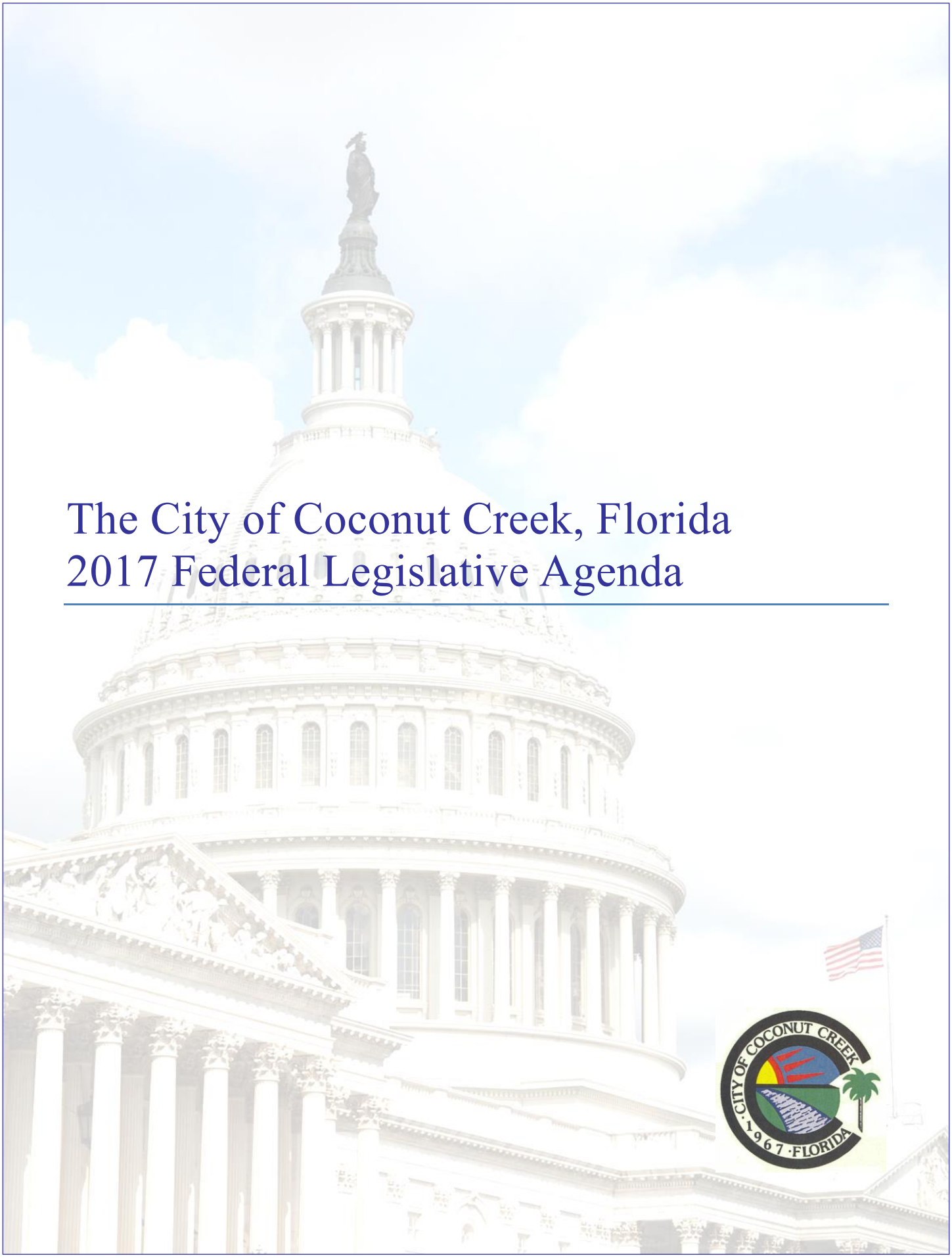

The City of Coconut Creek, Florida
2017 Federal Legislative Agenda

Prepared by Van Scoyoc Associates for the

Coconut Creek City Commission

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Updated February 2017

City of Coconut Creek, Florida
2017 Federal Legislative Agenda

Energy & Environment

Federal Landfill Regulations

Support federal regulations that create stricter environmental standards and testing for municipal solid waste landfills, and subsequently reduce landfill emissions. ***Oppose*** efforts to weaken landfill and coal ash regulations. ***Monitor*** the EPA's implementation of the coal ash provisions in the WIIN Act. ***Monitor*** Congressional and Administration action with regard to the repeal of rules related to solid waste landfills.

Energy Exploration

Oppose relaxation of the prohibition against leases on permits for drilling oil or gas wells within the boundaries of Florida's territorial seas. ***Oppose*** legislation that would prevent the Florida Department of Environmental Protection from blocking requests for offshore drilling in federal waters off Florida's coast. ***Oppose*** seismic surveying within the Everglades, surrounding critical areas, or any other federal lands. ***Oppose*** efforts to ease restrictions on hydraulic fracturing and other oil and gas extraction activities.

Florida DEP Human Health-Based Water Quality Criteria Rulemaking

Oppose the Florida DEP rulemaking to set new Human Health-Based Water Quality Criteria.

Waters of the United States and Regulatory Reform

Monitor activity related to the implementation of the EPA's rule on Waters of the U.S. ***Monitor*** activity related to regulatory reform.

Social Services & Economic Development

Department of Housing and Urban Development Formula Programs

Support adequate funding for the Community Development Block Grant program for future fiscal years because of its critical role in the City's efforts to support those that are least fortunate.

Healthcare Reform

Monitor efforts to repeal/replace or amend the Affordable Care Act. ***Monitor*** changes to 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 Initiatives to Reduce Gun and Other Violence

Support legislation that bans high-capacity assault weapons. ***Support*** legislation that restricts the sale of firearms and requires thorough background checks and licensing. ***Support*** legislation that responsibly expands treatment options for the mentally ill.

School Vouchers

Oppose federal efforts to expand school voucher programs.

Electronic Smoking Devices

Support the creation of federal regulations for e-cigarettes and other vapor producing devices.

Transportation

Infrastructure Investment

Support new federal investment in infrastructure. ***Support*** any and all opportunities to secure funding for Coconut Creek's infrastructure priorities.

Metropolitan Planning Organization Coordination and Planning Area Reform
Monitor implementation of the Metropolitan Planning Organization Coordination and Planning Area Reform rule by the Federal Highway Administration and Federal Transit Administration.

Transportation Authorization
Support efforts to enhance federal transportation revenue streams. ***Support*** adequate funding of transportation alternatives programs, such as bicycle, pedestrian, and trails projects. ***Support*** adequate funding of federal public transit programs, including high-speed rail. ***Support*** any and all opportunities to secure funding for City of Coconut Creek priorities via the FAST Act or other means.

General Issues
Domestic Discretionary Spending Pressure
Monitor proposed cuts to non-defense discretionary programs of importance to the City of Coconut Creek.

Tax Exempt Bonds
Oppose legislation that would threaten the tax exemption on state and local bonds, including a 28 percent cap on tax-exempt municipal bonds.

Remote Sales-Tax Legislation
Support legislation that requires companies making catalog and internet sales to collect and remit the associated taxes. ***Support*** federal tax policies that maintain revenue streams to local governments.

Tribal Legislation and Regulation
Monitor tribal legislation and regulations that could impact the City of Coconut Creek.

Public Safety
Federal Funding of Public Safety Programs
Support continued adequate funding for the wide variety of DOJ and DHS grants, i.e., Community Oriented Policing Services, Byrne Justice Assistance Grants, Emergency Management Preparedness Grants, Assistance to Firefighters Grants, Staffing for Adequate Fire and Emergency Response Grants, Urban Areas Security Initiative grants, and other security-specific grants. ***Support*** the City of Coconut Creek's applications for these funds.

FEDERAL ISSUES: Federal Landfill Regulations

BACKGROUND; HOW IT MAY AFFECT THE CITY OF COCONUT CREEK: The North Broward County Resource Recovery and Central Disposal Sanitary Landfill, also known as Monarch Hill Renewable Energy Park, is a 225-foot high landfill site owned by Waste Management located adjacent to the City of Coconut Creek. The landfill takes in an average of 3,500 tons of trash per day and has long emitted foul odors into the air of the City. Odors from the facility have been reported as far as four miles away.

In the 1990's, Waste Management was fined for violating air quality standards after several complaints from the City came forward. The company attempted to alleviate the problem by covering the garbage with extra dirt and spraying deodorizer. After those attempts proved unsuccessful, Waste Management agreed several years later to no longer place extremely odorous materials, such as food, within the landfill. Instead, processable waste would be diverted from Monarch Hill to a nearby Waste to Energy (WTE) plant known as the Wheelabrator Waste Energy Facility. Despite these actions, as well as a series of warnings from Broward County, odors continued to plague Coconut Creek.

In July 2014, Waste Management announced the sale of the Wheelabrator facility. The City believed this sale would permit Waste Management to dispose of additional waste in the landfill, violating their agreement and potentially exacerbating the odors. The Broward County Commission, which has jurisdiction over the landfill, voted to approve the sale. Coconut Creek, however, was able to reach an agreement with Waste Management to limit the amount of non-Class III waste that will be dumped on Monarch Hill.

Meanwhile, the Environmental Protection Agency (EPA) announced an Advanced Notice of Proposed Rulemaking (ANPRM) and public comment period in mid-2014 regarding methods to reduce emissions from existing municipal solid waste landfills. Most existing landfills are subject to control requirements in either the landfill New Source Performance Standards (NSPS) or the federal or state plans implementing the landfill emissions guidelines, which were both promulgated in 1996. The EPA believed that these guidelines merited review to determine the potential for additional reductions in emissions of landfill gas. The City submitted comments in support of this review.

In August 2015, the EPA released a proposed rule that will reduce landfill gas emissions by lowering the emissions threshold at which a landfill must install emissions control systems from 50 megagrams (Mg) per year to 34 Mg per year. Any landfill that exceeds those thresholds would be required to install and utilize a gas collection and control system to bring emissions levels below the threshold within 30 months of the violation. Prior to the release of this rule, the EPA indicated the changes may affect Broward County. The City submitted additional comments in support of this rule. On August 29, 2016, the EPA announced final updates to its NSPS to reduce emissions of methane-rich landfill gas from new, modified and reconstructed municipal solid waste landfills. In a separate action, EPA also issued guidelines for reducing emissions from existing municipal solid waste landfills. The final rule became effective on October 28, 2016.

In a related issue, the EPA issued a final rule in December 2014 that regulates coal combustion residuals generated from the combustion of coal at electrical utilities, power producers, and some landfills, also known as "coal ash." Many believe that coal ash is a highly toxic substance that finds its way into the air, land, and underground drinking water supplies, and can lead to cancer and other negative health

conditions. While the EPA's new regulation did not designate coal ash as hazardous waste, it did take steps to establish standards and enforcement mechanisms for coal ash management and disposal.

Some members of Congress, however, oppose the coal ash rule, claiming it causes uncertainly for utility providers and will increase energy costs. Rep. David McKinley (R-WV) and Sen. John Hoeven (R-ND) introduced in their respective chambers the Improving Coal Combustion Residuals Regulation Act of 2015 (H.R. 1734 and S. 1803) to combat the rule. The bills would allow states to adopt and enforce the federal standards themselves, but would also delay enforcement of some of the rule's provisions, as well as permanently prevent the EPA from declaring coal ash to be hazardous. H.R. 1734 was passed by the House in July of 2015, but the Senate did not consider its version of the legislation in the 114th Congress. The bill has not been reintroduced in the 115th Congress as this time.

Before adjournment, the 114th Congress passed, and President Obama signed into law, the Water Infrastructure Improvements for the Nation (WIIN) Act. The bill includes the Water Resources Development Act (WRDA) of 2016 and provisions to address the control of coal combustion residuals, among other priorities. With regard to coal combustion residuals, the bill provides for the establishment of state and EPA permit programs for coal ash and allows flexibility for states to incorporate the EPA final rule for coal ash or develop other criteria that are at least as protective of the final rule. The EPA is required to approve state permit programs within 180 days of a state submitting a program for approval.

Meanwhile, in December 2016, the House Freedom Caucus released a list of 200 rules and regulations it suggests the Trump Administration should remove, amend or issue. Among those rules and regulations, two are of relevance to Monarch Hill. The House Freedom Caucus proposes removing the Standards of Performance for Municipal Solid Waste Landfills and the Emission Guidelines and Compliance Times for Municipal Solid Waste Landfills regulations. It will be important to monitor the Trump Administration's actions on all regulations, including potential repeal of these two.

POSITION: ***Support*** federal regulations that create stricter environmental standards and testing for municipal solid waste landfills, and subsequently reduce landfill emissions. ***Oppose*** efforts to weaken landfill and coal ash regulations. ***Monitor*** the EPA's implementation of the coal ash provisions in the WIIN Act. ***Monitor*** Congressional and Administration action with regard to the repeal of rules related to solid waste landfills.

FEDERAL ISSUE: Energy Exploration

BACKGROUND; HOW IT MAY AFFECT THE CITY OF COCONUT CREEK:

Offshore Energy Development
Active energy drilling currently occurs in both the western and central Gulf of Mexico, while nearly the entire eastern Gulf is protected from drilling until 2022 by the Gulf of Mexico Energy Security Act of 2006 (GOMESA). Drilling does not currently occur off the Atlantic coast of Florida. State waters in the Atlantic extend three miles from shore, with the federal government controlling waters beyond that point.

For many years, the federal government has developed five-year Outer Continental Shelf (OCS) Oil and Gas Leasing programs to guide energy exploration activities in federal waters. The most recent plan, developed for 2012-2017, did not propose to lease any areas in the Atlantic OCS for oil and gas drilling. However, the Administration's plan did indicate that it would allow seismic analyses to determine energy resource potential in areas of the Atlantic OCS from Delaware to parts of Florida (approximately north of Brevard County). The City submitted comments to Bureau of Ocean Energy Management (BOEM) on the Programmatic Environmental Impact Statement regarding its concerns over the negative effects seismic air-gun testing could have on the ecosystem, and consequently on the region's economy that is so dependent on unique ecotourism activities, such as whale watching and commercial and recreational fishing. The City also stated its general opposition to oil and gas exploration off the Atlantic Coast of Florida due to the devastating effects that accidents like the Deepwater Horizon oil spill have on the ecosystem and economies of coastal communities.

On January 17, 2017, the Secretary of the Interior approved BOEM's finalized OCS Oil and Gas Leasing Program for 2017-2022 and issued a Record of Decision (ROD) for the programmatic Environmental Impact Statement (EIS). In approving the Program, the Secretary chose Alternative C (the Preferred Alternative) from the Final Programmatic EIS. The ROD identifies Alternative D, No Action, as the environmentally preferable alternative. In addition, the ROD outlines programmatic mitigation measures that will apply to all sales that occur during this Program in areas where the mitigation measures are applicable.

There are two major differences between the 2012-2017 program and the 2017-2022 program. Of interest to Coconut Creek is that under the 2017-2022 program there will be ten region-wide sales comprised of the Western, Central, and Eastern Gulf of Mexico unleased acreage not subject to moratoria or otherwise unavailable, instead of separately offering the Central and Western areas in two annual sales and periodic sales in the Eastern area. The second difference is in regard to Alaska. Lastly, while this program is just beginning, we expect that development of the 2022-2027 program will begin in 2019 under the current Administration.

Congress also continues working toward opening up additional offshore energy exploration. In the 114th Congress, the Senate Energy and Natural Resources Committee approved a bill titled the Offshore Production and Energizing National Security (OPENS) Act that would allow new energy production on the Outer Continental Shelf (OCS) in the eastern Gulf of Mexico, the South Atlantic, and in the waters off of Alaska. The OPENS Act would also expand offshore revenue sharing to Florida in 2017 for leases in the eastern Gulf of Mexico. Currently, only Texas, Louisiana, Mississippi, and Alabama receive revenue from offshore drilling activities in the Gulf of Mexico. The bill would also direct the Interior Department to hold lease sales in the eastern Gulf in 2018, 2019, 2020, and after 2022.

In response to the Committee's approval of the OPENS Act, Senator Bill Nelson sent a letter to Majority Leader Mitch McConnell (R-KY) and Minority Leader Harry Reid (D-NV) saying he would use "all available procedural options to block it."

In early January 2017, Senator Bill Nelson re-introduced his Marine Oil Spill Prevention Act (S. 74). The purpose of the bill is to protect Florida from the threat of offshore drilling until at least 2027. The legislation amends the Gulf of Mexico Energy Security Act of 2006 to extend the moratorium on oil and gas leasing in certain areas in the Gulf of Mexico until June 30, 2027. It sets forth provisions concerning Coast Guard responsibilities, including designating areas that are at heightened risk of oil spills and implementing measures to ameliorate that risk. This bill also amends the Oil Pollution Act of 1990 to establish a Gulf Coast Regional Citizens' Advisory Council to advise on facilities and tank vessels, among other things.

President Trump, however, has stated that he intends to open additional onshore and offshore leasing on federal lands and in federal waters, particularly in the Atlantic and the Arctic. It is unclear if he intends to open leases in other areas - and doing so could take up to two years - but the 115th Congress will likely be supportive of attempts to open additional lands and waters to energy exploration and harvesting.

Onshore Energy Development (Hydraulic Fracturing)
The rapid expansion of oil and gas extraction using hydraulic fracturing — both in rural and more densely populated areas — has raised concerns about its potential environmental and health impacts. These concerns have focused primarily on impacts to groundwater and surface water quality, public and private water supplies, and air quality.

In Florida, the Burnett Oil Company submitted a proposal to the National Park Service (NPS) to conduct a seismic survey of 110 square miles within Big Cypress Preserve. Similar to offshore seismic testing, a seismic survey is a preliminary research technique used to determine the presence of oil and gas below the surface of the ground, which may lead to future harvesting in those areas found to be rich with resources. Senator Nelson sent a letter to the Department of Interior on July 31, 2015, in strong opposition to seismic testing within the Preserve. The NPS completed an Environmental Assessment (EA) for the proposal and the City submitted comments in opposition to the seismic surveys. In May 2016, the NPS issued a finding of no significant impact following their environmental review. The finding of no significant impact is based on information and conclusions outlined in an environmental assessment completed for the proposed survey. Burnett Oil is required to implement a variety of measures to prevent lasting impacts and minimize short-term impacts to the preserve's resources during survey activities. The environmental assessment only covers the seismic survey. Should Burnett Oil wish to pursue production of resources, they must submit a new plan of operations which would undergo additional environmental review and public comment periods. However, in July 2016, six environmental groups filed suit to stop Burnett Oil's seismic survey.

In terms of non-federal land, states broadly regulate oil and gas exploration. In Florida, oil and gas extraction activities are managed by the Department of Environmental Protection. State laws and regulations governing unconventional oil and natural gas development have evolved in response to changes in production practices, largely due to the use of high-volume hydraulic fracturing in combination with directional drilling. However, state regulations vary considerably, leading to calls for more federal regulation of unconventional oil and natural gas extraction activities.

In March 2015, DOI finalized regulations for hydraulic fracturing on public lands, which will allow government workers to inspect and validate the safety and integrity of barriers lining the fracking wells, require companies to publically disclose the chemicals used in fracturing, and set safety standards for how

companies can store and dispose of used fracking chemicals. The rule only applies to federal lands, and states still retain control of hydraulic fracturing on state and private lands.

In response to the rule, proponents of hydraulic fracturing introduced legislation to weaken the rule. Sen. James Inhofe (R-OK) introduced the Fracturing Regulations are Effective in State Hands Act (S. 828), which would give states sole authority over hydraulic fracturing on any land within their boundary and require that hydraulic fracturing on federal land comply with the laws and regulations of the state in which the land is located. The bill had 28 cosponsors in the 114th Congress. It has yet to be reintroduced in the 115th Congress.

Meanwhile, supporters of increasing federal regulations for hydraulic fracturing have also introduced legislation. Rep. Matt Cartwright (D-PA) introduced the Closing Loopholes and Ending Arbitrary and Needless Evasion of Regulations (CLEANER) Act of 2015, which would close a loophole that allows oil and gas producing companies to avoid hazardous waste disposal requirements. The bill had 101 cosponsors, including Rep. Deutch in the 114th Congress, but has not been introduced in the 115th Congress thus far.

In addition, Rep. Diana DeGette (D-NY) introduced the Fracturing Responsibility and Awareness of Chemicals (FRAC) Act in the House (H.R. 1482) and Sen. Bob Casey (D-PA) introduced a Senate version of the bill (S. 785) in March of 2015. Those bills would define hydraulic fracturing as a federally regulated activity under the Safe Drinking Water Act, which would subject fracking activity to underground drinking water protections and require industry to disclose the chemicals used in hydraulic fracturing. The bills had 63 and 12 cosponsors, respectively, in the 114th Congress. The bills have not been reintroduced in the 115th Congress.

The City of Coconut Creek has strongly and formally opposed fracking throughout the state via resolution as well as passed an ordinance to outlaw energy exploration or fracking within City limits.

POSITION: ***Oppose*** relaxation of the prohibition against leases on permits for drilling oil or gas wells within the boundaries of Florida's territorial seas. ***Oppose*** legislation that would prevent the Florida Department of Environmental Protection from blocking requests for offshore drilling in federal waters off Florida's coast. ***Oppose*** seismic surveying within the Everglades, surrounding critical areas, or any other federal lands. ***Oppose*** efforts to ease restrictions on hydraulic fracturing and other oil and gas extraction activities.

FEDERAL ISSUE: Florida DEP Human Health-Based Water Quality Criteria Rulemaking

BACKGROUND; HOW IT MAY AFFECT THE CITY OF COCONUT CREEK: In May, the Florida Department of Environmental Protection (DEP) initiated a rulemaking to set new Human Health-Based Water Quality Criteria for 39 chemicals and to adjust the standards for 43 chemicals currently regulated by the state. The Florida Environmental Regulation Commission approved these standards in July by a 3-2 vote.

Many groups made their opposition clear. The Florida chapter of Physicians for Social Responsibility, a national health association, opposed any rulemaking that would increase the allowable limits of toxic compounds discharged into the state's waters. The compounds proposed for regulation include known human carcinogens and endocrine disruptors. Allowing higher carcinogen levels in Florida's water could also hurt Florida's fish and seafood industry as well as the tourism industry.

In September and November 2016, the City of Coconut Creek Council passed two resolutions in opposition to efforts to weaken the human health-based water quality criteria. Also in November, the City sent a letter directly to the Environmental Protection Agency (EPA) expressing opposition to this rulemaking and asking the EPA to slow the development of this rulemaking. Concerns expressed by the City include public health, economic (tourism and seafood industries), inadequate public comment period, and the vacancies on the Florida Environmental Commission when this rulemaking was considered.

Before Florida DEP submitted the rule to the EPA, multiple groups (including the Seminole Tribe) sued over the new criteria. The case is currently moving through the judicial process. It is expected that Florida DEP will hold off on submitting the rule to the EPA until the appeals process is complete, which is estimated to take about a year.

POSITION: ***Oppose*** the Florida DEP rulemaking to set new Human Health-Based Water Quality Criteria.

FEDERAL ISSUE: Waters of the United States and Regulatory Reform

BACKGROUND; HOW IT MAY AFFECT THE CITY OF COCONUT CREEK:

Waters of the United States
A series of decisions by the U.S. Supreme Court over the past decade imposed restrictions on the scope of wetland regulation governed by Section 404 of the Clean Water Act (CWA), which regulates "dredge and fill" activities in navigable waters and their adjacent wetlands. Opponents of these restrictions have urged Congress to redefine Waters of the U.S. (WOTUS), and apply that definition to all aspects of the CWA.

As legislation along those lines failed to pass previous Congresses, the Environmental Protection Agency (EPA) and U.S. Army Corps of Engineers (ACOE) over the past several years developed guidance and a final rule to redefine WOTUS. There is concern that this effort significantly expanded the definition of WOTUS to include tributaries, ditches, canals, and other water bodies that can potentially drain into navigable waters, interstate waters, or the territorial seas. These water bodies are likely to be subject to new requirements, and some waters currently covered by a permit could be subject to additional monitoring and regulation when those permits are renewed.

Despite a significant amount of opposition to the rule, attempts to block or alter implementation of it have been unsuccessful thus far. The House passed H.R. 1732 in May of 2015, which would withdraw the rule and call for a new rulemaking process that engages state and local governments. The Senate failed to pass a similar bill, but did pass a resolution of disapproval against the rule. The House then passed the same resolution in January of 2016. It was ultimately vetoed by the President.

Meanwhile, efforts to include a "policy rider" on appropriations bills that would ban the use of federal funds to implement WOTUS have also been unsuccessful. In FY 2016, the policy rider was not included in the omnibus appropriations bill as part of the tradeoff between supporters of lifting the export ban on crude oil and environmentalists. Meanwhile, both the House and Senate versions of the FY 2017 Interior & Environment Appropriations bill include a provision to block the use of funds to implement WOTUS in FY 2017. However, a version of these bills has yet to become law.

While the Trump transition team has stated their intent to eliminate WOTUS, the Courts are likely to decide the fate of the rule. In October of 2015, the Sixth Circuit Court in Cincinnati issued a nationwide stay on WOTUS to allow for a more deliberative determination of whether the rule is "proper under the dictates of law." This effectively halted implementation of the rule. In January 2017, the Supreme Court agreed to take up the dispute over which lower courts have jurisdiction to hear challenges to the rule. The Supreme Court granted an industry petition asking the court to reconsider the Sixth Circuit Court of Appeals' decision to hear legal challenges over the rule. The fate of the litigation remains unclear, as President-Elect Trump will likely take steps to eliminate the rule.

Regulatory Reform
The repeal or rolling back of federal agency regulations and executive orders and actions has long been a topic of legislative debate. Congressional Republicans are exploring ways to reverse numerous regulations and executive orders enacted by the Obama Administration. The Congressional Review Act (CRA), which allows Congress to cast simple majority votes of disapproval for regulations, is often cited as a way to block executive actions. In practice, it has only been used once since its passage 21 years ago.

While Congress has debated regulatory reform within many contexts and has made some strides towards enactment of these reforms, we can expect much more to come from the 115th Congress. The conservative House Freedom Caucus has compiled a list of over 200 regulations it wants to subject to a disapproval vote. These include rules and regulations governing things such as school lunch standards, tobacco regulations, climate change, financial/corporate oversight, and labor laws and practices.

Additionally, on January 5, 2017, the House passed the Regulations from the Executive In Need of Scrutiny (REINS) Act, which was introduced by Congressman Doug Collins (R-GA-9). A companion measure, introduced by Senator Rand Paul (R-KY) is pending consideration in the Senate, but it is hard to see how this bill passes as a stand-alone measure in that body.

The bill revises provisions relating to congressional review of agency rulemaking by requiring any executive branch rule or regulation designated as a "major rule" to come before Congress for an up-or-down vote before being enacted. A "major rule" is any rule that the Office of Information and Regulatory Affairs of the Office of Management and Budget finds results in: (1) an annual effect on the economy of $100 million or more; (2) a major increase in costs or prices for consumers, individual industries, government agencies, or geographic regions; or (3) significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of U.S.-based enterprises to compete with foreign-based enterprises.

A joint resolution of approval must be enacted within 70 legislative days after the agency proposing a major rule submits its report on the rule to Congress in order for the rule to take effect. A major rule may take effect for 90 days without such approval if the President determines it is necessary because of an imminent threat to health or safety or other emergency, for the enforcement of criminal laws, for national security, or to implement an international trade agreement.

RECOMMENDED POSITION: ***Monitor*** activity related to the Waters of the U.S. rule. ***Monitor*** activity related to regulatory reform.

FEDERAL ISSUE: Department of Housing and Urban Development Formula Programs

BACKGROUND; HOW IT MAY AFFECT THE CITY OF COCONUT CREEK: The City of Coconut Creek receives direct allocations of funding from the Department of Housing and Urban Development Community Development Block Grant (CDBG) formula program.

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.

Since Fiscal Year (FY) 2010, nationwide funding for the CDBG program has been significantly reduced with varying changes to individual recipients. The FY 2016 omnibus appropriations bill provided $3 billion for the CDBG program, which was a slight decrease from FY 2014 funding. In FY 2016, Coconut Creek received $269,629 in CDBG funds.

For FY 2017, the Administration proposed in its budget a reduction for CDBG to $2.8 billion. To date, both the House and Senate have proposed $3 billion for CDBG in their respective FY 2017 appropriations bills, which have yet to be completed.

RECOMMENDED POSITION: ***Support*** adequate funding for the Community Development Block Grant program for future fiscal years because of its critical role in the City's efforts to support those that are least fortunate.

FEDERAL ISSUE: Healthcare Reform

BACKGROUND; HOW IT MAY AFFECT THE CITY OF COCONUT CREEK: The Patient Protection and Affordable Care Act (PPACA), often referred to simply as the Affordable Care Act (ACA) or "Obamacare," was passed by Congress and signed into law in 2010. The primary goal of the ACA was to increase the quality and affordability of health insurance, as well as lower the uninsured rate by expanding public and private insurance coverage. The law included a number of mechanisms, including individual and employer mandates, insurance exchanges, minimum standards of care, and new taxes/fees to accomplish these goals.

Since its passage in 2010, Republicans have unsuccessfully worked to repeal all, or parts, of the law many times. However, the 2016 election, which resulted in unified government under Republican control, is likely to provide an opportunity to successfully do so. However, President Trump has expressed support for maintaining some provisions of the ACA, including the provision that forbids insurance companies from denying coverage to people with preexisting conditions, as well as allowing young adults to stay on their parents' policies until they are 26. Meanwhile, Congress appears focused on a "repeal and replace" strategy that attempts to unravel Obamacare without immediately depriving reportedly more than 20 million people of their health insurance.

More specifically, some broad ideas discussed by Republicans have included:

- Repealing the Medicaid expansion under the ACA and turning Medicaid into a block grant program;
- Privatizing Medicare and/or turning it into a voucher system, which might impact Coconut Creek's residents more than others given the community's high percentage of older Americans;
- Restoring the role of regulating health insurance to the states;
- Allowing insurance plans to be sold across state lines, rather than through individual state exchanges;
- Re-establishing high-risk pools;
- Changing the tax code to allow individuals to deduct health insurance premiums; and
- Expanding access to tax free Health Savings Accounts.

House Speaker Paul Ryan (R-WI) has long supported the idea of privatizing Medicare. Following the election, he suggested that any ACA reform should also include Medicare reform. Specifically, Speaker Ryan supports changing Medicare from a single payer system in which the federal government pays directly for healthcare to a system where beneficiaries would use government benefits (i.e. a voucher) to purchase private insurance. According to Ryan, this would inject competition into the market, thereby reducing prices. However, critics point out this would effectively end the program, and force seniors to navigate the private insurance market. There are also concerns that this could actually increase costs, as Medicare tends to be less expensive than private insurance.

While President Trump has not yet committed to the privatization or reform of Medicare into a voucher program, he has expressed a desire to "modernize" the program. In addition, Trump nominated House Budget Chairman Tom Price (R-GA) to run the Department of Health and Human Services, and Price has supported efforts to turn Medicare into a voucher program.

ACA repeal or reform could provide an opportunity 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. Under current law, and beginning in 2020, a 40 percent excise tax will be assessed on any dollar amount paid in premiums exceeding the aforementioned values, which, after 2020, 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. Originally envisioned as a tool to reduce healthcare costs, the tax in practice looks increasingly like an increase in out-of-pocket costs for workers. 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 was amended by Congress to delay the tax until 2018. Most recently, a provision was included in the FY 2016 omnibus appropriations bill that will delay the Cadillac tax for two additional years, meaning implementation is now set to occur in 2020. The delay is expected to cost $35 million over two years.

There is some concern that the Cadillac Tax in its current form could be retained as part of an effort to pay for the replacement plan Congress may develop during the 115th Congress.

RECOMMENDED POSITION: ***Monitor*** efforts to repeal/replace or amend the Affordable Care Act. ***Monitor*** changes to 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.

FEDERAL ISSUE: Mental Health Care Initiatives to Reduce Gun and Other Violence

BACKGROUND; HOW IT MAY AFFECT THE CITY OF COCONUT CREEK: The incidences of gun violence that take place all too frequently throughout America have helped to renew attention on the issues of gun control and mental health, with many calling for legislation in an attempt to prevent future tragedies. The City of Coconut Creek strongly supports legislation that would ban assault weapons, automatic weapons, and large external magazine weapons and ammunition; require the purchase and ownership of a gun to be registered and licensed; and prohibit any person, other than law enforcement, to carry a weapon or firearms into a government facility or park.

In the 113th Congress, several Members of Congress and Senators, backed by the Administration, attempted to push forward similar gun control measures. Despite the attention paid to the issue, however, none of the efforts were successful.

Then, in December 2015, the Supreme Court declined to review a case on whether cities and states can prohibit semiautomatic and other high-capacity assault weapons. Through the Court's inaction, lower court rulings that allow states and communities to restrict firearms have been left in place.

In Florida, however, the State Legislature passed an amendment in 2011 that eliminated a local government's ability to regulate firearms, including local regulations on the ability to carry a handgun or concealed weapon into a government facility or park. The City is opposed to this amendment and believes it should be repealed to allow for the local regulation of firearms.

While gun control legislation remains unlikely, one aspect of the gun violence debate that has endured are efforts to improve mental health care as a way to prevent tragedies and respond to other systemic challenges. This requires recognizing the significant mental health concerns of the nation, all of which pose significant and unique, yet often unaddressed, challenges. 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.

The Patient Protection and Affordable Care Act (ACA, also known as "Obamacare") included significant reforms to mental health coverage. Specifically, the legislation named mental health treatment as an essential health benefit that insurance plans are required to cover. While most large-group plans previously offered some kind of mental health benefits, only 18 percent of small-group and individual plans covered mental health. Furthermore, it is estimated that the Medicaid expansion under the ACA has provided as many as 2.8 million people who suffer from a serious mental illness with coverage.

In addition to these provisions, the Administration has begun to implement the 2008 Mental Health Parity and Addiction Equity Act, which requires insurers to cover mental health at a level that is comparable to their physical health coverage.

Then, in January 2016, President Obama issued several executive actions related to gun control and mental health. Among several other initiatives, the actions will broaden the definition of a gun dealer and expand background checks on private sales, particularly sales at gun shows, flea markets, and online (referred to as the "gun show loophole"). The actions will also expand the Federal Bureau of Investigation's background check system and hire additional employees at the Bureau of Alcohol,

Tobacco, Arms and Explosives to enforce these new rules. In addition, these actions will require a patient's mental health records be shared through the background check database.

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, which was passed in 2008 and bans health insurance providers from imposing greater restrictions on mental health and substance abuse care than on physical care.

Lastly, the Helping Families in Mental Health Crisis Act, which was passed by the House in July and includes a number of positive mental health reforms, has been rolled into the 21st Century Cures Act. This legislation proposed reorienting the mental health system from its focus on serving the largest number of highest functioning patients towards providing treatment for the most seriously mentally ill instead. Specific initiatives within the legislation include: lifting a 16-bed cap on inpatient psychiatric hospital beds under Medicaid, advancing tele-psychiatry to link primary care doctors with mental health providers in areas where patients do not have access to such services, increasing funding for brain research to better understand the underlying causes of mental illness, extending health IT so mental health providers can better coordinate with primary care physicians, and implementing criminal justice reforms so patients are treated within the healthcare system and not through the justice system, among several other provisions.

Also of note, the Cures Act includes provisions designed to speed up the Food and Drug Administration's (FDA) drug and medical device approval process, partly by requiring the FDA to utilize things such as patient experiences and third party certifications during the approval process, rather than relying on clinical trials alone. Public health groups have raised concerns, however, that loosening the FDA's drug approval process could promote speed over accountability and result in the approval of unsafe drugs and medical devices.

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 may disappear as Congress and the Trump Administration work to repeal Obamacare, thereby making these "savings" meaningless.

RECOMMENDED POSITION: ***Support*** legislation that bans high-capacity assault weapons. ***Support*** legislation that restricts the sale of firearms and requires thorough background checks and licensing. ***Support*** legislation that responsibly expands treatment options for the mentally ill.

FEDERAL ISSUE: School Vouchers

BACKGROUND; HOW IT MAY AFFECT THE CITY OF COCONUT CREEK: Generally speaking, school vouchers allow parents to use public funds to pay for some or all of their child's private school tuition, in some cases, even religiously affiliated schools. Most often, vouchers are created and distributed by state governments.

The first voucher program, created in 1991 in Milwaukee, WI, was designed to give low-income families more school options. Roughly 300 students were served in the first year. Today, 14 states, including Florida, have some form of voucher programs. A number of states also have tax credit programs that partially subsidize private schooling.

Voucher programs are politically contentious. Opponents argue that shifting a handful of students from a public school into private schools will not decrease what the public school must pay for teachers and facilities, but funding for those costs will decrease as students leave. Some also see government incentives to attend private religious schools as violating the separation of church and state. Others believe the positive effects of school competition on student achievement are overstated by proponents.

President Trump has proposed repurposing $20 billion in federal education dollars by distributing them to states as block grants. States can then use the money, in the form of vouchers, for students who live in poverty. President Trump has said he wants parents to be able to use these vouchers at the school of their choice, even if that school is private and/or religiously affiliated. It is possible that these repurposed federal dollars would come from Title I, a long-standing program meant to send additional money to school districts that serve at-risk students. This may be challenging given that the previous Congress passed legislation governing education and Title I funding. The appetite to revisit this issue may be small.

Meanwhile, President Trump's plan would also be incredibly costly for state governments. The Administration estimates that if states contribute $110 billion, combined with the federal $20 billion, there would be $12,000 in vouchers for each low-income K-12 student who lives in poverty today. The Great Recession narrowed many state education budgets, so asking them to spend $110 billion on school vouchers would be challenging for state governments.

President Trump's support of school vouchers was reinforced through his choice for Secretary of Education, Betsy DeVos. On February 7, 2017, Secretary DeVos was confirmed by the Senate, by a vote of 51-50, with Vice President Pence casting the tie-breaking vote – a first for any cabinet secretary. Democrats argued that DeVos, a billionaire school choice advocate, lacks public education experience, has not been forthcoming about her family's finances and is unfamiliar with education law and the policies she will be charged with carrying out.

RECOMMENDED POSITION: ***Oppose*** federal efforts to expand school voucher programs.

FEDERAL ISSUE: Electronic Smoking Devices

BACKGROUND; HOW IT MAY AFFECT THE CITY OF COCONUT CREEK: The use of electronic smoking devices (also known as e-cigarettes) has risen rapidly in recent years. However, e-cigarettes are currently unregulated by the U.S. Food and Drug Administration (FDA), despite the growing warnings about their long-term effects on individual and public health. Because of this, there are no safety requirements for what goes into an e-cigarette. In addition, while e-cigarettes do not produce smoke like traditional cigarettes, they do expose others to secondhand emissions and little is known about these emissions or the potential harm they may cause.

The City of Coconut Creek is committed to protecting the health and safety of its residents and took action to locally regulate the use of e-cigarettes. In July 2014, the City approved a zoning in progress for businesses that sell e-cigarettes in order to warn potential investors that changes to current law would be coming. Then, in February of 2015, the City passed an ordinance prohibiting the use of e-cigarettes in traditionally smoke-free locations, such as schools, libraries, indoor workplaces, and city-controlled buildings, among others.

Meanwhile, the FDA released a proposed rule in April 2014 to extend its authority to cover additional items that meet the definition of a tobacco product, including e-cigarettes. Under the proposed rule, these "newly deemed tobacco products" would be subject to the following requirements:

- Minimum age and identification restrictions to prevent sales to underage youth;
- Mandatory health warnings on the package;
- Prohibition on vending machines sales;
- Registration with the FDA and the reporting of ingredient lists;
- Only marketing new tobacco products after FDA review; and
- No distribution of free samples.

The rule would apply to all products that hit stores after February 15, 2007, meaning the makers of those products would have to retroactively apply for FDA approval. Opponents of the rule say these requirements will put small companies out of business.

In October of 2015, the FDA sent the final rule to the White House for review. The rule was finalized and took effect on August 8, 2016.

Meanwhile, there were efforts by some in Congress to include a policy rider on the FY 2016 omnibus appropriations bill that would have shielded e-cigarette manufacturers from the FDA approval process. This provision was ultimately not included within the bill due to concerns that it would undermine efforts to keep children and teenagers from smoking.

It is unclear as to whether Congress or the Trump Administration may still seek to overturn the rule completed in mid-2016.

POSITION: ***Support*** the creation of federal regulations for e-cigarettes and other vapor producing devices.

FEDERAL ISSUE: Infrastructure Investment

BACKGROUND; HOW IT MAY AFFECT THE CITY OF COCONUT CREEK: Traditionally, Congress has invested in infrastructure via a number of methods, primarily through legislation or programs like transportation authorizations, Federal Aviation Administration authorizations, revolving loan funds, through the tax code via bond programs, or earmarks prior to 2009. The last big influx of new and unexpected investment in infrastructure occurred via the 2009 Stimulus bill, which, among other things provided $105.3 billion for infrastructure, including $48.1 billion on transportation, $18 billion on water, environment, and public lands, and the remainder on government buildings, telecommunications and broadband, and energy infrastructure.

Recently however, federal funding for infrastructure still fell to a 30-year low as a share of Gross Domestic Product. The American Society of Civil Engineers said in its latest report that $3.6 trillion was needed to bring all segments of U.S. infrastructure up to a state of good repair.

In response, the Trump Administration has made bold promises to invest $1 trillion in infrastructure over ten years. President Trump has given few details about his plans, but has said he would like the private sector to provide much of the funding. He has also indicated funding could be available not just for roads and bridges, but also for airports, schools and hospitals.

The most detailed plan, authored by Wilbur Ross, the nominee for Secretary of Commerce, and economist Peter Navarro, suggests there will be $1 trillion in "cost-neutral" investment funded mostly with repatriated foreign corporate income. More specifically, Trump has proposed reducing the rate companies would pay to bring cash held overseas by U.S. corporations to 10 percent, down from 35 percent. Those companies then could invest in infrastructure projects, benefit from a new 82 percent tax credit and effectively erase their 10 percent repatriation tax.

However, lowering the cost of money with tax credits to investors may not entice the kind of investment suggested because local governments already have access to the municipal bond market, which benefits from the lowest financing costs in more than 50 years. The Congressional Budget Office reported in 2015 that just 26 private-investment projects were completed or underway nationwide.

Meanwhile, the Trump Administration and Congress will also have to decide whether to allow investment in new projects or upgrade existing infrastructure. Private investors are more likely to invest if they can make a profit. That often means tolls on roads and bridges, rate increases on water infrastructure, or property taxes on other projects. That becomes more difficult for environmental improvements or projects located in more rural areas. Also, voters have shown a reluctance to accept tolling on existing infrastructure.

With regard to specific infrastructure projects, in late January 2017, a list of 50 infrastructure projects was circulated. The origin of the list is somewhat unclear with conflicting reports that it was compiled by the Trump transition team or by the National Governor's Association for the Trump transition team. The list mentions that the projects would be funded with 50% private investment. However, there is no additional public discussion regarding projects or a more formal plan, including how to pay for it using either public or private funds. These projects may be reflective of the type of infrastructure investment that will be supported by the Trump Administration.

Lastly, during his first week in office, Senate Democrats called President Trump's bluff (so to speak) and outlined an ambitious proposal to spend $1 trillion on a broad range of infrastructure projects over the next ten years. Since the announcement, neither the President nor Republican members of Congress have responded in any significant way to the Democrats' offer.

The proposal suggests the following investments:

Reconstruct Roads & Bridges $100B	Improve Airports $30B
Revitalize Main Street $100B	Address Ports & Waterways $10B
Expand TIGER $10B	Build Resilient Communities $25B
Rehabilitate Water and Sewer $110B	21st Century Energy Infrastructure $100B
Modernize Rail Infrastructure $50B	Expand Broadband $20B
Repair & Expand Transit $130B	Invest in Public Lands & Tribal Infrastructure $20B
Vital Infrastructure Program $200B	Modernize VA Hospitals $10B
Rebuild Public Schools $75B	Provide Innovative Financing Tools $10B

Congressional Republicans on the other hand, continue to discuss a desire to provide more funding for infrastructure, but have not offered a formal proposal or a specific time as to when they may be able to tackle the issue given other priorities. Some continue to look at repatriation of corporate foreign income as an at least partial funding source, while others suggest those funds should be used for tax reform. There is little to no talk of Congress simply using deficit spending to fund infrastructure.

While it is unclear how this discussion will progress during the 115th Congress, it is possible that new infrastructure investment opportunities could be created and used to fund projects in Coconut Creek.

RECOMMENDED POSITION: ***Support*** new federal investment in infrastructure. ***Support*** any and all opportunities to secure funding for Coconut Creek's infrastructure priorities.

FEDERAL ISSUE: Metropolitan Planning Organization Coordination and Planning Area Reform

BACKGROUND; HOW IT MAY AFFECT THE CITY OF COCONUT CREEK: In the summer of 2016, the Federal Highway Administration (FHWA) and Federal Transit Administration's (FTA) issued a joint Notice of Proposed Rulemaking (NPRM) for "Metropolitan Planning Organization Coordination and Planning Area Reform." At the time, there were concerns that the NPRM could make significant changes to the structure and functioning of roughly one-third of the nation's Metropolitan Planning Organizations (MPOs), including the Broward MPO. Subsequently, a final rule on the subject was released in January 2017.

The final rule does a few things. First, it changes the regulatory definition of a Metropolitan Planning Area (MPA) to require that a MPA include the entire urbanized area (UZA), as well as the contiguous area expected to become urbanized in the next 20 years. For clarification purposes, UZA is a census-designated term given to an area when it reaches 50,000 in population. This may mean merging existing MPAs when multiple exist within a UZA. Under prior regulations, MPA boundaries were determined largely by the MPO and Governor's criteria. However, boundaries will now be established by federal regulation while making MPA boundaries the defining basis for developing a likely single transportation plans.

Therefore, if there are multiple MPOs within each new MPA, the relevant Governor(s) and MPOs would determine whether a merger of the existing MPOs is appropriate. If they jointly determine that is *not* appropriate to have more than one MPO in a MPA, the MPOs have the choice of: 1) merging; or 2) changing the MPO boundaries so there is only one MPO in the new MPA. However, if they jointly determine that it *is* appropriate to have more than one MPO (assuming the "size and complexity of the MPA makes the designation of multiple MPOs appropriate"), then the MPOs must jointly: 1) produce one set of planning documents for each MPA; and 2) establish a written agreement that defines procedures for joint decision making between the multiple MPOs. In either case, planning agreements would be required under this proposal to include coordination and dispute resolution strategies between the state and the MPO, as well as MPO to MPO.

The final rule establishes criteria under which MPOs may seek an exception from the requirement that each MPA have only one set of planning documents. This exception, if approved by the Secretary, would allow multiple MPOs in an MPA to continue to exist separately and generate separate planning documents in cases where it is not feasible for MPOs to prepare unified planning products. In order to gain an exception, all MPOs in the MPA and their Governor(s) must submit a joint written request and justification to the Secretary. The submittal must: (1) explain why it is not feasible, for reasons beyond the control of the Governor(s) and MPOs, for the multiple MPOs in the MPA to produce unified planning products; and (2) demonstrate how the multiple MPOs in the MPA are already coordinating with each other and producing consistent planning documents and performance targets.

If the Secretary does not approve the request, the Governors and the MPOs will be given written notice as to why the exception was denied and will be able to submit supplemental information to address the deficiencies. The Secretary will then make a final determination based on that information. An approved exception is permanent, but FHWA and FTA will routinely perform reviews to ensure the coordination requirements are being met. Lastly, FHWA and FTA will produce guidance outlining situations where exceptions may be appropriate, as well as suggestions as to how Governors and MPOs can best demonstrate that their current coordination efforts meet the exception requirements.

The final rule also phases in implementation of the coordination requirements and the requirements for MPA boundary and MPO jurisdiction agreements. Under the final rule, compliance is required within two years after the date the Census Bureau releases its notice of Qualifying Urban Areas following each decennial census (with 2020 being the next decennial census). This is a significant change from the original proposed timeline for compliance, which was within two years of the rule going into effect.

FHWA and FTA claim the goal of the rule is to promote more effective regional planning. However, there are concerns surrounding the agencies' approach, including:

- *Complexity and Cost*: Merging MPOs would seemingly be a complex process, even when the parties are willing participants. This could also be the case in developing unified planning documents between two or more organizations.
- *One Size Fits All* - Each region is unique and should take a localized approach to planning. This proposal, however, seems to suggest taking a one-size-fits-all approach, which could possibly hinder, more than help, regional planning. It certainly also could remove local control from a variety of decisions.
- *Uncertainty*: There is uncertainty surrounding the impact on Transportation Management Areas (TMAs), which are areas with a population of 200,000 or more; and the potential for creation of new MPOs in the future. There is also significant concern as to how the disruption caused by this rule may impact both short- and long-term planning efforts.
- *Question of Necessity*: Many MPOs are already working across jurisdictional lines to coordinate planning efforts. This suggests there may be no need for a new federal regulation. A better option may be for the agencies to develop incentives that would encourage greater collaboration among existing MPOs.

At this time, it is unclear whether the 115th Congress or new Administration will seek to alter or terminate this rule before it goes into effect.

POSITION: ***Monitor*** implementation of the Metropolitan Planning Organization Coordination and Planning Area Reform rule by the Federal Highway Administration and Federal Transit Administration.

FEDERAL ISSUE: Transportation Authorization

BACKGROUND; HOW IT MAY AFFECT THE CITY OF COCONUT CREEK: After the passage of several short-term authorizations following the expiration of MAP-21 in 2014, Congress finally passed, and the President signed, a five-year surface transportation authorization called the Fixing America's Surface Transportation (FAST) Act. The FAST Act generally maintains many of MAP-21's reforms, but makes a few changes to existing surface transportation programs, as well as slightly increases funding for those programs.

One of the most significant changes within the FAST Act is the rolling of the Transportation Alternatives Program (TAP) into the newly created Surface Transportation Block Grant Program, which replaces the old Surface Transportation Program (STP). TAP projects include a variety of bicycle, pedestrian, and environmental activities, but this change to the program could allow up to 50 percent of TAP funds to be diverted to more traditional STP-eligible projects, mainly highway initiatives. The FAST Act also caps annual funding for TAP at $850 million and does not allow it to grow with inflation like most other programs in the bill.

Recreational trails and other motorized and non-motorized transportation programs are important to the City of Coconut Creek in helping to create a more cohesive community and for the general improvement of its multi-modal transportation network. While the FAST Act gradually increases the amount of STP funding that will be sub-allocated to local communities - in this case, the Broward MPO – there are concerns about a further decrease in funding for alternative transportation initiatives under this change to TAP.

Positively, the FAST Act also includes a provision related to Complete Streets, which requires state Departments of Transportation and local MPOs to consider all users of the roadways, such as bicyclists and pedestrians, when designing and constructing projects. The Broward County MPO is pursuing a Greenways and Complete Streets initiative throughout the County, including in Coconut Creek, and the City is strongly supportive of efforts to make the roads effective and safe for all users.

Lastly, the City of Coconut Creek is strongly supportive of mass transit initiatives, including high-speed rail. While the FAST Act does not specifically include high-speed rail, it does increase formula funding for federal public transit programs by approximately 10 percent in FY 2016, and increasing slightly each year after that to adjust for inflation.

In developing the FAST Act, however, Congress did not address the need for a long-term, sustainable plan to finance our nation's transportation infrastructure. Fuel taxes, which provide most of the money for surface transportation, do not provide a solid long-term foundation for generally desired transportation funding growth, even if Congress were to raise them modestly. Instead, the FAST Act relies on various budget gimmicks to fund surface transportation programs over the next five years, such as surplus money from the Federal Reserve, reducing the amount of interest the Fed pays to banks, and selling off part of the Strategic Petroleum Reserve.

Without the creation of a long-term, sustainable funding source, the Highway Trust Fund's deficit will continue to grow over, making future authorizations increasingly difficult. The choice then becomes finding new sources of income for an expanded program, or alternately, to settle for a smaller program that might look very different than the one currently in place. Less federal funding via a future transportation reauthorization bill would mean significantly less funding available to FDOT, the Broward

MPO, and ultimately the City of Coconut Creek, to support both surface transportation and transit projects and programs.

POSITION: ***Support*** efforts to enhance federal transportation revenue streams. ***Support*** adequate funding of transportation alternatives programs, such as bicycle, pedestrian, and trails projects. ***Support*** adequate funding of federal public transit programs, including high-speed rail. ***Support*** any and all opportunities to secure funding for City of Coconut Creek priorities via the FAST Act or other means.

FEDERAL ISSUE: Domestic Discretionary Spending Pressure

BACKGROUND; HOW IT MAY AFFECT THE CITY OF COCONUT CREEK: It has been reported that the Trump Administration is working on a plan to reduce federal spending by $10.5 trillion over ten years. The plan being used to develop the cuts is very similar to that produced by the Heritage Foundation last year and is reported to be forming the basis for the Administration's Fiscal Year (FY) 2018 budget outline that is expected to be released before President Trump's first State of the Union on February 28. The full FY 2018 budget may then be released in April.

Among other things, following are a number of areas of concern with the Heritage proposal. They include:

- Eliminate the DOJ Office of Community Oriented Policing Services, including the relatively well-known COPS hiring grant program
- Eliminate all grants from the DOJ Office of Justice Programs, including the Byrne Justice Assistance formula grant program (Byrne JAG)
- Eliminate the Economic Development Administration, which provides grants for local economic development projects that create jobs
- Eliminate the Small Business Administration disaster loan program
- Reduce funding for FEMA's Disaster Relief Fund, including raising the per capita threshold for disaster declarations and reducing the federal cost share from between 75 and 100 percent to 25 percent
- Eliminate FEMA's fire grant programs – the SAFER and AFG programs used to hire staff and purchase equipment
- Eliminate the EPA's National Estuary program
- Allow the Land and Water Conservation Fund, including the state grant program, to expire
- Eliminate the National Endowment for the Arts
- Open all federal lands and waters to resource development
- Eliminate Workforce Investment and Opportunity Act Job-Training Programs
- End the Head Start program over ten years
- Phase out the Federal Transit Administration, including all funding from the agency
- Eliminate the TIGER grant program

Many of these programs have been targeted before, often most recently by President Obama's Deficit Commission from 2010. While it is hard to know exactly how seriously to take these proposed cuts, it is clear there is significant pressure to reduce domestic discretionary spending (as opposed to military or non-discretionary programs like Social Security). In addition, even if President Trump proposed these types of cuts, Congress would have to agree with them, which is far from a certainty.

POSITION: ***Monitor*** proposed cuts to non-defense discretionary programs of importance to the City of Coconut Creek.

FEDERAL ISSUE: Tax-Exempt Bonds

BACKGROUND; HOW IT MAY AFFECT THE CITY OF COCONUT CREEK: Although municipal bonds have been tax-exempt for almost 100 years, a number of federal proposals target this exemption, particularly as part of the debate regarding tax reform or federal spending reduction. 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 increasing borrowing costs for local governments, ultimately leading to higher taxes or reduced services.

As in previous years, the Obama Administration proposed a 28 percent limit on all itemized deductions for high-income individuals in its Fiscal Year (FY) 2017 budget. If accepted by Congress, this would apply to all new and outstanding municipal bonds. According to a study conducted by the National Association of Counties, if this 28 percent cap had been in place over the past decade, borrowing costs to state and local governments would have increased by over $173 billion, while a full repeal would have cost nearly $500 billion over the same time period.

Meanwhile, the Trump Administration and the 115th Congress are expected to focus on comprehensive tax reform in 2017, making it a top priority. Among many other provisions, and to generate revenue to cover the cost of legislation, the Trump Administration has suggested its tax reform agenda will "reduce or eliminate most deductions and loopholes available to the very rich."

This almost surely would include municipal bond deductions, meaning that bond issuers would have to offer higher rates to attract investors. It is estimated that the difference in the rate of earnings the City 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 City 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.

POSITION: ***Oppose*** tax reform legislation that threatens the tax exemption on state and local bonds, including a 28 percent cap on tax-exempt municipal bonds.

FEDERAL ISSUE: Remote Sales-Tax Legislation

BACKGROUND; HOW IT MAY AFFECT THE CITY OF COCONUT CREEK: Currently, retailers are only required to collect sales tax in states where they have brick-and-mortar stores. The burden then falls to consumers to report to state tax departments any sales taxes they owe for online purchases. Often, due to complex reporting requirements, consumers do not report those purchases when completing their tax returns. As a result, local retailers are at a competitive disadvantage because they must collect sales taxes while out-of-state retailers, including many large online and catalog retailers, essentially give their customers a discount by collecting no state or local sales taxes.

Therefore, the current sales tax system is perceived as being unfair to brick-and-mortar retailers that employ local residents, including local stores as well as national chains like Best Buy or Home Depot. The lost revenue is also a drain on local governments. In 2014, uncollected sales tax was estimated to have cost local governments $23 billion nationwide.

To correct this inequity across the country, Congress introduced the Marketplace Fairness Act in both the House and Senate during the 113th Congress. The bill would have created two systems from which states could choose to facilitate the process of collecting these taxes. The first would have been the already established Streamlined Sales and Use Tax Agreement (SSUTA), which would have simplified state and local sales and use tax laws. Twenty-four states have already signed this agreement, which is also supported by the National League of Cities and the U.S. Conference of Mayors. The second alternative would have allowed for states to meet minimum requirements for their state tax laws and administration thereof. To protect small, online retailers, this legislation would have also exempted sellers who make less than $1,000,000 in total remote sales from the requirement to collect taxes.

In 2013, the Senate passed the Marketplace Fairness Act with bipartisan support by a vote of 70-24, with Senator Nelson voting for the measure and Senator Rubio against it. In the House, companion legislation was not considered, although it had 67 cosponsors, including Florida Representatives Deutch, Ross, Wilson, and Diaz-Balart, and former Rep. Crenshaw.

The issue reemerged in the 114th Congress. Most recently, in August 2016, House Judiciary Committee Chairman Bob Goodlatte (R-VA) released a discussion draft known as the Online Sales Simplification Act (OSSA), which would implement a hybrid-approach to taxing purchases made remotely. Under the draft, states would be able to impose sales tax on remote sales if the state first participates in a clearinghouse established under the OSSA. Then, remote sales would be taxable if the origin state collects sales taxes, yet at a rate adopted by the destination state. The sales tax rate would be a single statewide rate determined by each participating state. This is significant as it would eliminate the option for many communities to add additional sales taxes for various local needs.

The increasing pressure to pass remote sales tax legislation may have something to do with court cases in South Dakota and Alabama that are challenging a 1992 Supreme Court decision holding that states cannot require retailers with no in-state presence to collect sales tax. Both states have recently enacted rules requiring all retailers who sell more than a certain dollar amount of goods annually in the state to collect sales tax, regardless of physical presence. Overturning the 1992 decision would require the Supreme Court to take up at least one of the cases (and rule in favor of the state) or an act of Congress.

Given this, and the reluctance of many Republicans to pass such a law, the issue may remain in the courts for the next several years. However, there is still a small a possibility that remote sales tax language could be included in a broader tax reform package that could be considered in the 115th Congress.

POSITION: ***Monitor*** legislation that requires companies making catalog and internet sales to collect and remit the associated taxes. ***Support*** federal tax policies that maintain revenue streams to local governments.

FEDERAL ISSUE: Tribal Legislation and Regulation

BACKGROUND; HOW IT MAY AFFECT THE CITY OF COCONUT CREEK: The Seminole Tribe of Florida opened a 30,000 square foot casino in Coconut Creek in 2000, the fifth Seminole gaming center in the state. The casino is located on five acres of tribal land on Northwest 54th Street, just east of State Road 7. The casino's plan is to create a destination area offering a full-service hotel, extensive gaming space, and several restaurants. Over the years, the Tribe has sought to add more land to trust in the City, most recently seeking an additional 40 acres.

Van Scoyoc Associates monitors tribal legislation and regulations to determine if they could impact the City of Coconut Creek. As an example, in 2015, we identified legislation that was introduced that could have impacted the City's relationship with the Seminole Tribe. H.R. 538, the Native American Energy Act introduced by Rep. Don Young (R-AK), is ostensibly meant to "facilitate the development of energy on Indian lands by reducing Federal regulations that impede tribal development of Indian lands."

However, we raised a concern about Section 4 of the original bill that said:

> *"For any major Federal action on Indian lands of an Indian tribe requiring the preparation of a[n environmental impact] statement…, the statement shall only be available for review and comment by the members of the Indian tribe and by any other individual residing within the affected area.*
>
> *""(2) REGULATIONS.—The Chairman of the Council on Environmental Quality shall develop regulations to implement this section, including descriptions of affected areas for specific major Federal actions, in consultation with Indian tribes."*

Many tribal actions require environmental surveys be completed prior to implementing various actions. These environmental assessments or impact statements offer local government and others the opportunity to comment on proposed tribal actions prior to implementation. In the legislation, there was no clear understanding of what "other individual residing within the area" was. This could have limited the opportunity for the City (and others) to comment on a wide variety of actions that could otherwise impact the community.

Prior to passage in the House, an amendment was passed on the floor to do away with this objectionable provision. The bill's sponsors did not realize they could unintentionally be limiting the opportunity of communities to comment on a broad number of significant actions nearby, not just those related to energy development (which was the underlying purpose of the bill).

Van Scoyoc Associates will continue to monitor legislative activity in the Indian Affairs Committees during the 115th Congress. In the Senate, the committee is led by Chairman Hoeven (R-ND) and Ranking Member Udall (D-NM). In the House, tribal issues are under the jurisdiction of the Natural Resource Committee's Subcommittee on Indian and Alaska Native Affairs. Leadership posts have not yet been announced for this subcommittee.

POSITION: ***Monitor*** tribal legislation and regulations that could impact the City of Coconut Creek.

FEDERAL ISSUE: Public Safety Programs

BACKGROUND; HOW IT MAY AFFECT THE CITY OF COCONUT CREEK: Federal grant funding for many Department of Justice (DOJ) and Department of Homeland Security (DHS) programs are provided as block grants with each state receiving a certain amount of funding, generally linked to population. That funding is then passed through to local jurisdictions to help support police, fire, emergency management, and homeland security functions. Examples of these formula programs include the Emergency Management Performance Grant (EMPG) and the Byrne Justice Assistance Grant (JAG).

In other instances, funding from federal programs is made available to local governments via competitive grant solicitations. Competitive program funds can be used to hire police officers through Community Oriented Policing Services (COPS) or firefighters through Staffing for Adequate Fire & Emergency Response Grants (SAFER), and purchase equipment through the Assistance to Firefighters Grant (AFG). There is also another category of grants that are distributed to certain recipients based on specific criteria, such as the Urban Area Security Initiative (UASI), which provides funds to eligible regions to help communities prepare for, prevent, respond to, and recover from potential attacks and other hazards.

The City of Coconut Creek has benefited from several of these federal programs in the past, while other programs offer competitive grant opportunities from which the City may seek funds. Most recently, the City applied for an FY 2014 AFG grant for much needed vehicles for its two new fire stations that are slated to be built over the next two years, as well as funding for improvements to its existing fire station. That application was ultimately unsuccessful, but the City successfully partnered on an FY 2014 application with the City of Margate to purchase automatic stretchers and may submit future applications for funding. In other areas, the City annually receives JAG funding, which has totaled almost $30,000 over the last three years to purchase a variety of equipment to support the police department.

For FY 2016, Congress provided $345 million each for AFG and SAFER, $600 million for UASI, and $350 million for EMPG. COPS and JAG, meanwhile, were provided with $187 million and $476 million, respectively.

For FY 2017, the Senate included $389 million for the JAG program and $187 million for the COPS program while the House included $425 million for the JAG program and $0 for the COPS program in their versions of the FY 2017 Commerce, Justice and Science Appropriations bill. With regard to the homeland security programs, the House and Senate included $340 million for each of the SAFER and AFG programs, $350 million for EMPG, and $600 million for UASI in their respective versions of the FY 2017 Homeland Security Appropriations bill. The federal government is currently operating under a Continuing Resolution through April 28, 2017. The FY 2017 appropriations process is not expected to be completed until that time.

POSITION: ***Support*** continued adequate funding for the wide variety of DOJ and DHS grants, i.e., Community Oriented Policing Services, Byrne Justice Assistance Grants, Emergency Management Preparedness Grants, Assistance to Firefighters Grants, Staffing for Adequate Fire and Emergency Response Grants, Urban Areas Security Initiative grants, and other security-specific grants. ***Support*** the City of Coconut Creek's applications for these funds.