



2013 Federal Legislative Agenda

Local governments play a critical role in the American federal system of government. As the level of government closest to the people, they are responsible for the delivery of the majority of government services. Whether it is public safety, transportation, community planning, environmental stewardship, affordable housing, mental health and substance abuse treatment, child and family assistance programs, watershed management, or countless other services; individuals look to local governments to provide it. Broad policy and funding decisions made at the federal level directly affect the manner in which local governments function. It is therefore important for the Maricopa County Board of Supervisors to articulate positions and concerns to Washington on those issues affecting local government and the residents Maricopa County serves.

Relationship Building

A key to articulating positions and concerns is the County's relationships with Arizona's Congressional delegation and the Executive Branch, so it is imperative that County officials work to maintain and enhance these relationships. The National Association of Counties (NACo) legislative conference in March is a great opportunity for Board members and staff to personally interact with the delegation and Executive Branch.

Guiding Principles

Although Government Relations will brief the Board of Supervisors of activities as they occur during the 113th Congress and seek guidance regarding important bills and amendments and activities within government agencies, Government Relations asks that the Board consider supporting the following guiding principles to help the Government Relations team focus its efforts on issues of greatest concern:

Fiscal Sustainability

Maricopa County urges the federal government to recognize the unsustainable nature of the rising national debt and its potential impact on the economic vitality of the nation. Maricopa County urges the federal government to use a balanced approach to reduce the national debt that does not burden counties by shifting costs of programs to counties.

Local Authority

Maricopa County urges the federal government to allow for flexibility that empowers local communities, recognizing that locally elected officials best understand the needs of constituents.

Economic Development

Maricopa County urges the federal government to seriously consider the negative economic impact of rules and regulations before implementation while continuing to support programs that have a proven track record of supporting economic development, such as transportation funding.

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As the guiding principles provide general direction, Government Relations asks that the Board consider highlighting these specific issues to address community needs. This list will likely change in item, number and priority throughout the two year term of the incoming 113th Congress.

Sequestration - Defense Spending Cuts

The 112th Congress narrowly avoiding plunging off the “fiscal cliff,” but how to address sequestration remains an issue. Sequestration is a result of the Budget Control Act that became law in August of 2011. The Budget Control Act was a compromise that helped avoid the first-ever federal government debt default by raising the debt ceiling. The bill created the joint Congressional committee that came to be known as the “Super Committee” and charged it with finding at least \$1.2 trillion in spending reductions. The required super majority of the Committee failed to agree to reductions, so \$109 billion across-the-board spending cuts were scheduled to occur automatically in January 2013, with a total of \$1.2 trillion in cuts equally divided between defense and non-defense discretionary spending over 10 years; this is the a mechanism referred to as “sequestration.” Now, under the more recent Fiscal Cliff agreement, the cuts are deferred until March 1, 2013 and more members of Congress have expressed support for allowing the cuts to occur.

On the defense side, sequestration could cause fewer F-35’s to arrive at Luke Air Force Base, the Base could be forced to slow its preparation for the arrival of the F-35 and local defense contractors based in Arizona may have to consider layoffs. In fact, a July 2012 report by economist Dr. Stephen Fuller of George Mason University estimated that nearly 50,000 Arizonans could be out of work as a result of sequestration.

According to the Arizona Commerce Authority, the average compensation per employee in the Arizona aerospace and defense industry is approximately \$109,000 and the indirect impacts of the industry accounted for gross state product of \$8.8 billion in 2009. Given these numbers, sequestration’s potential impact to state income tax and sales tax revenue could be significant.

Government Relations asks that the Board consider supporting full funding of the F-35 mission at Luke Air Force Base and continued funding of defense programs that use Arizona defense contractors.

Sequestration - Non-Defense Discretionary Spending Cuts

Before the fiscal cliff agreement was reached, estimates indicated sequestration of non-defense discretionary spending could have lead to approximately \$9.4 million in cuts to Maricopa County programs. The bill that delayed sequestration until March, reduced the cuts by \$24 billion, so more resent estimates indicate that the cuts to Maricopa County would be between \$6.5 and 7.3 million. Some funding impacts could include:

- Head Start Programs
- Low Income Home Energy Assistance Programs
- Housing and Urban Development Vouchers
- Community Development Block Grants
- Workforce Investment Act Grants

Government Relations asks that the Board consider supporting the continuation of Homeland Security Grants and Justice Program Grants such as JAG grants, Juvenile Accountability Block Grants, and Second Chance Act funding because these programs have the greatest impact on public safety.

Clean Air Act – Environmental Protection Agency Exceptional Events Rule for PM-10

The County is significantly affected by the manner in which EPA interprets and implements Clean Air Act provisions for addressing high levels of particulate matter (PM-10) air pollutants due to high winds. The EPA's Exceptional Events Rule that implements those CAA provisions is flawed.

Government Relations proposes that Maricopa County continue working closely with local partner agencies, the Governor's Office, the local business community, and the Arizona congressional delegation to send a consistent message to EPA to revise its rule to provide more clarity and flexibility to states in working with exceptional event demonstrations, better ensure cooperation between EPA and the County, and assure reasonable and consistent implementation of the rule by EPA, so that the County will not face continual, reoccurring nonattainment due to exceptional events beyond its control.

Healthcare Coverage for Incarcerated Individuals

According to the National Commission on Correctional Health Care, a substantial number of people that are booked into county jails have serious behavioral and/or medical needs. The Affordable Care Act (ACA) allow individuals who are incarcerated, but pending disposition of charges, to remain on health insurance provided through healthcare exchanges until convicted. This could be a great cost savings to Maricopa County.

Government Relations asks that the Board consider supporting the continuation of Medicaid eligibility for individuals who are incarcerated prior to conviction.

Issues of Interest to be Monitored

During the 112th Congress, Maricopa County watched several issues develop, but no truly viable solutions ever materialized. Government Relations expects these issues to return. However, recognizing the difficulty the 112th Congress had identifying solutions, there is a very limited ability to predict the potential solutions in the 113th Congress. Therefore, Government Relations will watch the following matters closely and brief Board members when viable solutions begin to gain traction:

Waters of the United States

We are awaiting the Environmental Protection Agency's (EPA) publication of a proposed rule that will clarify which U.S. bodies of water are protected under the Clean Water Act (CWA). In April 2011, the EPA and the U.S. Army Corps of Engineers issued guidance designed to implement the U.S. Supreme Court's ruling in *Rapanos v. United States*, in which a highly divided court pared back the agencies' jurisdiction under the CWA. Despite the ruling, the agency said it would be able to increase its jurisdiction over federally protected waterways under the guidance. After receiving hundreds of thousands of public comments — many of them critical — the agency decided to undertake a formal rulemaking based on the guidance.

Publication of draft rules was expected in 2012, but did not occur. The forthcoming rules could face challenges in Congress and the courts, with concerns that they could give the EPA and the Army Corps increased discretion under sections 401 and 404 of the CWA, which require permitting for dredging, filling, and discharging into federal waters.

Water Resources Development Act

Water Resources Development Act (WRDA) authorizes the projects and programs of the U.S. Army Corps of Engineers and provides an opportunity for Congress to articulate program priorities. Typically, a WRDA is passed every two years, but the last WRDA was passed in 2007. Programs that may be addressed in a bill include the National Levee Safety program and the National Dam Safety program, which includes grants assistance for dam repairs and removal. Given that Congressional leaders have vowed to continue to avoid earmarks, it is important to monitor the formulas associated with these grant programs to ensure Maricopa County dams like the McMicken Dam in the Northwest Valley are likely to receive grant funding.

Clean Air Act – Environmental Protection Agency (EPA) Regional Haze

In November, the EPA reduced the limit of nitrogen oxide power plants may emit each year beginning in 2017. Although the three power plants impacted by these regulations are not in Maricopa County, energy within Maricopa County could rise as result of this regulation. A fourth power plant outside of Maricopa County is facing similar regulations that could increase water costs to Maricopa County residents through an increase in energy costs for the Central Arizona Project. In addition, the utilities that depend on these four power plants may have to increase the production within Maricopa County, which could have an impact on air quality.

Clean Air Act - National Ambient Air Quality Standard

Currently, the Clear Air Act requires that EPA review each national ambient air quality standard (NAAQS) once every five years. This review, and the resulting state plan, updates new or revised standard triggers, which are incredibly resource-intensive for both EPA and state and local governments. EPA is expected to open a rule making comment period that could allow Maricopa County to suggest a longer review cycle.

Related to the NAAQS review cycle, the current standards are beginning to approach natural background conditions. As a result, Maricopa County struggles to prepare plans, identify new control measures, identify the resources to implement the new measures and demonstrate attainment of the standard. The rule-making comment period could also allow for comment on this issue as well.

Clean Air Act –Transport of Air Pollution

As the standards are ratcheted down, transport becomes an issue here in the West for ozone pollution. Government Relations proposes Maricopa County work with other states as our air is sometimes impacted by transport and the Phoenix plume sometimes impacts other states under some meteorological conditions.

Transportation Funding

When Congress passed the transportation reauthorization bill last summer, it designated the US 93 Corridor between Phoenix and Las Vegas as future I-11. Since then, the I-11 and Intermountain West Corridor Study has begun. The study will evaluate existing and future trade routes, establish the economic need for the Corridor, consider possible alignment(s) and multimodal alternatives, and develop implementation and funding strategies. The study will be complete in mid-2014.

The funding strategies will be a very important part of this study given that the Highway Trust Fund has faced shortfalls in recent years. The Fund is facing shortfalls because the fuel tax has not increased in 20 years and more fuel efficient vehicles don't require as much fuel as vehicles of the past. A fuel tax increase could be included in upcoming budget negotiations or an upcoming debt ceiling debate to avoid having to include the tax in the next reauthorization debate. The current surface transportation authorization bill (MAP-21) runs through September 2014, so Maricopa County must begin to prepare for this debate shortly.

Immigration Reform

Both the President and the Senate recently proposed comprehensive immigration reform plans. The President's plan focuses on creating a pathway to citizenship for undocumented immigrants, increasing availability of visas to skilled workers, implementing an employer verification program, and creating a guest-worker program for laborers and agricultural workers.

The Senate's plan has bipartisan support, including support from both Arizona Senators McCain and Flake. The plan has four major elements:

1. Create a tough but fair path to citizenship for unauthorized immigrants currently living in the United States that is contingent upon securing our borders and tracking whether legal immigrants have left the country when required;
2. Reform our legal immigration system to better recognize the importance of characteristics that will help build the American economy and strengthen American families;
3. Create an effective employment verification system that will prevent identity theft and end the hiring of future unauthorized workers; and,
4. Establish an improved process for admitting future workers to serve our nation's workforce needs, while simultaneously protecting all workers.

The first element of the Senate's plan has two potential impacts on Maricopa County. First, the plan proposes to create a commission that includes community leaders living along the Southwest border that would monitor the progress of securing the border and make recommendations once the plan's security measures are completed. Maricopa County elected officials may be tapped for this commission. Second, the plan would prevent non-immigrants from accessing federal public benefits to lawful probationary immigrants, which could increase costs in County jails.

Last year, the Department of Justice (DOJ) announced a one-year delay an earlier decision to eliminate State Criminal Alien Assistance Program (SCAAP) payments to jurisdictions for the costs of incarcerating inmates whose immigration statuses are "unknown." When the agency announced the delay, it indicated that they plan to discontinue SCAAP payments for "unknown" inmates this year and encouraged counties to work with DHS' Secure Communities Program, the 287(g) Program, and/or the Law Enforcement Support Center to increase their inmate alien status verifications.

The third element of the Senate's plan proposes to fine employers who knowingly hire unauthorized workers and criminally charge egregious offenses, which could increase costs for Maricopa County's court system.

Finally, the fourth element of the Senate's plan will "allow employers to hire immigrants if they can demonstrate that they were unsuccessful in recruiting an American to fill an open position and the hiring of an immigrant will not displace American workers." The plan does not detail how this provision will be implemented. Therefore, it is impossible to predict if Maricopa County would be responsible for implementation of the provision or if Maricopa County would need to develop an internal hiring policy to comply with the provision.