

2019

Federal Legislative Program

ST. LUCIE  
COUNTY  
FLORIDA







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# Treasure Coast International Airport

William C. King, Jr. Terminal



# Aviation

## TREASURE COAST INTERNATIONAL AIRPORT

### Runway Extension Funding (from 6,492 feet to 7,200 feet)

- Support any Treasure Coast International Airport grant proposals through the Airport Improvement Program
- Support level annual appropriations for the Airport Improvement Program (AIP)
- Explore and support TCIA eligibility and any application for new funding specifically for small airports to receive AIP entitlement grants
- Explore and support TCIA eligibility and any application for new funding specifically for supplemental discretionary grants

### Protect and/or Enhance Customs Office

- Work to ensure that the current office FTEs remain the same
- Analyze FY19 budget solutions and look toward protecting or enhancing funding levels for these operations in FY20 budget cycle
- Support the hiring of additional Customs officers nationwide to help alleviate nationwide shortages

### TSA Equipment Part 139 Designation

- Support TCIA efforts to be fully prepared for a surge in commercial service and implementation/delivery of appropriate and necessary TSA equipment to support any surge

### FAA Tower

- Support any Treasure Coast International Airport proposals to maintain FAA tower as a critical asset to FPR, including the complete and full implementation and staffing of the new frequency allocated to the tower

### Aviation Maintenance Technical Workforce Development Project

- Explore any opportunities that exist under PL 115-254 and the newly enacted Department of Transportation administered grant program (Sec. 625), authorized at \$5 million for five years, to support aviation maintenance technical workforce development
- Support any Treasure Coast International Airport grant proposals through the aviation maintenance technical workforce development grant program



# Maritime

## PORT OF FORT PIERCE

### Inlet Maintenance Dredging

- Support adequate annual funding for the Corps of Engineers Operations & Maintenance accounts, including additional funding for dredging not identified in the annual Administration budget;
- Ensure that inlet dredging is in or remains in ACOE work plan for current year;
- Support additional funding specifically provided for “Small, Remote, or Subsistence Navigation” dredging activities; and
- Explore status of and any funding for Fort Pierce under the WIN Act (PL 114-322) “To provide for improvements to the rivers and harbors of the United States, to provide for the conservation and development of water and related resources, and for other purposes.” Sec. 1322 specifically calls for the Secretary to “give priority funding and expedite completion of the reports for the following projects, and, if the Secretary determines that a project is justified in the completed report, proceed directly to project preconstruction, engineering, and design in accordance with section 910 of the Water Resources Development Act of 1986 (33 U.S.C. 2287): The project for hurricane and storm damage risk reduction, Ft. Pierce, Florida.”

### Small Shipyard Grant Program

- Work with Port Director to determine whether St. Lucie County is eligible to apply for the Small Shipyard Grant Program (SSGP) -
- Identify maritime training programs to foster employee skills and enhanced productivity related to shipbuilding, ship repair, and associated industries;
- Identify improvement projects that will be effective in fostering efficiency, competitive operations, and quality ship construction, repair, and reconfiguration;
- Support County in efforts to secure a Small Shipyard Grant, including but not limited to garnering Congressional support for said application; and
- Support adequate annual funding for the Small Shipyard Grant Program in the annual Administration budget.

### Port Security Grant Program (PSGP)

- Work with Port Director to determine whether St. Lucie County is eligible to submit an application for a PSGP.

### Port of Fort Pierce — Port Development

- Support County or other permit applications for purposes of Fort Pierce port development; and
- Identify potential federal resources for the economic development of the Port of Fort Pierce.



# Water Resources & Environment

## St. Lucie County Federal Beach Nourishment Projects

- Support adequate annual funding for the Corps of Engineers Construction account, including additional funding specifically for “shore protection” projects not identified in the annual Administration budget.
- Support Corps funding of the Fort Pierce beach construction project in the Fiscal Year 2020 Work Plan.
- Support authorization of the Fort Pierce Section 203 study for the reauthorization of the Fort Pierce project.
- Support legislation which would allow for the option of using non-domestic sand in future federal beach nourishment projects.

## C-23 and -24 Reservoirs -- Indian River Lagoon-South Project

- Support the completion of the C-23 and C-24 reservoir projects and associated storm water treatment area, part of the Indian River Lagoon-South Everglades restoration project.
- Support continuing implementation of all facets of Everglades restoration, including funding for continued work on the Central Everglades Planning Project, the Herbert Hoover Dike, and the Tamiami Trail bridging project to send more water south and reduce the need to send water through the St. Lucie River to the Indian River Lagoon during wet periods.

## Lake Okeechobee System Operating Manual

- Monitor the effort of the Army Corps of Engineers to update the Lake Okeechobee System Operating Manual.
- Support efforts to improve water quality in St. Lucie County.

## Energy Exploration

- Oppose the expansion of energy exploration or seismic testing in Florida.



# Health and Human Services & General Administration

## Healthcare Reform

- Monitor changes to Medicaid and Medicare.
- Support the repeal of the excise tax on high-cost health insurance plans (a.k.a. the Cadillac tax) within the Affordable Care Act.

## Mental Health Care

- Support legislation that responsibly expands treatment options for the mentally ill.

## Opioid Addiction

- Support appropriations activities to fund programs in the Comprehensive Addiction and Recovery Act and the 21st Century Cures Act.
- Monitor HHS for guidance regarding the allocation of state formula or other local funding.
- Support attempts by entities within St. Lucie County to secure funding to fight opioid addiction.

## Aging Issues

- Support federal funding for Alzheimer's and dementia research at the National Institute on Aging.
- Support annual funding for Older Americans Act programs that support critical social service programs serving elder persons in St. Lucie County.

## Economic Development Administration

- Support funding of the Economic Development Administration.
- Support any St. Lucie County Economic Development Administration grant applications as applicable.

## Community Services Block Grants & Low Income Home Energy Program Funding

- Support funding for the Community Services Block Grant and the Low Income Home Energy Assistance Program.

## Department of Housing and Urban Development Formula Programs

- Support funding the HOME Investment Partnerships and the Community Development Block Grants programs because of their critical role in the County's overall efforts to support those that are least fortunate.

## Federal Criminal Justice Reform

- Support legislation that seeks to improve the federal criminal justice system, including improvements to mental health services for offenders.

## Domestic Discretionary Spending Pressure

- Monitor cuts to non-defense discretionary programs of importance to St. Lucie County.

## Citrus Issues

- Support federal efforts to benefit the citrus industry given its large importance to the economy of St. Lucie County.

## Tax-Exempt Bonds

- Oppose legislation that would threaten the tax exemption on state and local bonds, including a cap on tax-exempt municipal bonds.

## Transient Occupancy Taxes

- Oppose legislation that would exempt Internet travel brokers from paying taxes on the full room rate paid by the consumer, thereby costing St. Lucie County and its political subdivisions the opportunity to collect the appropriate Transient Occupancy Taxes from visitors to the region.

## Siting of Wireless Facilities

- Oppose legislation that would preempt local government control and force local governments to lease publicly-owned infrastructure for the installation of "small cell" wireless towers.



# Aviation

On April 27, 2018, the House of Representatives passed the FAA Reauthorization Act of 2018 (H.R. 4), a six-year Federal Aviation Administration (FAA) reauthorization measure that does not include a controversial proposal to privatize air traffic control laid (ATC) out in an earlier bill, H.R. 2997. On May 9, 2018, the Senate Committee on Commerce, Science and Transportation reported a four-year FAA reauthorization bill (S. 1405, S.Rept. 115-243) that does not address ATC privatization.

On October 5, 2018, the President signed the FAA Reauthorization Act of 2018. The bill would reauthorize the FAA for five years, FY 2019-2023, at a cost of \$97 billion and represents the longest funding authorization period for FAA programs since 1982. The Airport Improvement Program (AIP), which provides grants to airports for airport safety, capacity, security and environmental projects is funded at \$3.35 billion in mandatory funding for all five years. This continues AIP funding at the same level since 2012, when Congress last passed a FAA reauthorization.

The bill also creates a new airport infrastructure program, authorizing discretionary grants of more than \$1 billion to small or medium-sized airports located outside of metropolitan areas. The cap on the State Block Grant program, which allows states to assume responsibility for administering AIP grants at airports was increased to 20 states, from 10.

Section 111 of the Act appropriates \$3.35 billion per year through fiscal year 2023 for the AIP, which represents no change from current

levels. Beyond the funding levels, the Act makes several other notable changes to the AIP. Specifically, Section 151 permits certain small airports to receive AIP entitlement grants based on 2012 enrollment data and Section 158 – Authorizes \$1 billion annually for supplemental discretionary grants. Under this provision, the Act also stipulated that:

- The Secretary shall distribute funds provided under this heading as discretionary grants to airports;
- The Secretary shall give priority consideration to projects at (a) nonprimary airports that are classified as Regional, Local, or Basic airports and not located within a Metropolitan or Micropolitan Statistical Area as defined by the Office of Management and Budget; or (b) primary airports that are classified as Small Hub or Nonhub airports; and
- The Federal share payable of the costs for which a grant is made under this heading to a nonprimary airport shall be 100 percent.

Although the Passenger Facility Charge, an existing fee on passengers at commercial airports to help fund airport infrastructure projects was not increased, the bill includes provisions to increase the flexibility of funds raised and reduce delays related to project approval. The bill also would prohibit, from this point on, a state or local government's ability to levy or collect a tax, fee or charge upon any commercial service airport that is not generally imposed by the state or local government, unless the revenue is exclusively used for airport purposes. There

are five major sources of airport capital development funding: the federal Airport Improvement Program (AIP); local passenger facility charges (PFCs) imposed pursuant to federal law; tax-exempt bonds; state and local grants; and airport operating revenue from tenant lease and other revenue-generating activities such as landing fees. Federal involvement is most consequential in AIP, PFCs, and tax-exempt financing.

The AIP has been providing federal grants for airport development and planning since the passage of the Airport and Airway Improvement Act of 1982 (P.L. 97-248). AIP funding is usually spent on projects that support aircraft operations such as runways, taxiways, aprons, noise abatement, land purchase, and safety or emergency equipment. The funds obligated for AIP are drawn from the airport and airway trust fund, which is supported by a variety of user fees and fuel taxes. Different airports use different combinations of these sources depending on the individual airport's financial situation and the type of project being considered. Although smaller airports' individual grants are of much smaller dollar amounts than the grants going to large and medium hub airports, the smaller airports are much more dependent on AIP to meet their capital needs. This is particularly the case for non-commercial airports, which received about 30% of AIP grants distributed. Larger airports are much more likely to issue tax-exempt bonds or finance capital projects with the proceeds of PFCs.

# Treasure Coast International Airport

## Runway Extension Funding (from 6,492 feet to 7,200 feet)

- Support any Treasure Coast International Airport grant proposals through the Airport Improvement Program
- Support level annual appropriations (in the amount of \$3.35 billion) for the Airport Improvement Program (AIP) (under PL 115-254)
- Explore and support TCIA eligibility and any application for new funding specifically for small airports to receive AIP entitlement grants (under PL 115-254)
- Explore and support TCIA eligibility and any application for new funding specifically for supplemental discretionary grants (under PL 115-254)

## Protect and/or Enhance Customs Office

- Work to ensure that the current office FTEs remain the same
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# Maritime

More U.S. merchandise trade (measured in tons) is carried by oceangoing vessel than by airplanes, trucks, freight trains, and pipelines combined. About half of U.S. merchandise trade by value and nearly 80% by volume enters or leaves the United States through a seaport. Harbor maintenance thus has a critical role in facilitating U.S. foreign trade.

The United States' 926 ports are essential to the nation's competitiveness, serving as the gateway through which 99% of overseas trade passes. Ports are responsible for \$4.6 trillion in economic activity — roughly 26% of the U.S. economy. As ships get bigger, congestion at landside connections to other components of the freight network increasingly hinders ports' productivity. Similarly, on the water side, larger ships require deeper navigation channels, which only a few U.S. ports currently have. To remain competitive globally and with one another, ports have been investing in expansion, modernization, and repair.

Despite the national significance of ports, most port-related investments are limited to state or local appropriations. If there are multiple ports within a state, they often compete for the same funding resources if any funding programs exist at all. For example, Florida, Louisiana, and Texas are home to many local ports competing for a limited amount of available state project funding.

Congress has chosen to make the U.S. Army Corps of Engineers (the Corps or USACE) responsible for maintaining federal navigation channels. The Water Resources Development Act (WRDA) is the principal legislative vehicle for altering the Corps' Civil Works Program; its consideration offers Congress an opportunity to revisit harbor maintenance policy.

Late October 2018, President Trump signed S. 3021 (Public Law No: 115-270), the America's Water Infrastructure Now Act of 2018, or the Water Resources Development Act (WRDA) of 2018, into law. The Senate passed this bill by a vote of 99-1, while the House passed it by voice vote.

Under existing law, the cost of harbor maintenance is supported by a harbor maintenance tax (HMT) on imported and domestic waterborne cargo and cruise passengers. The tax rate is 0.125% of the value of cargo shipped or cruise tickets sold. Revenue from the tax flows into the harbor maintenance trust fund (HMTF), which is used to cover the Corps' cost of dredging channels, maintaining jetties and breakwaters, and operating locks.

## Specific Sources of Revenue

- Grants, specifically the Transportation Investment Generating Economic Recovery (TIGER) competitive grant program, represent the primary source of federal port investment. Since the program's inception in 2009, 11% of the program's funding has been awarded to 48 port projects.
- The Fixing America's Surface Transportation (FAST) Act of 2015 created a national freight program with a new \$4.5 billion competitive grant program, which funds eligible port-related projects.
- The Water Resources Reform and Development Act (WRRDA) of 2014 also authorized port-related projects, however only two of the 34 authorized projects were appropriated in the last federal appropriations cycle.
- The federal Harbor Maintenance Trust Fund (HMTF), designed to pay for dredging in harbors, has a balance of \$8.41 billion. Despite the significant dredging needs at the majority of U.S. ports, the fund's balance has often been used for other purposes including federal deficit offsets and as a result has not been appropriated for its designated purpose. WRRDA included provisions designed to encourage the use of the funds for their designated purpose. To restore full channel depths and widths, it is estimated it will take at least five years of the U.S. Army Corps (USASCE) of Engineers receiving full HMTF revenues.
- The Port Security Grant Program (PSGP) through FEMA plays an important role in the implementation of the National Preparedness System by supporting the building, sustainment, and delivery of core capabilities essential to achieving the National Preparedness Goal of a secure and resilient nation. The FY 2018 PSGP focuses on enhancing Maritime Domain Awareness (MDA); port resilience and recovery capabilities; training and exercises; cybersecurity; enhancing Improvised Explosive Device (IED) and Chemical, Biological, Radiological, Nuclear, Explosive (CBRNE) prevention, protection, mitigation, response, and recovery capabilities; and Transportation Worker Identification Credential (TWIC) Implementation.

A maximum of 5 percent of PSGP funds awarded may be retainable by recipients for Management and Administration (M&A) associated with the grant award. Total funding available for PSGP in fiscal year 2018 is \$100,000,000.

- The Small Shipyard Grant Program was authorized under Section 3505 of the National Defense Authorization Act for Fiscal Year 2018 (Pub. L. 115-91), codified at 46 U.S.C. § 54101. The statute authorizes the Maritime Administrator (the Department of Transportation) to provide assistance in the form of grants to make capital and related improvements in small shipyards and to provide training for workers in shipbuilding, ship repair, and associated industries. The Consolidated Appropriations Act, 2018, appropriated \$20,000,000 to the Small Shipyard Grant Program. The purpose of the Program is to foster efficiency, competitive operations, and quality ship construction, repair, and reconfiguration in small shipyards across the United States. The Federal funds for any eligible project will not exceed 75 percent of the total cost of such project. The remaining portion of the cost shall be paid in funds from or on behalf of the recipient. Eligible projects include: (1) capital and related improvement projects that will be effective in fostering efficiency, competitive operations, and quality ship construction, repair, and reconfiguration; and (2) training projects that will be effective in fostering employee skills and enhanced productivity related to shipbuilding, ship repair, and associated industries. For capital improvement projects, all items proposed for funding must be new and to be owned by the applicant. For both capital improvement and training projects, all project costs, including the recipient's share, must be incurred after the date of the grant agreement. Grants under the Maritime Administration's Small Shipyard Grant Program may not be used to construct buildings or other physical facilities or to acquire land. Grant funds may be used for maritime training programs to foster employee skills and enhanced productivity related to shipbuilding, ship repair, and associated industries.

# Port of Fort Pierce

## Inlet Maintenance Dredging

- Support adequate annual funding for the Corps of Engineers Operations & Maintenance accounts, including additional funding for dredging not identified in the annual Administration budget;
- Ensure that inlet dredging is in or remains in ACOE work plan for current year;
- Support additional funding specifically provided for “Small, Remote, or Subsistence Navigation” dredging activities; and
- Explore status of and any funding for Fort Pierce under the WIN Act (PL 114-322) “To provide for improvements to the rivers and harbors of the United States, to provide for the conservation and development of water and related resources, and for other purposes.” Sec. 1322 specifically calls for the Secretary to “give priority funding and expedite completion of the reports for the following projects, and, if the Secretary determines that a project is justified in the completed report, proceed directly to project preconstruction, engineering, and design in accordance with section 910 of the Water Resources Development Act of 1986 (33 U.S.C. 2287): The project for hurricane and storm damage risk reduction, Ft. Pierce, Florida.”

## Small Shipyard Grant Program

- Work with Port Director to determine whether St. Lucie County is eligible to apply for the Small Shipyard Grant Program (SSGP)
- Identify maritime training programs to foster employee skills and enhanced productivity related to shipbuilding, ship repair, and associated industries;
- Identify improvement projects that will be effective in fostering efficiency, competitive operations, and quality ship construction, repair, and reconfiguration;
- Support County in efforts to secure a Small Shipyard Grant, including but not limited to garnering Congressional support for said application; and
- Support adequate annual funding for the Small Shipyard Grant Program in the annual Administration budget.

## Port Security Grant Program (PSGP)

- Work with Port Director to determine whether St. Lucie County is eligible to submit an application for a PSGP.



# & Water Resources Environment

## C-23 and -24 Reservoirs --

### Indian River Lagoon-South Project

St. Lucie County remains extremely interested in the timely completion of the entire Indian River Lagoon-South (IRL-S) project, particularly construction of the C-23 and -24 reservoirs and associated storm water treatment area (STA). The IRL-S project is a component of CERP and was first authorized by Congress in 2007. In Fiscal Years 2014-15, the Florida Legislature appropriated \$20 million, in part, to be used to purchase water conservation land along the C-23 and C-24 canals. The County has also provided \$1 million toward the purchase of conservation land.

The most recent iteration of the Integrated Delivery Schedule (IDS) has C-23/24 North beginning planning, engineering, and design in FY 2018 and the project received funding for those activities in the

FY 2018 work plan. The IDS indicates the C-23/24 South Reservoirs will planning, engineering and design in 2022.

- **Support the completion of the C-23 and C-24 reservoir projects and associated storm water treatment area, part of the Indian River Lagoon-South Everglades restoration project.**
- **Support continuing implementation of all facets of Everglades restoration, including funding for continued work on the Central Everglades Planning Project, the Herbert Hoover Dike, and the Tamiami Trail bridging project to send more water south and reduce the need to send water through the St. Lucie River to the Indian River Lagoon during wet periods.**

## St. Lucie County Federal Beach Nourishment Projects

St. Lucie County is seeking funding for the Fort Pierce beach construction project in the FY 2020 Army Corps of Engineers Work Plan to address serious erosion and the impacts of the federal inlet on the beach. In addition, the County has submitted a Section 203 report to secure authorization for a 50-year federal project at Fort Pierce beach that will include the construction of t-groins. The Section 203 report has been approved by the Office of Management and Budget (OMB) and the County is working to address the comments from both the Assistant Secretary of the Army for Civil Works and OMB while the study waits for the next Water Resources Development Act (WRDA) for authorization. In the WRDA bill passed during the 115th Congress, the current Ft. Pierce project was extended for an additional six years of federal participation.

Over the past several years, it has become clear that communities in south Florida need more sand for beach nourishment projects while there is a relatively large reserve of material off the Treasure Coast. However, transportation distance and grain size and color variations, plus other local concerns, make the Treasure Coast material less suitable for south Florida beaches. With that in mind, the counties of St. Lucie, Broward, Indian River, Miami-Dade and Martin have joined together to amend law in a 1986 WRDA bill that generally prohibits the exploration of non-domestic sand for American shore protection projects.

- **Support adequate annual funding for the Corps of Engineers Construction account, including additional funding specifically for “shore protection” projects not identified in the annual Administration budget.**
- **Support Corps funding of the Fort Pierce beach construction project in the Fiscal Year 2020 Work Plan.**
- **Support authorization of the Fort Pierce Section 203 study for the reauthorization of the Fort Pierce project.**
- **Support legislation which would allow for the option of using non-domestic sand in future federal beach nourishment projects.**

## Lake Okeechobee System Operating Manual

The Army Corps of Engineers has begun the process to update the Lake Okeechobee Regulation Schedule to reflect new infrastructure that has or will be coming online (such as the Herbert Hoover Dike rehabilitation). The regulation schedule regulates the management of lake levels. As a part of this process, the Corps hosted several public meetings in Florida in February and will accept written comments through the end of March. The Corps anticipates having a final report completed in September of 2022.

- **Monitor the effort of the Army Corps of Engineers to update the Lake Okeechobee System Operating Manual.**
- **Support efforts to improve water quality in St. Lucie County.**

## Energy Exploration

In January 2018, BOEM released a draft proposed program (DPP) for the National Outer Continental Shelf Oil and Gas Leasing Program for 2019-2024. The DPP includes 47 potential lease sales in 25 of the 26 planning areas, which is the largest number of lease sales ever proposed for a 5-year lease schedule. The DPP includes offshore leases in the Atlantic and Straits of Florida. The County has commented in opposition to these sales.

Former Governor Scott released a statement in reaction to the release stating his opposition to offshore drilling on Florida's coast and has stated that he has requested a meeting with Interior Secretary Zinke to discuss the proposal. Additionally, members of the Florida delegation

released statements criticizing inclusion of Florida in the DPP. Shortly after the release of the DPP, Governor Scott met with Secretary Zinke to discuss the issue. After the meeting, Secretary Zinke stated that Florida was being removed from consideration for any new oil and gas platforms. His announcement did not include detail about what exactly that meant, whether it would apply to seismic testing as well as drilling, or provide a new draft of the DPP. There is some concern that with Secretary Zinke's departure from the Department of Interior at the end of 2018, that DOI may not continue to honor his promise. After accepting comments on the DPP, BOEM will now draft and release a Proposed Program, which will be made available for an additional public comment period, so there will be several opportunities to weigh in before the program is finalized.

Legislatively, several bills have been introduced to ban or place a moratorium on offshore oil and gas drilling throughout the country. Three of the bills deal directly with drilling off the coast of Florida. Taken together, all of the bills introduced would either ban or place a ten year moratorium on offshore drilling in the Atlantic, Pacific, and Arctic Oceans, in addition to the Eastern Gulf of Mexico. Several of these bills overlap their coverage areas and although Democrats in the House will work to advance these bills, it is unlikely that they would be able to successfully pass all of them, much less secure support in the Senate and the President's signature.

- **Oppose the expansion of energy exploration or seismic testing in Florida.**



# & Health and Human Services General Administration

## Healthcare Reform

The Administration has discussed the potential to turn certain federal programs into a block grant to states, to essentially reduce the federal role in these programs. With respect to Medicaid, if it were changed to a block grant program, federal expenditures would be limited to a set amount given to states, ostensibly with fewer strings attached. This however, could end up forcing states and counties to come up with more money for Medicaid depending on how large of a block grant is provided to Florida and what type of program the state develops.

Additionally, Centers for Medicare and Medicaid Services (CMS) Administrator Seema Verma has indicated support for changes to the Medicaid program. CMS has subsequently approved work requirement waiver requests for a handful of states. This is a significant shift for the Medicaid program and could affect the number of participants in the program, impacting the County's cost-share with the state and shifting uninsured health care costs onto local hospitals and communities. Florida has yet to seek such a waiver, however, Governor DeSantis has recently appointed Mary Mayhew as the Secretary of the Agency for Healthcare Administration. Ms. Mayhew most recently worked from CMS as a senior official overseeing Medicaid for the Trump Administration and strongly supports state flexibility in the program and has previously worked to prevent Medicaid expansion and enact work requirements in the state of Maine.

Meanwhile, Congress will have to continue to address the issue of the Cadillac tax. Under the ACA, a Cadillac health plan is defined as a plan with annual premiums exceeding \$10,200 for individuals or \$27,500 for families. A 40 percent excise tax will be assessed on any dollar amount paid in premiums exceeding the aforementioned values, which, after 2022, will adjust to inflation annually. However, the rate of growth in healthcare costs often outpaces the rate of inflation, meaning employers are likely to pay significantly more each year. The tax, which is estimated to generate \$87 billion over the next ten years, is an offset to

pay for the ACA. The excise tax was originally slated to begin in 2013. However, due to strong concerns expressed by labor groups and others, the ACA has been amended multiple times by Congress to delay the tax until 2022.

- **Monitor changes to Medicaid and Medicare.**
- **Support the repeal of the excise tax on high-cost health insurance plans (a.k.a. the Cadillac tax) within the Affordable Care Act.**

## Mental Health Care

It is estimated that more than 50 million Americans experience some form of mental illness each year, with 11 million considered severely mentally ill. Millions of those who suffer (approximately 40 percent), however, are not able to access the treatment they need. Even when care is delivered, it is often delayed for more than two years after the illness first appears.

In December 2016, President Obama signed into law the 21st Century Cures Act, which includes a number of provisions related to healthcare, mental health, and addiction. Among other things, the bill reauthorizes several key mental health and substance abuse programs, such as the Community and Mental Health Services block grant, the Substance Abuse Prevention and Treatment block grant, and the Mentally Ill Offender Treatment and Crime Reduction Act. It also includes a provision to strengthen the Mental Health Parity and Addiction Equity Act. The legislation has an estimated \$6.3 billion price tag. Roughly half of the bill would be offset by future cuts of \$3.5 billion to the Prevention and Public Health Fund, which was created by the Affordable Care Act (Obamacare) and helps fund public health departments around the country. It is important to note that this fund continues to be a target of Congress, with additional cuts proposed to help pay for the Children's Health Insurance Program and to fund community health centers.

- **Support legislation that responsibly expands treatment options for the mentally ill.**

## Opioid Addiction

Opioids are a class of drugs made from opium, as well as synthetic or semi-synthetic drugs that resemble these opium-based drugs. Many opioids are available by prescription. Examples include oxycodone, codeine, morphine, and fentanyl. Heroin is an opioid that is illegal. These drugs are often referred to as narcotics. For 2017, Florida has the 17th highest opioid related death rate among states as calculated by the CDC and was one of the states that saw a statistically significant increase in drug overdose deaths between 2016 and 2017.

The 115th Congress pursued several avenues for addressing the opioid crisis, ultimately passing the Substance Use–Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act, or the SUPPORT for Patients and Communities Act in October of 2018. All parties agree that this legislation is simply a first step in addressing the crisis and will not solve the problem on its own, but it shows significant progress and a commitment by Congress to get something done to address this issue in a difficult political environment. The bill will address the issue of sober living homes, in part, by making it illegal to receive a kickback or payment for enrolling someone in a sober home. This does not comprehensively address the issue but is a step in the right direction. The bill also has a significant impact on increasing Medicaid coverage for substance use disorders. The bill will temporarily allow states to use federal Medicaid funds for coverage of institutional treatment of

all substance abuse disorders for up to 30 days. Currently, federal law prohibits the use of Medicaid funds for treatment in facilities with more than 16 beds. This should assist those in need to be able to access care and enable facilities to increase the number of treatment beds they offer. The bill will also require providers to check prescription drug monitoring databases (PDMP) prior to prescribing a controlled substance and facilitate access to PDMPs for state Medicaid agencies, Medicaid providers and managed care plans. Finally, the bill creates a number of small grant programs for providers to support implementation of voluntary programs for care and treatment of individuals after a drug overdose, to support treatment for individuals with a substance abuse disorder at comprehensive opioid recovery centers, and for hospitals and emergency departments to develop, implement, enhance, or study alternatives to opioids for pain management. Each of these programs is authorized at \$10 million per year, for the next five years.

- **Support appropriations activities to fund programs in the Comprehensive Addiction and Recovery Act and the 21st Century Cures Act.**
- **Monitor HHS for guidance regarding the allocation of state formula or other local funding.**
- **Support attempts by entities within St. Lucie County to secure funding to fight opioid addiction.**

## Aging Issues

National Institute on Aging – Funding for Alzheimer’s and Dementia Research

The National Institute on Aging (NIA), one of the 27 institutes and centers of the National Institutes of Health (NIH), leads the national scientific effort to understand the nature of aging in order to promote the health and well-being of older adults, whose numbers are projected to escalate in the coming years due to increased life expectancy and the aging of the baby boomer generation. According to the U.S. Census Bureau, the number of people age 65 and older will more than double between 2010 and 2050 to 88.5 million, or 20 percent of the population; and those 85 and older will increase three-fold to 19 million.

Congress has increased funding for Alzheimer’s research by \$425 million, with \$2.325 billion allocated to the program for FY 2019. \$429.4 million was also provided for the Brain Research through Advancing Innovative Neurotechnology (BRAIN) Initiative.

## Older Americans Act Programs

Most federal programs that exist for the delivery of social and nutritional services for the elderly in St. Lucie County emanate from the Older Americans Act (OAA). These include supportive services, congregate nutrition services (meals served at group sites such as senior centers, schools, churches, or senior housing complexes), home-delivered nutrition services, family caregiver support, community service employment, and services to support the health, and prevent the abuse, neglect, and exploitation, of older persons.

The majority of the funding for OAA grant programs goes through the Department of Health and Human Services’ Administration for Community Living (ACL), which provides formula funds to state and local agencies designated to provide direct services to the elderly. The ACL also offers some competitive opportunities. ACL was provided with just over \$2.169 billion for FY 2019.

- **Support federal funding for Alzheimer’s and dementia research at the National Institute on Aging.**
- **Support annual funding for Older Americans Act programs that support critical social service programs serving elder persons in St. Lucie County.**

## Economic Development Administration

The Economic Development Administration (EDA) is primarily a granting agency that funds economic development projects throughout the country. Successful projects often leverage roughly 200 new jobs and \$24 million in private investment for every \$1 million of EDA investment.

St. Lucie County has secured these funds in the past for economic development projects, including at the airport. In December 2010, St. Lucie County submitted a grant application to the EDA to help fund an infrastructure project at the Treasure Coast Research Park (TCRP). EDA initially approved the grant, but later rescinded the application due to challenges related to securing private sector commitments of job creation.

The Trump Administration has proposed eliminating the EDA. However, Congress has not gone along with this proposal, and has in fact increased funding for the EDA in recent years. For the recently completed FY 2019 appropriations process, Congress provided \$304 million to the EDA.

- **Support funding of the Economic Development Administration.**
- **Support any St. Lucie County Economic Development Administration grant applications as applicable.**

## Community Services Block Grants & Low Income Home Energy Program Funding

The Community Services Block Grant (CSBG) program allocates federal funding to alleviate the causes and conditions of poverty in communities. In St. Lucie County, the Community Services Division administers CSBG funding, which is the most flexible funding source the County has for addressing self-sufficiency initiatives. The program has income requirements, yet is not an entitlement program, thereby allowing the County to work with clients that are highly motivated to reduce their dependence on public benefits. The CSBG program has seen strong funding levels over the past few years, receiving \$725 million in FY 2019.

Meanwhile, the Low Income Home Energy Program (LIHEAP) provides heating assistance to low-income households. Also administered in St. Lucie County, LIHEAP is the only lifeline for some of the most impoverished families and seniors in the community. While LIHEAP is often thought of as a program that benefits northern states, it is equally important in Florida due to the expense of cooling a

residence during excessive heat in the summer months. The LIHEAP program was funded at \$3.7 billion for FY 2019, despite being targeted for elimination by the Administration.

- **Support funding for the Community Services Block Grant and the Low Income Home Energy Assistance Program.**

## Department of Housing and Urban Development Formula Programs

St. Lucie County and its two largest cities receive direct allocations of funding from two Department of Housing and Urban Development (HUD) formula programs: the HOME Investment Partnership (HOME) and Community Development Block Grants (CDBG).

CDBG is a flexible grant program that provides communities with federal funding to address a wide range of unique community development needs. The CDBG program provides annual grants on a formula basis to states and local governments.

HOME funds are designed to create affordable housing for low-income households and are awarded annually as formula grants to participating jurisdictions. HUD establishes HOME Investment Trust Funds for each grantee, providing a line of credit that the jurisdiction may draw upon as needed. The program allows local governments to use HOME funds for grants, direct loans, loan guarantees or other forms of credit enhancement, rental assistance, or security deposits.

The Administration has proposed eliminating both programs, however, Congress provided HOME with \$1.25 billion and CDBG with \$3.3 billion in FY 2019.

- **Support funding the HOME Investment Partnerships and the Community Development Block Grants programs because of their critical role in the County's overall efforts to support those that are least fortunate.**

## Federal Criminal Justice Reform

Congress developed legislation aimed at reforming the criminal justice system over the past several years and in the 115th Congress, they were able to pass the FIRST STEP Act in December of 108. The FIRST STEP Act addressed both prison and sentencing reform. Some of the major provisions include providing judges with greater latitude in sentencing, incentivizes inmate participation in counselling programs, bans using solitary confinement with juveniles, and requires inmates

to be held within 500 miles of their homes or families, to encourage reintegration.

Further efforts to address criminal justice reform are likely to be put forth by the new Democratic majority in the House.

- **Support legislation that seeks to improve the federal criminal justice system, including improvements to mental health services for offenders.**

## Domestic Discretionary Spending Pressure

Since coming into office in 2017, the Trump Administration has released budget proposals that propose cuts to or the elimination of several programs of importance to the County.

Specifically, the Administration's budget proposal:

- Eliminates/Reduces FEMA state and local grant funding by \$667 million including Pre-Disaster Mitigation Grants and the Homeland Security Grant Program, including the Urban Area Security Initiative program (UASI). The budget also calls for a 25% non-Federal match for FEMA preparedness grants that currently do not require any match.
- Eliminates the Community Development Block Grant program (CDBG)
- Eliminates HOME, Choice Neighborhoods and the Self-help Homeownership Opportunity Program
- Eliminates the Community Services Block Grant Program (CSBG)
- Eliminates the Low Income Home Energy Assistance Program
- Eliminates an additional \$490 million in Department of Justice programs.
- Eliminates the Economic Development Administration, which provides grants for local economic development projects that create jobs
- Eliminates the EPA's National Estuary program
- Eliminates the TIGER grant program

The County has engaged with Congress to advocate for these programs. Congress ultimately funds the government and often ignores much of what the President recommends, however, these programs remain an area of concern.

Another threat to discretionary spending is sequestration. The Budget Control Act (passed in 2011) established budgetary caps in law for discretionary spending – one cap for defense accounts and another for non-defense

accounts – through FY 2021. The penalty for spending over the caps is a sequestration of funds to ensure spending is in line with the budgetary caps established in law. Sequestration would result in a percentage-based cut to every account, program and project funded by discretionary spending.

- **Monitor cuts to non-defense discretionary programs of importance to St. Lucie County.**

## Citrus Issues

The Indian River Citrus District's premium crop has been, and will continue to be, grapefruit, although oranges which are often blended into juice are also grown in the District. St. Lucie County growers are within the Indian River Citrus District. Currently, the District raises 70% of the total grapefruit crop grown in the State of Florida. Three out of every four grapefruit that leave the State of Florida fresh come from this District. Approximately 14 million cartons of "Indian River" fruit were exported during the 2006-2007 season.

Unfortunately, citrus trees and crops face serious threats from infectious diseases, especially citrus greening or huanglongbing (HLB). This disease reduces production and destroys the economic value of fruit. The spread and cause of HLB are associated with a phloem-feeding insect (Asian citrus psyllid (ACP), *Diapharina citri*) and a fastidious bacterium (*Candidatus Liberibacter asiaticus*). In the 115th Congress, Congressman Buchanan and Senator Nelson reintroduced the Emergency Citrus Disease Response Act, originally introduced in 2015 to allow citrus farmers to immediately write-off the costs of planting new citrus groves. Under current law, the existing tax deduction does not kick in until the new grove produces income, which can take years. The theory behind the legislation is to provide an incentive for citrus farmers to plant new crops to keep up with demand without the risk of severe financial loss from citrus greening.

- **Support federal efforts to benefit the citrus industry given its large importance to the economy of St. Lucie County.**

## Tax-Exempt Bonds

Although municipal bonds have been tax-exempt for almost 100 years, a number of federal proposals have been offered over the past few years that target this exemption, particularly as part of the debate to end the sequester or reduce federal spending. With local governments facing severe budget difficulties, any proposal to limit the tax exemption would put more pressure on local finances by reducing demand for tax-exempt bonds and increase borrowing costs for state and local governments, ultimately leading to higher taxes or reduced services.

The issue of the deductibility of municipal bonds was not included in the comprehensive tax reform legislation signed into law at the end of 2017, however it may continue to be an issue in the future. If this deduction was eliminated in the future, it would mean that bond issuers would have to offer higher rates to attract investors. It is estimated that the difference in the rate of earnings the County and other local governments would need to offer prospective buyers for their taxable bonds would depend on the market, but typically would range from 1.5 to 2 percent more for those offerings. On \$1 million borrowed, this would likely cost \$20,000 more in interest per year. Taking this further, if the County were to amortize a \$100 million loan over 30 years at taxable bond rates two percent higher than if the bonds were tax-exempt, the additional cost to taxpayers over those 30 years could be roughly \$30 million.

- **Oppose legislation that would threaten the tax exemption on state and local bonds, including a cap on tax-exempt municipal bonds.**

## Transient Occupancy Taxes

In the 111th and 113th Congresses, attempts were made to insert language into various pieces of legislation that would have exempted Online Travel Companies (OTC's, e.g., Expedia, Travelocity, etc.) from remitting the full bed tax rate collected from consumers to the appropriate local government. For instance, if an online travel broker were to pay \$60 for a room in St. Lucie County and then sell that room to a consumer for \$100, they would be able to only remit \$3 dollars to the local government instead of \$5 (using the County's five percent bed tax for illustrative purposes).

In 2015, local governments reportedly had filed 88 lawsuits against OTCs for tax underpayment. The company won dismissal in 23 cases while 35 remain active. The remainder of the cases have been settled, put on hold, referred

to administrative proceedings, or are otherwise resolved. A 2011 estimate by the Center for Budget and Policy Priorities suggests that state and local governments lose as much as \$396 million a year due to such remittance practices by online hotel purveyors. These examples demonstrate how courts across the country have ruled differently on this issue over the past few years, which has led online travel purveyors to continue to seek federal legislation that would codify their goal of not remitting taxes on the price of the hotel room paid by the consumer. In 2012, several of these online discount travel brokers (including Expedia, Orbitz, and Priceline) organized and registered to lobby under a new organization called the “Interactive Travel Services Association,” whose purpose is to advocate on several issues, including “taxes and fees related to travel.”

In May 2013, Expedia and other online hotel room purveyors attempted to amend the Marketplace Fairness Act to achieve their transient occupancy tax objectives. Ultimately, this effort was unsuccessful and the bill was passed out of the Senate without this language.

- **Oppose legislation that would exempt Internet travel brokers from paying taxes on the full room rate paid by the consumer, thereby costing St. Lucie County and its political subdivisions the opportunity to collect the appropriate Transient Occupancy Taxes from visitors to the region.**

## Siting of Wireless Facilities

As telecommunications technology advances, companies have developed new wireless equipment to support 5G networks. These new small cell towers can range in size from approximately the size of a briefcase to something closer to the size of a refrigerator. The telecommunications industry has indicated that these small cell towers are needed to support increased use, faster internet speeds, and other uses such as driverless vehicles. Legislation has been passed in many states, including Florida, to limit local control over the siting and leases on publicly-owned infrastructure or in rights-of-way.

In the 115th Congress, Senator John Thune (R-SD) introducing the STREAMLINE Small Cell Act. The bill was problematic because:

- It would impose sharply reduced “shot clock” time limits for local governments to process potentially unlimited wireless facility applications for all sizes;
- “Deem granted” applications for facilities when local governments are unable to meet the stringent time limits;
- Potentially result in applications being approved regardless of their safety, health or environmental impacts;
- Interfere with local governments’ management of their own property and their ability to receive appropriate compensation for its use.

After it became clear that there was significant opposition to Senator Thune’s legislation and no interest in addressing the issue in the House, the focus of the telecommunications industry turned to the Federal Communications Commission (FCC). In September of 2018, the FCC adopted a declaratory ruling that includes the vast majority of items in the STREAMLINE Small Cell Act, with the exception of the “deem granted” provision. The declaratory ruling went into effect on January 13, 2019, and is currently the subject of several lawsuits, with local governments taking the position that the ruling exceeds the FCC’s authority and violates the Constitution, with telecommunications companies alleging that it does not go far enough to protect their interests. These lawsuits will likely take several months or years to work through the judicial process.

- **Oppose legislation that would preempt local government control and force local governments to lease publicly-owned infrastructure for the installation of “small cell” wireless towers.**





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