, county governments plan and operate community-based services for persons with mental illnesses and substance use conditions. County-based behavioral health systems exist in 23 states that represent 75% of the US population.

1 in 5 adults in the U.S. experience a mental illness.
1 in 25 adults in the U.S. experience a serious mental illness.
1 in 10 adults in the U.S. experience a substance abuse disorder.

Counts ensure the safety of the public and are the entry point to the criminal justice system, with 11.6 million individuals cycling in and out of 3,000 local jails every year.

Counts help finance Medicaid, the largest source of funds for behavioral health services in the U.S., and serve as the local safety net, administering wrap-around human services supports.

Publicly funded sources account for approximately 60% of health spending and 70% of substance abuse spending. Medicaid covers more than 25% of all expenses.

KEY FINDINGS

Protecting public safety and ensuring the health and well-being of residents are essential functions of county governments. County governments own and operate a majority of jails in the U.S. and spend $70 billion annually on the criminal justice system. Counties balance the pursuit of justice with the strategic management of the jail population and prudent county spending on the corrections system, including for the healthcare of the jail population.

The jail population has complex healthcare needs. Better management of the inmates with mental illnesses and chronic medical conditions through reducing the number of people in jail that need mental health treatment. This approach may be better provide for the healthcare needs of the ANALYSIS OF U.S. DEPARTMENT OF JUSTICE BUREAU OF JUSTICE DATA ON THE JAIL POPULATION AND THE RESULTS OF A COUNTY JAILS FONDS.

64% of jail inmates have a mental illness.
40% of inmates in jail in 2011-2012 had a chronic medical condition.
40% of jail inmates with a chronic medical condition take prescription medication while in jail.

To read the companion case studies and learn more about the 2015 NACo survey of county jails, visit www.NACo.org/ JailHealthServices
2017 POLICY BRIEF

PROTECT FUNDING FOR CORE LOCAL PUBLIC HEALTH SERVICES AND PREVENTION PROGRAMS

QUICK FACTS
- U.S. Senate and Senate Appropriations Committees to protect funding for core local public health services and prevention programs such as those made possible by the Prevention and Public Health Fund (PPHF).

BACKGROUND:
- Counties support the majority of America’s 2,800 local health departments in order to protect their residents’ health and safety and prevent the leading causes of death.
- In 2000, local health departments had lost 39,000 jobs, but the number has increased to 1,970 in 7 years due to increased funding and services.
- Federal and state funding for local health agencies has increased by 37.4% between 2000 and 2014, but local health departments have lost 4,000 jobs.
- Local health departments are responsible for providing preventive services such as immunizations, health surveillance, and monitoring emerging infectious diseases.
- Local health departments work with multi-sector community partners to help prevent the leading causes of death and disability and lower health care costs.

ACTION NEEDED:
- Urge your members of Congress to support the 2017 Cures Act and fully fund the Prevention and Public Health Fund (PPHF).

2017 POLICY BRIEF

SUPPORT LOCAL EFFORTS TO REDUCE MENTAL ILLNESS IN JAILS BY FULLY FUNDING THE JUSTICE AND MENTAL HEALTH COLLABORATION PROGRAM IN ANNUAL APPROPRIATIONS

QUICK FACTS
- Currently, there are over 2 million people incarcerated in U.S. prisons and jails, with nearly 11 million people arrested and booked into jail across the nation.
- It is estimated that 94% of people booked in local jails display a pattern of problems that are indicators of mental health conditions.
- PPHF has been appropriated at $50 million in annual appropriations since inception, but has been underfunded by over $180 million in annual appropriations.

BACKGROUND:
- Enacted by Congress in 2004, the Justice and Mental Health Collaboration Program (JMHC) is a grant program administered by the U.S. Department of Justice (DOJ).
- The funds, which are available to state, tribal, and local governments, are used to develop and implement programs designed to improve outcomes for individuals with mental health issues who are involved in the criminal justice system.

ACTION NEEDED:
- Urge your Members of Congress to support local efforts to reduce the number of individuals with mental health, substance abuse, or co-occurring disorders in county jails by providing full funding for the Justice and Mental Health Collaboration Program (JMHC) in the annual appropriations process.

Although Congress has authorized JMHC at $200 million since its inception, appropriations have never fully funded the grant program. Currently, JMHC is funded at $100 million in the FY 2018 appropriations package (P.L. 114-165). In 2016, in addition to authorizing the existing $200 million annual authorization of the program, the legislation expanded the scope of the program so that grants may be used for additional purposes related to addressing substance abuse, mental health, or co-occurring disorders in the criminal justice system. Among these purposes is “sequential intercept mapping,” which aims to assess and intervene with mental health issues in the criminal justice system and how they can be diverted from the system at different points. The improvements made to JMHC in the Cures Act will be most effective with full funding in annual appropriations.
Suspension vs. Termination

Medicaid Inmate Exclusion

At a cost of $176 billion annually, criminal justice and health care systems are needed. Approximately 11.4 million individuals cycle through county jails each year. Counties are required by state and federal law to provide adequate health care for inmates, which can add significantly to already high jail costs.

With so many individuals cycling in and out of jail each year, the nation’s county jails are a unique and opportune setting to connect eligible individuals with Medicaid or other health care coverage, which can help stop this cycle and save counties money in both health and justice while protecting public safety. In particular, the expansion of Medicaid, made possible through the Affordable Care Act (ACA), has provided the opportunity to enroll more justice-involved individuals into health care coverage than ever before.

As of July 2016, 31 states and the District of Columbia have expanded Medicaid, but even counties in states that have not expanded Medicaid can benefit from suspending or terminating coverage for those involved. When coverage is terminated instead of suspended, the individual is no longer eligible for Medicaid upon release from detention.

This brief is part of a series of publications focused on health coverage for justice-involved individuals. Other briefs in this series include: Questions & Answers: Health Coverage Enrollment for Justice-Involved Individuals and Health Coverage & County Jails: Suspension vs. Termination.

When a state terminates instead of suspends coverage, it can take months for an individual to be reapproved for Medicaid upon release from detention.
COUNTIES URGE CONGRESS TO PASS REMOTE SALES TAX LEGISLATION AND LEVEL THE PLAYING FIELD FOR MAIN STREET BUSINESSES

NOVEMBER 2016
OHIO

UNCOLLECTED REVENUE, 2013:

STATE: $706.4M
NATIONAL: $26.1B

UNCOLLECTED REVENUE 2011-2013 GROWTH RATE:

9.4%
10.2%

Congress should act now on this critical issue for counties by passing legislation like the Marketplace Fairness Act (MFA) or the Remote Transactions Fair Play Act (RTFP) by the end of the year.

- MFA/RTFP is not a new tax. It would allow state and local governments to collect existing sales and use taxes on remote sales.
- MFA/RTFP would enable state and local governments to collect sales taxes that are already owed each year that could be dedicated to providing important public services such as infrastructure, public safety, education, and economic development.
- Passing federal legislation would level the playing field for local retailers who are at a competitive disadvantage to online retailers who do not have to collect taxes.

Source: NACo's Analysis of data from U.S. Census Bureau, U.S. Bureau of Economic Analysis, Federal Communications Commission, University of Tennessee.

MISSING REVENUE IS CRITICAL FOR SERVICES INCLUDING:

- Road and Bridge Maintenance
- Law Enforcement
- Public Health
- Education
- Economic Development
- Solid Waste Disposal
- Environmental Compliance
COUNTIES URGE CONGRESS to PROTECT TAX-EXEMPT MUNICIPAL BONDS

MUNICIPAL BONDS ADVOCACY TOOLKIT
Ohio

$ 49.5 billion
State and local governments and authorities municipal bonds for 21 infrastructure purposes, Value, 2003-2012

$ 5.2 billion
Estimated cost of a 28 percent cap proposal, 2003-2012

$ 14.8 billion
Estimated cost of the repeal of the tax-exempt status of municipal bond interest, 2003-2012

SOURCE: NACo analysis of Thomson Reuters February 2013 data
DATA NOTES
Amounts in excess of $1 million are rounded to the nearest million. Amounts in excess of $1 billion are rounded to the nearest billion.

The cost by state reflects the cost to all municipal bond issuers in a state not only the cost to the state government.
The estimated cost of a 28 percent cap proposal is how much a state and other municipal bond issuers in a state would have had to pay additionally in interest for tax-exempt municipal bonds between 2003 and 2012 if a 28 percent cap were in place over the last 10 years. For more details on the methodology, please see the full report.
The estimated cost of the repeal of the tax-exempt status of muni bonds is how much a state and other municipal bond issuers in a state would have had to pay additionally in interest for tax-exempt municipal bonds between 2003 and 2012 if they were fully taxable over the last 10 years. For more details on the methodology, please see the full report.
The cost estimates are based on a limited set of long-term tax-exempt municipal bonds for 21 infrastructure purposes, not all tax-exempt municipal bonds.
The cost estimates are average effects based on historical market conditions. The cost of a 28 percent cap or a repeal in 2012 would have varied based on the size of an issuer, the credit rating of an issuer and the specific characteristics of each bond issuance.

FULL REPORT: www.naco.org/muni-bonds

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Director of Media Relations
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#munibonds
Payment in Lieu of Taxes (PILT) Program

2016 Payments in Lieu of Taxes (PILT)

U.S. Counties and PILT

<table>
<thead>
<tr>
<th>PILT Received, FY 2016:</th>
<th>Percent of Counties with PILT Entitlement Land:</th>
<th>Total Number of PILT Entitlement Acres:</th>
<th>Median PILT Amount per Entitlement Acre:</th>
</tr>
</thead>
<tbody>
<tr>
<td>$452 M</td>
<td>62.8%</td>
<td>607 M</td>
<td>$2.58</td>
</tr>
</tbody>
</table>

Federal Lands, Local Communities

- 62.8% of counties have federal land within their boundaries. Even though they are not able to collect property taxes on federal land, county governments must still provide essential services for their residents and those who visit these public lands each year. Such services include road and bridge maintenance, law enforcement, search and rescue, emergency medical, fire protection, solid waste disposal, and environmental compliance.
- Our ask: Counties urge Congress to provide full funding for PILT in FY 2017 and to support a sustainable long-term approach to financing essential local services in America’s public lands counties.

PILT funding critical for services including:

- Road and Bridge Maintenance
- Law Enforcement
- Search and Rescue
- Emergency Medical
- Fire Protection
- Solid Waste Disposal
- Environmental Compliance

http://www.naco.org | twitter.com/nacotweets | youtube.com/NACoVideo | linkedin.com/in/NACoDC
25 Massachusetts Avenue, NW, Suite 300 | Washington, DC 20001 | 202.293.8200 | www.NACo.org
**U.S. ENVIRONMENTAL PROTECTION AGENCY (EPA)**

<table>
<thead>
<tr>
<th>Clean Air Act</th>
<th>Compliance with federal air pollution standards, including, but not limited to, monitoring air quality; retrofitting stationary and mobile sources of pollution and obtaining required permits; ozone and particulate matter (PM) standards for PM 10 and PM 2.5. While tighter standards for PM 10 have been temporarily tabled, the reconsideration process for air standards resets every five years.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Particulate Matter Standards</td>
<td>Mentioned briefly above, lowering PM standards is problematic, especially for rural areas, where practices governing regular everyday events such as cars driving down dirt roads and agricultural practices that sustain local economies could be regulated, as could natural events such as wildfires, droughts or wind storms. Because of the high, naturally occurring, dust levels found in arid climates, many western counties have a difficult time meeting the current PM standard. This, in turn, affects their economic base, which will further restrain economic recovery. Based on previous experience, non-attainment areas have difficulty maintaining and attracting businesses to their regions, since these businesses would have to operate under the tighter standards. Most businesses chose to relocate or not even build in a non-attainment area.</td>
</tr>
<tr>
<td>Ozone Standards</td>
<td>In Oct. 2015, after months of discussions, the U.S. Environmental Protection Agency (EPA) released its final rule to tighten the National Ambient Air Quality Standards (NAAQS) for Ozone from 75 parts per billion (ppb), last set in 2008, to 70 ppb. Ozone designations can have a significant impact on county governments, both as regulators of Clean Air Act programs, and as regulated entities. Currently, 227 counties, primarily urban and in the East, are regulated under ozone air quality standards. Under the new 70 ppb standard, the number of impacted counties is expected to increase.</td>
</tr>
<tr>
<td>Clean Water Act</td>
<td>Compliance with federal regulations and mandates related to: county owned water and wastewater treatment regulations; combined and sanitary sewer overflow consent decrees; “Waters of the U.S.” definitional changes (refer below for more specific problems with the navigable “waters of the U.S.” regulation program); regulation of point and non-point discharges (including those from forest roads), including standards for improving and maintaining water quality, stormwater regulations, and inconsistent blending and bypass rules.</td>
</tr>
<tr>
<td>Pesticides Regulation</td>
<td>The general permit for pesticides became effective the end of October, 2011. NACo has heard mixed reviews from our counties. Some counties, have changed spraying patterns, which may not be as effective as previous practices. The general permit has a heavier paperwork burden for spraying activities. Since county governments serve as primary service providers for their residents, this permit has significant effects on county programs, particularly mosquito abatement and noxious weed control efforts, creating unfunded mandates for both urban and rural counties through the tight reporting requirements. Additionally, the final “Waters of the U.S.” rule may trigger expanded regulation for counties.</td>
</tr>
</tbody>
</table>
### Federal Regulations Impacting Counties

<table>
<thead>
<tr>
<th>Waters of the U.S.</th>
<th>Criminal Justice Reform</th>
<th>DOL Overtime Rule</th>
<th>FEMA Deobligation</th>
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<tbody>
<tr>
<td>FEMA Disaster Deductible</td>
<td>ACA Cadillac Tax</td>
<td>Clean Air Act Ozone Standards</td>
<td>EPA Risk Management Program (RMP)</td>
</tr>
<tr>
<td>Medicaid Inmate Exclusion</td>
<td>DOD Surplus Property</td>
<td>HUD Fair Housing</td>
<td>EPA Stormwater Runoff</td>
</tr>
</tbody>
</table>
Former County Officials in Congress
NACo at Congressional Hearings
Over 40 county officials serving on federal task forces and advisory committees
New Advocacy Toolkits

- 2016 Fall Advocacy Toolkit
- PILT Advocacy Toolkit
- Counties Urge Congress to Protect Tax-Exempt Municipal Bonds Toolkit
NACo/NLC opioid task force
NATIONAL ASSOCIATION of COUNTIES

LEGISLATIVE PRIORITIES

2017

NACo WORKS TO PRESERVE LOCAL DECISION MAKING AND PROTECT COUNTIES FROM UNFUNDED MANDATES AND PREEMPTION OF LOCAL AUTHORITY.

Stronger Counties. Stronger America.
DAY CONGRESS IS SWORN IN.

DAYS CONGRESS IS SWORN AT

BUDGET MESS
GRIDLOCK
PARTISANS
Donald Trump’s Contract with the American Voter

What follows is my 100-day action plan to Make America Great Again. It is a contract between myself and the American voter — and begins with restoring honesty and accountability, and bringing change to Washington.

On the first day of my term of office, my administration will immediately pursue the following:

Six measures to clean up the corruption and special interest collusion in Washington, DC:

- **FIRST**, propose a constitutional amendment to impose term limits on all members of Congress.
- **SECOND**, a hiring freeze on all federal employees to restore the federal workforce through attrition (exempting military, public safety, and public health).
- **THIRD**, a requirement that for every new federal regulation, two existing regulations must be eliminated.
- **FOURTH**, a five-year ban on White House and Congressional officials becoming lobbyists after they leave government service.
- **FIFTH**, a lifetime ban on White House officials lobbying on behalf of a foreign government.
- **SIXTH**, a complete ban on foreign lobbyists raising money for American elections.

Seven actions to protect American workers:

- **FIRST**, I will announce my intention to renegotiate NAFTA or withdraw from the deal under Article 2205.
- **SECOND**, I will announce our withdrawal from the Trans-Pacific Partnership.
- **THIRD**, I will direct the Secretary of the Treasury to label China a currency manipulator.

Five actions to restore security and the constitutional rule of law:

- **FIRST**, cancel every unconstitutional executive action, memorandum and order issued by President Obama.
- **SECOND**, begin the process of selecting a replacement for Justice Scalia from one of the 20 judges on my list, who will uphold and defend the U.S. Constitution.
- **THIRD**, cancel all federal funding to sanctuary cities.
- **FOURTH**, begin removing the more than two million criminal illegal immigrants from the country and cancel visas to foreign countries that won’t take them back.
- **FIFTH**, suspend immigration from terror-prone regions where vetting cannot safely occur. All vetting of people coming into our country will be considered “extreme vetting.”

Donald J. Trump

Your signature

Learn more at donaldjtrump.com/contract
CONGRESSIONAL ELECTION RESULTS

PRE-ELECTION

SENATE
44 | 54
100 SEATS TOTAL

POST-ELECTION

SENATE
40 | 52

HOUSE
186 | 246
435 SEATS TOTAL

194 | 241

DEMOCRATIC

REPUBLICAN

THIRD PARTY, VACANCIES, OR UNCALLED
President Trump signs executive orders
A BETTER WAY to do TAX REFORM
OHIO COUNTIES

FUNDING SOURCES FOR COUNTY TRANSPORTATION PROJECTS

From State Funds:

- Counties receive 11.4 percent of local distribution of state motor fuel tax (28 cents, of which, counties receive 3.18 cents per gallon CY2007).
- Counties receive a portion of revenues from the statewide motor vehicle license tax. Counties received 75 percent of the total local distribution of CY 2007, amounting to $234.8 million.
- The Ohio Public Works Commission distributes funds from the Local Transportation Improvement Program (LTIP) on a project basis, to which counties apply for grant funding. The program is funded through one cent of the 28 cent per gallon state motor fuel tax, which amounted to $64 million in FY 2007. Grants awarded through LTIP can cover up to 100 percent of the total project cost. One third (1/3) of the program’s funds must be distributed with 42 percent going towards municipal projects, 37 percent for county projects and 20 percent for township projects to county road projects.
- The Ohio Public Works Commission distributes funds through the State Capital Improvement Program (SCIP) to local governments through three types of funding. Eighty (80) percent of a government’s SCIP allocation can be awarded in the form of grants, requiring a minimum 10 percent match. Twenty (20) percent of a government’s SCIP allocation must be awarded in the form of interest free loans or in the form of local debt support.

From Federal Funds:

- Twelve (12) counties in Ohio receive federal Secure Rural School and Community Self-Determination (SRS) payments that must be used towards county roads and schools.

From County Funds:

- Counties may use local permissive tax revenues generated through local motor vehicle license taxes of up to $15 in three separate increments of $5 each. All counties have authority to levy any or all 3 levies, with most counties levy at least once.
- Counties levy property taxes for purpose of purchasing, constructing, improving, equipping, maintaining or operating a county transit system; for purpose of acquiring, rehabilitating or developing rail service.
- Voters in six counties in Ohio approved highway real property tax levies for highway related purposes.

| Share of County Owned Road Miles | 24% |
| Share of County Owned Bridges   | 55% |
| Share of Structurally Deficient Bridges | 11% |

<table>
<thead>
<tr>
<th>COUNTY FINANCIAL AUTHORITY</th>
<th>County Authority</th>
<th>Limitations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Levy Property Taxes</td>
<td>X</td>
<td>Counties may not levy a property tax that exceeds the combined one percent limit on state and local taxes for the purpose of roads and bridges.</td>
</tr>
<tr>
<td>Levy Personal Property Taxes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Levy Local Option Sales Taxes</td>
<td>X</td>
<td>Counties may levy a sales tax capped at 1% for the purpose of raising general or specific revenue.</td>
</tr>
<tr>
<td>Levy a Local Gas Tax</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charge a Motor Vehicle License or Registration Fee</td>
<td>X</td>
<td>Counties have authority to enact up to $15 in motor vehicle license taxes in 3 separate increments of $5 each.</td>
</tr>
<tr>
<td>Form Special Districts for Transportation</td>
<td>X</td>
<td>Counties may create intergovernmental legal structures such as authorities, and improvement districts.</td>
</tr>
</tbody>
</table>
WHAT IF CONGRESS DESIGNED PENCILS?....
WE'LL JUST RAISE IT A TINY BIT MORE. NO ONE WILL NOTICE.

THE DEBT CEILING.