



2024 Key Federal Issues

JANUARY 2024

Skagit County Commissioner Lisa Janicki, *President*
Eric Johnson, *Executive Director*

County Veteran Service Officers (CVSOs)

WSAC desires to have Veteran Service Officers serving all 39 counties as many veterans are not always aware of the benefits available to them. With the high presence of active and retired military personnel, **WSAC supports the Commitment to Veteran Support and Outreach Act (H.R. 984/S.106), to authorize federal funding to expand and strengthen County Veteran Service Officers (CVSOs).**

The Commitment to Veteran Support and Outreach (CVSO) Act (H.R. 984/S. 106) has been re-introduced in the 118th Congress by Reps. Mike Levin (D-Calif.), Chris Pappas (D-N.H.), Brad Finstad (R-Minn.) and Cathy McMorris Rodgers (R-Wash.) and Sens. Tammy Baldwin (D-Wis.) and Dan Sullivan (R-Alaska). The legislation would offer federal funding for CVSOs for the first time, authorizing annual award grants over five years to expand and support CVSOs or similar local entities. These funds will supplement and not supplant current state or local funding. CVSOs:

- are local county employees who work in partnership with the federal and state VA.
- Often are a veteran's first point of contact in the community for accessing services;
- Assist veterans in accessing a range of benefits, including service-connected benefits, enrollment in VA health care, VA home loans, education benefits and available job placement assistance.

Though CVSOs' primary focus is helping veterans navigate the federal benefits system, these offices are **currently funded almost entirely by counties**, with some state assistance. This creates challenges for areas with high demand or counties that serve veterans in rural areas. Local resource constraints can significantly hinder the ability of county governments to expand our CVSOs staff and services to sufficiently meet rising caseloads, resulting in long waiting lists that compound ongoing backlog issues at the VA. There is currently no federal funding directly available for CVSOs.

Medicaid Inmate Exclusion

WSAC asks Congress to address the crisis caused by this callous Medicaid Inmate Exclusion Policy (MIEP) that strips individuals, who are still presumed innocent, of their federal benefits.

The disruption in continuity of care for individuals caused by this federal regulation, especially for those with complex medical and behavioral health conditions, is of primary concern. This regulation impairs the ability to achieve good whole health outcomes as individuals transition in and out of our county jails and corrections system. Counties also struggle to contain uninsured costs when inmates lose benefits, driving medical costs up even further. WSAC is supportive of:

- The SUPPORT ACT Reauthorization (Substance Use Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities (SUPPORT) Act) that provides continued coverage for Medicaid individuals who are incarcerated and makes positive changes to the IMD exclusion.
- Reentry Act of 2023 (H.R. 2023/S.1165): Allows Medicaid payment for medical services furnished to an incarcerated individual during the 30-day period preceding the individual's release;
- The Due Process Continuity of Care Act (H.R. 3074/S.971): Allows pretrial detainees to receive Medicaid benefits at the option of the state; and
- The Equity in Pretrial Health Coverage Act (S.2194): Removes limitations under Medicaid, Medicare, CHIP, and the Department of Veterans Affairs on benefits for persons in custody pending disposition of charges.

Opioid Dependence, Overdose, and Fatalities

According to the Washington's Department of Health, 2,646 people died of a drug overdose (of which 1,803 were synthetic opioids) in 2022. In 2020 Washington State had 1,731 drug related deaths (of which 672 were synthetic opioids). (Opioid and Drug Overdose Data | Washington State Department of Health)

It is important to act swiftly in addressing this national emergency by providing additional resources and taking the steps outlined below. Recognizing that government cannot tackle this issue alone, county leaders are also calling upon private sector and non-governmental partners, including, but not limited to, manufacturers, pharmacies, and health care providers to be part of the solution.

Ongoing Support for Comprehensive State and Local Efforts

- Provide ongoing emergency and supplemental funding to help states and communities turn the tide on the substance use disorder epidemic.
- Support continued legislation, like the Comprehensive Addiction and Recovery Act 2.0 (CARA) that aims to stem the SUD crisis by providing federal support for local efforts to curb substance abuse.

Preventing & Identifying Addiction

- Increase funding to support youth early prevention and intervention programs to include funding for evidence based prevention programs.
- Provide funding to support local harm reduction strategies and programs.

Expanding Access to Treatment & Recovery

- **Change SAMHSA's intake and assessments from a 14-day requirement to a 90-day requirement.** This gives MAT (Medical Assisted Treatment) providers a chance to immediately stabilize a patient and create a relationship with them before asking difficult assessment questions about their previous criminal history or other sensitive areas.
- Reduce regulations that create barriers to providers accessing the supplies for supporting MAT/MOUD treatment and fentanyl testing supplies, including CLIA (Clinical Laboratory Improvement Amendments Waivers. Encourage FDA approval of a CLIA-waived point of care test for fentanyl. If this is truly an epidemic, we should have quick testing tools to identify fentanyl, just like we have for COVID.
- Eliminate bureaucracy. For example, the oversight of treatment medications used in MOUD/MAT remains a "multilateral system" involving states, SAMHSA, the Department of Health and Human Services (HHS), the Department of Justice (DOJ), and Drug Enforcement Administration (DEA). Too many different federal and state agencies regulate treatment facilities, which creates confusion and duplication of effort.
- Permanently eliminate the IMD exclusion to help provide the long-term certainty that states, counties, non-

governmental organizations, and private providers must fully expand access to inpatient treatment for Medicaid enrollees with an SUD.

Enhancing Support for Law Enforcement

- Reinstatement equitable sharing payments under the Department of Justice (DOJ) Asset Forfeiture Program.
- Provide funding support for Law enforcement deflection and diversion programs.
- Provide flexibility in federal funding to support local Law Enforcement Embedded Social Worker (LEESW) Program that helps clients navigate the complex social service system and to remove the barriers that exist between addiction and homelessness, to sobriety and housing.

Strengthen Interstate Collaboration to Stop Drugs Entering Washington State

- Collaborate with state and local governments to emphasize the prohibition of transporting drugs into Washington both interstate and across international borders. Fentanyl, in particular, has had devastating effects on our communities. Action needs to be taken to disrupt the flow of drugs from entering the U.S. and our state.

Secure Rural Schools

To help counties and school districts in rural communities recover revenues lost due to changing federal land management policies starting in the mid- 1980s, Congress passed HR 2389 in 2000 – otherwise known as the Secure Rural Schools and Community Self-Determination Act (SRS) (PL 106-393). This program provides funding to counties and school districts.

It is important that congress stabilize this program via a long-term or permanent reauthorization and funding of the Secure Rural Schools (SRS) program. In the short term, we support:

- Maintaining the current level of SRS payment;
- Restoring full funding of SRS;
- Providing for yearly election of Title II/III designation; and
- Allowing Resource Advisory Committee appointments to be made at the regional or local forest level.

We support restoring SRS funding levels back to historic 25 percent funding level counties received with inflation built into the payment mechanism.

In FFY22, Washington's counties (27 of 39) received \$17.3 million in SRS funding.

WSAC supports:

- H.R. 5030 – Secure Rural Schools Reauthorization Act of 2023 (Neguse (D-CO), McMorris Rodgers (R-WA), and Hoyle (D-OR))
- S. 2581 (IS) - Secure Rural Schools Reauthorization Act of 2023 (Crapo (R-ID), Wyden (D-OR), Risch (R-ID), Merkley (D-OR))

Payments in Lieu of Taxes

Washington State has 46% public land ownership, with the federal government owning and managing 30% of our State. In fact, one third of our counties have less than 40% privately owned land making Payments in Lieu of Taxes (PILT) a vital funding mechanism to ensure counties receive property tax-like compensation for federal lands within their boundaries.

In Federal Fiscal Year (FFY) 2023, Washington's counties (37 of 39) received \$27.1 million in PILT.

There are two other important payments provided to counties by the Federal Government:

- Refuge Revenue Sharing Act Payments to 25 counties, \$546,467 (FFY2022); and
- Department of Energy PILT (Hanford) for three Counties (Benton, Franklin, and Grant) that receive approximately \$811,747 (FFY2021).

Federal PILT is an important component of many counties' budgets. WSAC asks Congress to extend full, predictable, long-term (10+ years) and/or permanent, mandatory funding for the PILT program.

County	SRS/Fed FY 2022	PILT/Fed FY 2023	Dept of Energy FY 2021	Refuge (RRSA) Federal FY22	DFW PILT 2023	DNR PILT CY 2022	DNR/Timber 6Yr Annual Avg	Total	% of Total Revenue
Adams	-	66,244	-	6,853	3,455	932	-	77,485	0.07%
Asotin	70,299	192,437	-	553	49,870	-	-	313,159	0.28%
Benton	-	200,789	337,817	6,404	-	-	-	545,010	0.48%
Chelan	1,296,418	3,648,663	-	12,554	51,107	9,646	-	5,018,388	4.44%
Clallam	923,812	1,236,499	-	8,715	-	5,747	5,732,589	7,907,362	7.00%
Clark	3,409	2,535	-	32,260	-	2,330	2,644,127	2,684,661	2.38%
Columbia	128,482	445,105	-	771	20,713	-	-	595,071	0.53%
Cowlitz	129,532	29,007	-	1,874	-	1,216	906,135	1,067,764	0.95%
Douglas	2	183,951	-	-	-	153	-	184,106	0.16%
Ferry	760,857	898,561	-	-	36,048	-	-	1,695,466	1.50%
Franklin	-	190,729	164,235	94	-	204	-	355,262	0.31%
Garfield	118,808	280,891	-	-	19,842	-	-	419,541	0.37%
Grant	-	883,470	309,695	6,599	137,747	276	-	1,337,787	1.18%
Grays Harbor	374,357	302,487	-	4,733	75,955	70,122	1,983,440	2,811,095	2.49%
Island	-	2,364	-	-	-	-	-	2,364	0.00%
Jefferson	1,040,181	1,769,021	-	29,394	-	89,059	1,733,526	4,661,181	4.13%
King	205,151	1,017,602	-	-	-	355,862	2,738,183	4,316,799	3.82%
Kitsap	-	-	-	-	-	61,296	724,436	785,732	0.70%
Kittitas	638,272	1,291,922	-	-	451,954	241,259	-	2,623,406	2.32%
Klickitat	52,722	125,208	-	47,221	81,767	55,118	328,458	690,494	0.61%
Lewis	1,743,388	725,775	-	263	-	1,892	8,138,417	10,609,735	9.39%
Lincoln	-	281,957	-	-	13,642	325	-	295,924	0.26%
Mason	327,597	350,317	-	-	-	21,112	4,355,297	5,054,323	4.48%
Okanogan	1,845,365	3,142,410	-	1,178	501,207	79,230	-	5,569,390	4.93%
Pacific	-	8,143	-	75,937	-	27,940	2,523,517	2,635,537	2.33%
Pend Oreille	725,289	1,306,054	-	457	19,547	-	-	2,051,348	1.82%
Pierce	227,829	950,933	-	1,936	-	789	954,990	2,136,477	1.89%
San Juan	-	7,779	-	-	-	21,667	-	29,446	0.03%
Skagit	484,204	1,429,997	-	-	-	241,044	10,446,955	12,602,200	11.16%
Skamania	2,850,184	378,510	-	9,082	-	105,158	2,324,142	5,667,076	5.02%
Snohomish	627,474	1,663,329	-	-	-	256,146	7,071,593	9,618,542	8.52%
Spokane	-	6,482	-	65,424	-	20,670	-	92,576	0.08%
Stevens	343,604	706,798	-	182,691	-	3,034	107,050	1,343,177	1.19%
Thurston	1,116	1,355	-	23,431	-	134,727	5,922,188	6,082,817	5.39%
Wahkiakum	-	-	-	15,077	-	6,749	2,173,900	2,195,726	1.94%
Walla Walla	3,214	34,165	-	5,836	-	-	-	43,215	0.04%
Whatcom	987,291	2,254,709	-	-	-	5,370	2,628,987	5,876,356	5.20%
Whitman	-	67,294	-	-	-	153	-	67,447	0.06%
Yakima	1,394,460	1,044,486	-	7,130	410,437	22,724	-	2,879,238	2.55%
Totals:	17,303,316	27,127,978		546,467	1,873,292	1,841,953	63,437,930	112,942,682.88	100.00%

American Rescue Plan Act (ARPA) Funds

Washington’s 39 counties received \$1.5 billion in direct allocations from the American Rescue Plan in the form of State and Local Fiscal Recovery Funds (SLFRFs). In Washington State, counties are investing ARPA funds to meet a variety of important community priorities. SLFRFs were intended to be a flexible resource for local governments to address specific pandemic related impacts in the contexts of their unique communities. Counties have until December 31st, 2024 to obligate funds and must spend all SLFRFs by December 31st, 2026.

Counties received the first half of their funds in spring 2021, and the remainder of the funding in summer and fall 2022. Many counties immediately applied the first tranche of funding to emergent issues that arose from the pandemic, such as:

- Housing Assistance – Rental and Utilities
- Food Insecurity
- Small Business and Non-Profit Organization Support
- Childcare
- Technology, IT Security, and other County Facility upgrade for Courthouses, Jails, and County facilities to allow social distancing and ensure employee and public health and safety
- PPE, testing, and vaccine efforts
- Incentive pay for frontline workers

Funding has also been used to shore up community members and institutions that were negatively impacted by the pandemic, including:

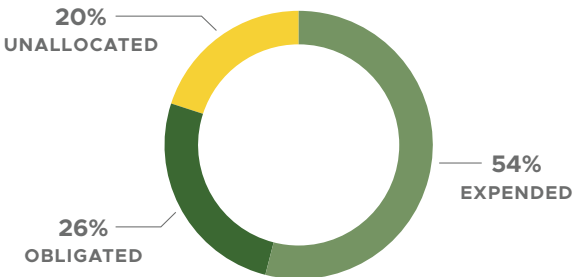
- Vulnerable populations including veterans, survivors of domestic violence, and the homeless.
- Small businesses
- Behavioral health providers
- Childcare providers
- Other Non-profit organizations serving vulnerable people

Counties are now working to apply the remainder of the funds to housing and infrastructure projects that will take

time to implement. Projects in Washington State include

- Broadband expansion projects
- Affordable Housing development
- Sewer and water treatment upgrades
- Projects intended to address the effects of sea-level rise

Despite not receiving the full allocation until fall of 2022, Washington’s counties have made significant headway



in planning, allocating, and obligating ARPA funds. As of December of 2023, 80% of SLFRFs received by counties have been obligated and 53% have been expended. ARPA has proven to be an essential funding source for counties during the pandemic recovery and counties continue to utilize these funds for community projects that would be impossible without this flexible, one-time disbursement of funding.

Counties are concerned about the recent changes to the definition of obligation in the Obligation Interim Final Rule published by Treasury in November, 2023. Most Counties in Washington are on track to obligate and spend their funds prior to the 2024 and 2026 deadlines. However, a 2-year deadline extension would provide flexibility for broadband projects and other large capital projects that take more time to implement.

Investments made in Washington Counties through ARPA funding have created stronger, healthier, and more resilient communities. These investments have allowed Counties to address impacts from the COVID-19 pandemic and to create new systems and supports that leave us better prepared for future crises.

SLFRF ALLOCATION AND SPENDING BY CATEGORY

- EXPENDED
- ALLOCATED

