

Proposed 2018 Priorities Agenda

Commercial Property Tax Backfill - Counties consistently try to find efficiencies in how they spend taxpayer resources. The state made a commitment to backfill the revenue loss that was a result of the reduction in the commercial and industrial property tax rates. In addition, the changes in the multi residential rates will take effect in FY17 (and is not backfilled) which will have an additional adverse effect on local revenues. We expect the State to make sure it continues to follow through on its promise to backfill the property tax loss. *Figures to follow.

Mental Health Funding - We respectfully request that the legislature follow through on the recommendation of SF 504 and appoint an interim study committee to address the issues of mental health funding. These issues are simply too important to wait until we have another funding crisis. While regions work through the process of complying with the directives of SF 504, the legislature should keep its promise and discuss permanent funding solutions. In addition, we still strongly oppose any transfer of additional responsibilities from the state to regions without the commitment to provide additional resources. Without this commitment, the state would be placing an additional burden on local property taxes.

Water Quality - We support the funding of the Iowa Water and Land Legacy fund established by constitutional amendment. We also oppose any change to the current formula of allocation, encouraging the legislature to find new funding to address the water quality issues that affect Iowa's waterways. We would also ask the legislature to look closely at local partnerships that have been established and are having an effect. These efforts, including watershed management authorities, should be given the resources they need to make sure the work they are doing can continue. We believe that any solution that is considered should include a shared financial burden between both urban and rural partners.

Iowa Public Employees Retirement System: Iowa has *the most solvent and well-funded public retirement systems in the United States. It has maintained that status with conservative investment policies and conservative growth projection.* IPERS is an important and effective recruiting tool to help the state government agencies attract talented workers. We would encourage the legislature to carefully consider before any changes are made to the current system.

Opioid Epidemic - The UCC recognizes the spread of opioid-related abuse and deaths, including abuse and deaths related to the use of heroin, and the effects this abuse has on communities. The UCC encourages the General Assembly to seek measures that mitigate and curb the abuse opioids and other injection-drugs. We support the Attorney General and Governor's call to use opioid drugs as a last resort and not as a first response to pain management. As a part of this effort, we encourage the legislature to restore funding for drug courts.

Early Childhood Iowa: The Urban County Coalition urges the Legislature to enhance effectiveness of Early Childhood Iowa funds by removing the categorical restrictions on their use allowing ECI Governance Boards to address the unique local needs of at-risk families as documented in their Community Plans.

Additional Issues

Tax Credits: Tax credits play a major role in rebuilding communities. While we understand that these programs should be used judiciously, we believe that the current programs work (particularly the Historic Tax Credits), and any policy that proposes to change the way these credits currently work should be carefully balanced against the economic/tourist value if implemented.

Tax Increment Financing: We understand that this is an important tool (and one of the few left) to local governments to encourage economic development. Should changes be considered, we would like to find ways to help make counties more active partners in the use of TIF's.

Medicaid reimbursement to County owned facilities: Counties that still have county hospitals are not receiving the state set rate for RCF services. MCO's are paying the lower negotiated rate (80%). The counties in the UCC that are providing these services did not negotiate this rate and in the absence of a negotiated rate the MCO's should be required to pay the state rate. We believe that these issues can only be solved by returning to the previous system and abandoning the managed care initiative.

Restore Full funding for Decategorization: Funding for the Decat Boards is appropriated via 1.) Legislative Allocation 2.) Transfer of Child Welfare funds from the DHS Service Area Manager 3.) Transfer of funds from the Chief Juvenile Court Officer. In FY16 the Decat Boards did not receive the roughly \$5 million Transfer of DHS Child Welfare funds. This resulted in a nearly 80% decrease in funding for some Decat Boards and the elimination of many critical programs that help prevent children and family involvement in the child welfare and juvenile justice systems. The Urban County Coalition urges the Legislature to shift the primary funding for Decategorization away from Child Welfare Transfers to a comparable increase in annual legislative allocation to allow for improved fiscal planning.

Unfunded and Underfunded Mandates - We encourage the Legislature to act to reduce the instances of cost shifting identified and eliminate the burdens these place on property tax payers. The two areas that have the largest impact on local property taxes are colocation of state offices (DHS) and courthouse maintenance and security, but there are many others.

- **Housing State Offices at Local Taxpayer Expense –** Currently some counties are forced to house a variety of state agencies (DHS and the Courts, for example) and receive little or no reimbursement from the State. In addition, counties are forced to pay for expenses such as postage and office supplies at local taxpayer's expense. We request that the State no longer require that counties subsidize the local office expenses of state agencies. We would encourage the legislature to pay particular attention to the document storage requirements of the Department of Human Services,
- **Courthouse Security and expenses-** Like the housing of state agencies, local taxpayers are bearing the entire burden of upgrading, modifying, or even replacing aging courthouses. There is a court expense added to virtually every criminal or civil action but none of this money goes to pay actual courthouse expenses. We would request that the state allocate a portion of these funds to counties for courthouse maintenance and security. This is also an area where the state imposes costs on local governments by not moving the agencies to a paperless document storage program like it has other state agencies.
- **Paper Document Storage – Publishing Costs –** Reduce publishing costs to local governments to publish meeting, and legal notices on-line and require only a summary to be published in local print outlets. Additionally, allow counties to publish in only one newspaper. We would also encourage the legislature to provide a more clear definition of proceedings.

Emergency Management Agency Funding – The current funding formula does not adequately address the needs of the urban counties in Iowa. Eliminate the funding cap on urban counties. We also encourage the State to pass through 80% of the federal funding it receives to counties.

REAP and Trail Funding - We encourage the Legislature and the Governor to fully fund the program at the 20 million dollar level. We believe that these funds should be focused on identifying and addressing the issues of trail connectivity across our state.

County Bonding - We believe that in matters of public finance, counties should be treated in the same manner as cities. We support the provisions of SF 416, which allowed counties flexibility in bonding for certain projects that the cities currently enjoy. We also ask that the limit be raised to a consistent level with cities, currently five million dollars. In addition, the definitions of essential county purpose have not been updated to address new challenges faced by counties. We ask that the following categories be added to essential county purposes: disaster recovery, disaster mitigation, water quality initiatives, and courthouse improvements and upgrades.

EMS Services - Require counties to provide EMS services as an essential service.