



MEMORANDUM

From: Van Scoyoc Associates
To: Pinellas County, FL
Subject: Year End Report
Date: December 8, 2017

Over the past calendar year, Van Scoyoc Associates has engaged on behalf of the County on a variety of the Board of County Commissioner's priority issues and remains in close contact with your partners in the Congressional delegation as well as at relevant federal agencies. Below is a short summary of some current and upcoming issues we engage on as well as a few representative accomplishments.

- **Fiscal Year 2018 Appropriations**

The Trump Administration proposed drastic cuts or full-scale elimination of several programs in their first budget this past May. Shortly after the release of the budget, the County sent letters to your Congressional delegation highlighting programs of importance and the impact that these cuts would have on the County. We remain actively engaged on these issues so that the cuts are not accepted by Congress.

Congress has generally not agreed with the cuts proposed by the Administration, however, the appropriations process is still ongoing. The federal government is currently operating under a continuing resolution (CR) that funds the government through December 22nd. Complicating matters are several other issues, such as demands from Democrats and some Republicans for resolution on issues like Deferred Action for Childhood Arrivals (DACA) prior to the end of the calendar year. Most likely, Congress will pass another CR into 2018 and attempt to wrap up the process next year.

Below is a chart detailing the House and Senate proposed funding levels for selected programs of importance to the County. The chart shows them in comparison to last year's funding level and the President's budget proposal.

Program	FY 2017 Enacted (in millions)	FY 2018 Trump Administration Budget (in millions)	FY 2018 Proposed Funding Level – House (in millions)	FY 2018 Proposed Funding Level– Senate (in millions)
Community Development Block Grants (CDBG)	\$ 3,000	\$ 0	\$ 2,900	\$ 3,000
HOME Investment Partnership	\$ 950	\$ 0	\$ 850	\$ 950

Community Services Block Grants (CSBG)	\$ 715	\$ 0	\$ 600	\$ 700
Low Income Home Energy Assistance Program (LIHEAP)	\$ 3,390	\$ 0	\$ 3,390	\$ 3,390
Continuum of Care, Homeless Assistance Grants	\$ 2,383	\$ 2,250	\$ 2,383	\$ 2,099
Byrne Justice Assistance Grants	\$ 376	\$ 332.5	\$ 500*	\$ 404.5
COPS Hiring Grants	\$ 221.5	\$ 207	\$ 0*	\$ 207.5
TIGER Grants	\$ 500	\$ 0	\$ 0	\$ 550
Economic Development Administration (EDA)	\$ 276	\$ 30- eliminates EDA, funding is for “an orderly closure”	\$ 176	\$ 254
FEMA Pre-Disaster Mitigation Grants	\$ 100	\$ 39	\$ 100	\$ 75
Administration for Community Living-Home Delivered Meals	\$ 227	\$ 225.9	\$ 227.34	\$ 227.34
NOAA Sea Grant Program	\$ 63	\$ 0	\$ 63	\$ 65
Army Corps of Engineers, Construction	\$ 1,876	\$ 1,020	\$ 1,697	\$ 1,703.15

As an additional area of interest for the County, the Administration had proposed shifting the cost of paying for FEMA’s flood hazard mitigation mapping program to policyholders through additional surcharges in their budget, but this proposal has not been included in either the House or Senate appropriations bills at this time.

- **Tax Reform**

Congress and the Administration have concentrated on addressing tax reform for the past several weeks. The House and Senate have passed bills and entered into conference to iron out the differences between them. Some of the issues related to Pinellas County that have arisen as the bills have moved forward are:

- The elimination of private activity bonds in the House bill, which would impact infrastructure projects and the creation of affordable housing.
- The elimination of the ability of local governments to advance refund municipal bonds in both the House and Senate bill. Advance refunding was most recently used by the County in 2016 to save over \$1 million. The elimination of this

ability is projects to increase revenue to the federal government by \$16.8 billion over ten years.

- Both bills eliminate the ability of individuals to deduct state and local income or sales taxes, yet both retain a \$10,000 cap for the deduction of property taxes. There is discussion, primarily in the House, of trying to amend this in conference. The House proposal also limits the amount of mortgage interest that an individual can deduct which may impact certain real estate markets.
- The House disallows the use of tax exempt municipal bonds for professional stadiums, something that may impact the County with respect to either the Tampa Rays or support for the Clearwater and Dunedin spring training facilities.
- Finally, funds often proposed for infrastructure investment are being used to pay for tax reform making it harder to significantly invest large sums in infrastructure.

- **Beach Nourishment**

The County has been very successful over the past year on the issue of beach nourishment in both securing funding for projects and moving the reauthorization of the Treasure Island project forward. We have worked closely with the members of your delegation and the Army Corps of Engineers to ensure Pinellas' project was included in the FY 2017 Work Plan, ensure priority support for additional funding as it becomes available, and to monitor the progress of the reauthorization study for Treasure Island

- **Sand Key:** The County has now been awarded over \$30 million from the Corps. This funding is a combination of emergency funds from the impacts of Hurricane Hermine, including in the Corps' 2017 Work Plan, and, most recently, additional emergency funding related to the impacts of Hurricane Irma. Due to a lack of signed easement agreements, some portions of the project area will not be nourished. We will continue to work with the County, the Corps and your Congressional delegation to address this issue for future projects.
- **Treasure Island:** At the end of 2016, a provision was added to the Water Infrastructure Improvements for the Nation (WIIN) bill extending the authorization for the Treasure Island project to 2025. As you recall, the authorization was originally set to expire in 2019 and was previously extended to 2022. Additionally, in February the County was awarded funding from the Corps to complete a Section 1037 study to reauthorize the project. That study is ongoing and we will continue to keep your delegation informed of the progress.

- **National Flood Insurance Program**

The National Flood Insurance Program is authorized through December 22nd as a part of the CR that passed earlier this month. The House has passed a long-term reauthorization of the program; however the House approach contains several concerning items, including making the program less affordable for policyholders through increased rates and surcharges, placing unfunded mandates on local governments, and undermining the integrity of the NFIP by discouraging participation. The Senate is not likely to take up the House bill and has not yet begun the process of working toward their own comprehensive reauthorization. Both Senators Nelson and Rubio are cosponsors of the Sustainable, Affordable, Fair and Efficient National Flood Insurance Reauthorization (SAFE NFIP) Act, which is a far more consumer- and local government-friendly approach to reauthorization.

Additionally, we are working on several emerging issues on behalf of the County.

- **Offshore Drilling**
 - Current bill in the House, the SECURE American Energy Act, which would encourage the expansion of offshore drilling.
 - The Bureau of Ocean Energy Management (BOEM) is in the process of drafting the next five-year plan for oil and gas leasing that will cover 2019-2024.
 - The County has submitted comments in advance BOEM's draft plan reiterating opposition to drilling in the Eastern Gulf of Mexico.
 - The current ban on drilling in the Eastern Gulf of Mexico will expire in 2022.

- **Infrastructure**
 - The Trump Administration has indicated that they will bring forward an infrastructure plan in January.
 - The plan is billed as a \$1 trillion infrastructure plan, but will likely only include \$200 billion in direct federal investment.
 - Any infrastructure plan may provide funding opportunities for transportation projects.

- **FAA Reauthorization**
 - Authorization extended to March of 2018.
 - Current House and Senate reauthorization proposals differ in several ways including changes to the Passenger Facility Charge (PFC) and potential privatization of air traffic control.

- **Waters of the United States (WOTUS)**
 - Trump Administration has moved to withdraw the rule that was finalized by the Obama Administration.
 - The Obama Administration rule was never finalized due to several local jurisdictions challenging the rule in court.
 - A new rule is expected in 2018 and there will be opportunities for the County to comment.
 - The County has been consistently involved with this issue for several years.

This memo provides a brief overview of the issues we are working on behalf of the County with our bimonthly reports summarizing our activity providing greater detail. The Board of County Commissioner's adopted federal agenda and our ongoing communication with County staff guide our work throughout the year. Please let us know if there are any questions regarding these topics or any others that we can assist you with.