



County Managers Office

MEMORANDUM

DATE: September 13, 2016
TO: Wake County Board of Commissioners
FROM: Chris Dillon, Intergovernmental Relations Manager
SUBJECT: Wake County 2017 Legislative Goals Submittal to NC Association of County Commissioners

After my presentation to you at the work session on September 12, 2016, I amended the draft 2017 Wake County Legislative Goals to include your requests. Below you will find the goals for inclusion in the County's submittal for the North Carolina Association of County Commissioners' legislative goals. After approval at the Commission meeting on September 19, 2016, I will attach these goals and submit a letter from the Chairman to the Association officially submitting these goals into consideration at the legislative goals conference.

Increase in Statewide Per Pupil Funding for Education based on Average Daily Membership

State funding for education has increased over the past few years, but in high growth counties, those funds have not kept up with the pace of growth. The current use of formulas directing state funding to counties that have small or even declining school populations has created an inefficient system. While multiple state agencies are currently reviewing these funding formulas, Wake County would suggest an overall increase of funding based on average daily memberships outside of the current formula system.

2014-2015 Per Pupil Expenditure Ranking Including Child Nutrition

	2014-15 STATE PER-PUPIL DAILY MEMBERSHIP EXPENDITURES	STATE SPENDING BY RANK
Wake County	\$5,302	108 of 115
Hyde County	\$12,853	1 of 115

Increase in Statewide Funding for Mental Health and Substance Abuse Treatment

Over the past two legislative sessions, funding for local management entities for mental health has been severely reduced. These reductions come at a time when all 100 counties are dealing with the impacts of the greatest opioid plague to hit our state. Heroin deaths in Wake County went from 2 in 2010 to 26 in 2014. Without increased funding on a state level, local governments will not be able to manage this crisis.

Reinstate Funding for Drug Treatment Courts

The North Carolina Drug Treatment Courts (DTC) were established by statute in 1995 to enhance and monitor the delivery of treatment services to chemically dependent adult offenders while holding those offenders rigorously accountable for complying with their court-ordered treatment plans. In 2001, the General Assembly formally authorized expansion of the DTCs to include substance abusing juvenile offenders and chemically dependent parents of neglected or abused children. The overall goal of the DTC is to significantly break the cycle of addiction that gives rise to repeated law-breaking episodes. By enhancing the likelihood that the drug-driven offender will remain drug and crime free and socially responsible, the DTC seeks to reduce justice system, health system, and other societal costs associated with continuing drug use and criminal involvement.

Protect Local Revenue Sources

Revenues raised by local governments should be retained by those governments for the purposes of administering programs within the local jurisdictions. There should be no redistribution of current or future local government revenues that harms any counties or municipalities.

Prevent the Relaxation of Environmental Regulations for Water Supplies

Water is the number one priority of the Wake County region over the next 50 years. We are the only region in the state that does not have a 50 year water supply identified at this time. Any increased pressures on our already impaired drinking water supplies should be opposed. Increased stormwater runoff, reduced buffers or similar relaxing of environmental protections will only add to the cost of treatment for drinking water and further reduce resources for additional drinking water supplies.

Reinstate Subdivision Roadway Maintenance Guarantees

Counties are not in the North Carolina road business, but with the repeal of the authority to require subdivision roadway maintenance guarantees, there will be additional pressures for counties to fund private road improvements. Maintenance guarantees provide a method for counties to ensure private roads will be taken over by the NC Department of Transportation after the conclusion of construction in new developments. This tool was repealed by the legislature in 2014. At this time, counties have no method of requiring private subdivision roads be maintained until addition to the state system. This gap of coverage will add roads to list of “orphaned” roads which have no legal owner and the responsibility to fund their maintenance will be placed on the property owner. In 2015, property owners in one Wake County subdivision were required to accept a \$12,000 per lot assessment for road improvements after a developer refused to fund the required improvements. This trend has been increasing statewide and without this protection, property owners will be burdened with the bill.

Remove the Ban on Cathode Ray Tubes from Sanitary Landfills

Beginning in January 2011, electronics have been required to be recycled under North Carolina law. Wake County operates an electronics recycling program, but since the switch from analog to digital broadcasts the options for recycling cathode ray tube televisions (CRT TVs) have become increasingly rare and expensive. This fiscal year Wake County is expected to pay over \$1 million for CRT TV recycling.

CRT TVs continue to stockpile on the landscape without any additional resources for recycling. Safe and monitored disposal in lined landfills are an environmentally acceptable method of disposal as opposed to continued unsecured storage in the elements.

Allow Counties to Provide Fiber-Optic Infrastructure

Both rural counties and the rural areas of urban counties are in desperate need of increased access to high speed internet. Communications companies have continued to not invest in high speed internet technologies in these areas leaving them woefully behind when trying to attract new investments.

Wake County proposes legislation to allow the county to invest in the infrastructure needed to provide high speed internet to the county and then leasing this infrastructure to private providers. This proposal keeps Wake County out of the market while allowing private providers to offer services in areas that would be too costly to expand to at this time. This model has been successful in other local governments and should be expanded statewide.

Retain Local Government Authority

Local governments have historically been classified as the governments closest to the people. As preemption legislation has increased over the past few sessions, the ability of a community to control what takes place on at the local level has been eroded. Any legislation restricting the ability of locally elected officials to govern their jurisdictions should be opposed.

Protect State Transportation Formula

Passed in 2013, the “Strategic Transportation Investments” law (STI) allows NCDOT to use its funding more efficiently and effectively to enhance the state's infrastructure, while supporting economic growth, job creation and a higher quality of life. This process encourages thinking from a statewide and regional perspective while also providing flexibility to address local needs.

STI also establishes the Strategic Mobility Formula, a new way of allocating available revenues based on data-driven scoring and local input.

The data driven scoring with local input aspects of the Strategic Mobility Formula have proven successful in the efficient use of limited DOT funding. After 30 years of political decisions for road improvements under the “equity formula”, the current formula is making improvements based on current and future needs. The formula should continue under its current methodology.

Provide a Dedicated and Sustainable Funding Stream for Community Paramedicine

Several EMS Systems across North Carolina have initiated Community Paramedicine programs. These programs are meant to maximize EMS Systems’ value to their communities. Community Paramedicine programs enhance local health care systems and align well with the Institute for Healthcare Improvement’s Triple Aim (Better Care, Lower Costs, and Improved Health). This alignment comes through patient navigation and individual patient management. During the 2015-2017 budget appropriation, funding was allocated to compensate three community paramedicine programs (New Hanover \$210,000, McDowell \$70,000, and Wake \$70,000) for data collection to demonstrate the viability of these programs and to evaluate the possibility for long-term funding streams. The first report associated with this project is due back to the Legislature in early 2017. This report is anticipated to include projected cost savings for community paramedicine programs, as calculated by standard actuarial methods. Long-term funding for community paramedicine programs can be established through the reallocation of health care cost savings, but the pathway for such reimbursement must be created and defined.

Reinstate Conservation Tax Credit

In 1983, North Carolina became the first state to enact a state income tax credit for landowners who donate a conservation easement or conservation property. Qualified landowners who donated land or conservation easements in perpetuity to a qualified organization like a land trust could claim an

income tax credit (as opposed to a tax deduction) equal to 25 percent of the fair market value of donated property or easement (up to a maximum credit of \$250,000 for individuals and \$500,000 for corporations and partnerships). Any unused portion of the credit could be carried forward for five years.

However, in July 2013, the NC General Assembly, as part of a broader tax reform measure, repealed the NC Conservation Tax Credit, effective January 1, 2014. Therefore, landowners may no longer claim this state income tax credit. During its existence, the tax credit helped conserve approximately 250,000 acres of natural areas and farms throughout the state.

Continue to Include Medicaid Cost Settlement Funding in Healthcare Reform

Wake County, like all of the emergency medical service (EMS) providers in the state of North Carolina, is an integral component of a safety net for the medically fragile and disadvantaged. Wake County relies heavily on fees for service to provide this essential function to our citizens. The current Medicaid Fee Schedule for emergency medical services only provides between 14.6% and 24.8% of the cost of providing services (based on the statewide averages). This constitutes approximately 25% of the Medicaid reimbursement for EMS that Wake County receives. The additional 75% of Medicaid reimbursement comes from the North Carolina Medicaid Cost Report Settlement program. The Medicaid Cost Report Settlement program funding is federal dollars, but must be administered through the state repository. For Wake County, the North Carolina Medicaid Cost Report Settlement program accounts for approximately \$2.1M annually (~\$35M statewide to all governmental EMS providers). We want to make sure that these federal dollars continue to be included in all healthcare funding reform.

Promote Adoption of the Updated State Food Code

Wake County supports North Carolina's adoption of the updated food code for numerous health and safety reasons. Significant reductions in foodborne illness risk factors occurred when NC adopted the 2009 FDA Food Code. Also, many of the regulated chains in Wake County already recognize and use the science of the current FDA Food Code. Adoption of the updated food code will keep NC regulations current with best science.

Register of Deeds Public Records Request Fulfillment

Recently, multiple for-profit companies have contacted the Wake County Register of Deeds requesting specific forms of deed information to then use in their business or for resale to real estate firms. The Register of Deeds is requesting a change in statute to clarify that the current online system meets the intent of North Carolina's public record law. To aggregate the information as requested, each possible request could cost \$60,000 and require additional staff.

Medicaid Expansion

Provisions of the Affordable Care Act would have expanded Medicaid to all Americans under age 65 whose family income is at or below 133 percent of federal poverty guidelines by Jan. 1, 2014. With the ACA's "income disregard" provisions (known as modified adjusted gross income, or MAGI), the effective income threshold for Medicaid eligibility is 138 percent of federal poverty guidelines (or \$16,394 for an individual in 2016). As passed by Congress, states failing to participate in this expansion would have risked losing their entire federal Medicaid allotment. The Medicaid expansion provision of the law led to challenges that rose to the U.S. Supreme Court - on June 28, 2012 the court ruled that Congress may not make a state's existing Medicaid funds contingent upon compliance with Medicaid expansion. In practice, this ruling makes Medicaid expansion a voluntary action by states.¹

¹ National Association of State Legislatures

As of January 2016, 19 states were not expanding their programs. Medicaid eligibility for adults in states not expanding their programs is quite limited: the median income limit for parents in 2016 is just 44% of poverty, or an annual income of \$8,840 a year for a family of three, and in nearly all states not expanding, childless adults remain ineligible. Further, because the ACA envisioned low-income people receiving coverage through Medicaid, it does not provide financial assistance to people below poverty for other coverage options. As a result, in states that do not expand Medicaid, many adults fall into a “coverage gap” of having incomes above Medicaid eligibility limits but below the lower limit for Marketplace premium tax credits.²

Expansion of Medicaid in North Carolina would allow affordable access to healthcare for an estimated 500,000 residents.

² Kaiser Family Foundation