



Written statement of

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OPENING

Speaker Ryan, Minority Leader Pelosi, Chairman Bishop and members of the U.S. House of Representatives Task Force on Intergovernmental Affairs, thank you for convening today's hearing to celebrate the creation of this new task force and begin building new and strengthened relationships between all levels of government. My name is Bryan Desloge and I am an elected county commissioner from Leon County, Florida and current president of the National Association of Counties (NACo). Founded in 1935, NACo assists America's 3,069 counties in pursuing excellence in public service to produce healthy, vibrant and safe counties.

This task force highlights the vital role of intergovernmental coordination as we serve our shared constituencies. We are excited about the opportunities this task force presents for collaboration, as well as the opportunity to work together to address many of our nation's challenges. We realize Congress is responsible for making important decisions for our country, and we want to be a reliable local partner in these efforts to enact policies that improve our communities and lives of people we serve. As state and local governments, we also hope this task force will provide us with a valuable avenue for sharing with you ways we are doing things differently and more effectively, in areas including economic competitiveness, health, public safety, infrastructure and much more.

In addition to sharing innovations and ideas for systems improvements, we hope this task force will open the door for increased intergovernmental collaboration on major legislative efforts. Health care reform will have significant financial and public health impacts on counties; tax reform efforts could threaten vital local funding mechanisms; future budgets from Congress will increase or cut programs local governments and residents utilize; infrastructure investments will need to boost both urban and rural communities; and regulatory reform, within reason, promises to further unlock local authority, flexibility and decision making. For all these issues, we stand ready as willing and able partners in finding solutions that benefits all our constituents.

As part of the launch of this important task force, we would like to use this opportunity to share with you our role as county governments, and specifically why a strong partnership with states and the federal government is critical to what we do. In short, we hope this will serve as a brief "Counties 101."

BRIEF HISTORY OF COUNTIES

The form of government known as a "county" can be traced as far back as the 9th and 10th centuries, where the Kingdom of England had established jurisdictions known as "shires," each

ruled by a Crown-appointed “earl” and run by a council of local landowners. Earls were responsible for a variety of duties including collecting tax, providing services for the poor, overseeing the public safety and justice, defending their land and implementing local infrastructure projects. At the same time, in France, a similar government structure took hold, where the local jurisdictions were ruled by “counts.” When William the Conqueror became King of England in 1066 he brought this system of “counts” with him, and “counties” became areas ruled by a count.

When the earliest English settlers landed in the New World, English-style county structures were instituted, establishing counties as one of the earliest forms of government in America. The first “shire” was formed in present-day Virginia in 1609, and formally recognized as a county in 1634 with seven other similar areas in Virginia as chartered by the appointed royal governor.

The county government form spread within the thirteen original colonies, and now 3,069 counties, boroughs and parishes, including 38 consolidated city county/governments, can be found across 48 states and the District of Columbia (counties are called “boroughs” in Alaska and “parishes” in Louisiana). Today’s counties are responsible for similar functions as those first shires in England, such as collecting taxes, providing public safety officers and maintaining infrastructure.

TYPES OF COUNTY RULE

While the county form originated with the colonies, today’s counties are primarily an extension of their states. Each state’s constitution provides for the creation and structure of counties, the ability to redraw boundaries and the governing functions a county must provide. Typically states govern their counties by one of two principles: the Dillon Rule or Home Rule.

The idea of counties as administrative arms of the state derives from Iowa Supreme Court Judge John F. Dillon, who in 1868 ruled counties must obtain “powers and rights” directly from the state legislature to be able to act for its citizens. This came to be known as the “Dillon Rule.” Counties operating under Dillon Rule may only administer what the state legislature has expressly allowed.

Counties under “Home Rule” or “charter” authority generally have greater flexibility and control in lawmaking. First instituted in California in 1911, Home Rule allows counties to hold their own governing authority within their boundaries and within their rule-making body, with the ability to legislate and act on areas not predetermined by the state. While most counties operate under Dillon Rule today, almost 1,000 counties have Home Rule. However, even under

Home Rule, counties can remain beholden to the state's legislature for a variety of functions through mandates and other laws, regardless of their ruling status.

No two counties are exactly the same. The organization and structure of today's 3,069 counties are charted under state constitutions or laws and are tailored to fit the needs and characteristics of each state and local area. However, nearly all counties are governed by locally elected officials, including more than 19,000 county elected executives and commissioners and another 18,000 independently elected constitutional officers, including sheriffs, coroners, district attorneys, public defenders, treasurers, clerks, auditors and assessors.

Though organizational structures vary, all county governments are on the front lines of building healthy, vibrant and safe communities.

COUNTIES MATTER

County governments affect the lives of Americans across the country every day and provide vital services, including those mandated by federal and state policies, as well as those requested by residents. Across the country, counties often keep important records – like birth certificates, marriage licenses, court documents and land records. Counties also:

- Build and maintain the largest share of public road miles, 46 percent; four out of every ten bridges and one-third of airports and public transportation systems,
- Support nearly 1,000 hospitals, 1,900 public health departments, 750 behavioral health centers and 900 skilled nursing facilities,
- Operate nine out of every ten local jails,
- Fund and manage 104,000 polling places for elections,
- Invest in human services such as foster care, workforce development and veterans programs, and
- Build a wide range of public infrastructure, such as libraries, community centers, parks and ports.

Counties are incredibly diverse with respect to population and geography, ranging in area from 26 square miles (Arlington County, Va.) to 87,860 square miles (North Slope Borough, Alaska). The population of counties varies from Loving County, Texas, with 112 residents, to Los Angeles County, California, which is home to 10.2 million people and would be the 8th largest state on its own. Only 40 counties have over one million residents, while 2,120 counties have populations under 50,000. In fact, half of the U.S. population resides in just 144 large urban counties, while roughly 2,900 counties are home to the other 50 percent of the population.

Forty-eight of the 50 states, plus the District of Columbia, have operational county governments. Connecticut and Rhode Island are divided into geographic regions called counties, but they do not have functioning governments.

All told, counties across the country serve almost 310 million residents, employ 3.6 million people and invest \$554 billion annually in programs and services. Counties also service vast areas of federal land: 63 percent of counties have federal land within their boundaries. In short, counties matter to America, and therefore federal policy matters to counties.

BARRIERS COUNTIES FACE

Although counties provide front line support for the health, safety and prosperity of communities and residents, many struggle to fulfill state and federal mandates and deliver essential services to constituents, as these mandates are often imposed without providing adequate funding. At the same time, states increasingly limit counties' capacity to raise revenue to fund their activities. In many cases counties have adopted additional fiscal solutions, but they are not sufficient to cover residents' needs.

According to NACo and state associations of counties, the current state of county finances shows four critical factors this task force should consider:

1. **States are limiting counties' revenue authority to fund essential services.** Property taxes and sales taxes are the primary revenue sources for most counties. While counties in 45 states collect property taxes, on average they keep less than a quarter of the property taxes collected in a state (23.7 percent), with states like Wisconsin and New York retaining as little as 8.2 and 9.9 percent of the property taxes they collect, respectively. The bulk of property taxes in a state (49.9 percent) goes to K-12 schools. All forty-five (45) states place limitations on county property tax authority, and the number of restrictions has expanded significantly since 1990s (nearly half of current state caps on county property taxing authority have been enacted or modified since 1990). Only 29 states authorize counties to collect sales taxes, but almost always under various restrictions: twenty-six (26) impose a sales tax limit and 19 require voter approval.
2. **Counties are struggling with more state and federal mandates that are not fully covered by state and federal aid.** Many county services are mandated by the states or the federal government, from activities in criminal justice and public safety, health and human services, transportation and infrastructure, to administration of elections and property assessments. Counties most frequently cite U.S. Environmental Protection

Agency (EPA) regulations as the largest federal mandate burden, however, NACo interviews reveal nearly three-quarters (73 percent) of states have escalated the number and/or cost of mandates for counties over the past decade, decreased state funding to counties over the past decade or imposed a combination of both.

- 3. Counties are adjusting to new fiscal challenges on the horizon.** Several developments are challenging local fiscal conditions across the nation. Marijuana legalization provided a new revenue stream for counties in only five of the 25 states that legalized its use prior to the November 2016 elections, but costs associated with potential substance abuse problems, public health issues and law enforcement and public safety considerations may prevent counties from receiving a net financial benefit. In 14 states, plummeting prices for oil and natural gas over the past two years have erased much of the annual severance tax revenue received by counties. Declining Secure Rural Schools payments from the federal government, due to a lack of reauthorization for the program as well as reduced timber receipts from federal lands, have impacted western and rural counties' budgets. The "sharing economy," a technological development best exemplified by Airbnb and Uber, is challenging county revenue structures. NACo interviews reveal counties in at least nine states experiencing fiscal losses because of home sharing, and others report other fiscal issues as technology alters local economies.
- 4. Counties are pursuing innovative solutions to ensure quality service delivery despite fiscal constraints.** Counties throughout the country partner with cities, other counties, nonprofit organizations and the private sector to deliver high-quality services to their residents in a cost-efficient manner. For example, Iowa counties are part of more than 23,000 agreements with other local governments for service delivery ranging from ambulance services to public libraries. Further, 37 states grant counties the authority to create and/or manage special-purpose tax districts to fund specific services, though in 22 of the 37 states, counties must first obtain voter approval. Finally, some states have passed legislation specifically meant to curb the imposition of unfunded mandates. For example, the Alabama state constitution requires a two-thirds approval of any such mandate by the state legislature, and the state cannot enforce the mandate until the following fiscal year. In short, counties are doing everything we can to make ends meet and serve our constituents.

The roles and responsibilities of county governments continuously evolve as local conditions and needs change with shifting economies, aging populations and overburdened infrastructure. Local elected officials are best equipped to understand the impact of legislation or administrative regulations on the county economy and county government budget.

EFFECTIVE INTERGOVERNMENTAL PARTNERSHIPS

We hope this task force will help federal lawmakers better understand the role counties play in implementing federal laws and regulations and increase awareness of the variability in counties across the country. One size fits all approaches rarely work for local governments. Counties need the state and the federal governments to provide predictable, sustained funding to cover for the compliance costs with the mandates they impose. Likewise, increased county autonomy regarding revenue generation and service provisions would relieve some of the fiscal pressures. While we are excited about the possibility of easing regulations and requirements, no amount of flexibility will be able to replace strong federal and state financial partners. The continued partnership with the state and federal governments is essential to counties' ability to effectively and successfully support thriving communities across the country, which often vary widely in size, fiscal capacity and economic strength.

As I mentioned, counties are often responsible for implementing and helping fund policies and programs established by the states and federal government. In many instances, we even function as co-regulators with the states and federal agencies, especially when it comes to environmental issues. Given these important intergovernmental roles and responsibilities, counties are more than mere stakeholders or interested members of the public – counties are intergovernmental partners.

Counties leverage federal, state and local resources to serve our whole communities in areas ranging from infrastructure to health to rural development. Many of these efforts are supported by critical federal and state discretionary funds. The Payment In lieu of Taxes (PILT) program, for example, reimburses counties for services provided on federal lands within their jurisdiction.

However, the county relationship with federal funding is not just on the discretionary side. County hospitals are often charged with serving those with little to no insurance, as well as those on Medicaid. In 28 states, counties even contribute to the non-federal/state share of Medicaid payments. In ten states, counties administer and operate general welfare and food stamps programs: the Temporary Assistance for Needy Families (TANF) program and the Supplemental Nutrition Assistance Program (SNAP). Counties even pay out of our own pockets in 27 states to support county veterans service officers who assist our veterans in receiving their VA benefits.

Ultimately, there are few federal and state programs that do not interact with counties in some manner, and we hope this task force encourages members of Congress to proactively consult state and local partners as they develop policy going forward.

CASE STUDY

Finally, I'd like to close with an example of the wide variety of services counties provide. Consider the opioid epidemic affecting so many parts of our country, and the different steps taken as local officials respond to an individual overdose incident:

- First, an overdose occurs
- Next, another individual calls 911 and a **county dispatch** answers
- **County law enforcement, emergency medical services or fire fighters** respond to the call
- If the individual needs further medical services, they are likely sent to a **county hospital or emergency clinic**
- If the individual is arrested, they are likely taken to a **county jail**
- If the overdose is fatal, the individual is taken to a **county coroner and medical officer**
- When they appear before court, there will be a **state or county prosecutor, public defender and judge**, and there will likely be a **county clerk** of the court
- After leaving jail, they will access **county reentry services** for job training, mental health needs and substance abuse or drug rehabilitation services
- Their family may access **county services** for foster care or child protective services
- Drug prevention efforts likely involve the **county sheriff** partnering with federal, state and local officials
- Finally, **county public health officials** are also responsible for disease control efforts as the epidemic spreads

Given the widespread role of counties in just this scenario, it is imperative that any federal and state responses to major issues include the voice of local governments to truly be effective.

CONCLUSION

Mr. Speaker, Madam Minority Leader and Mr. Chairman, I would like to thank you all again for your leadership in bringing this task force together. It is our sincere hope that this group will follow in the footsteps of the Advisory Commission on Intergovernmental Relations from decades past and help lift the voice of state and local governments as Congress and the Executive Branch consider new policies and regulations. To achieve this goal, we recommend the task force add state and local officials appointed by the organizations of the Advisory Council to the task force.

We are all interested in bringing our system of federalism back into balance, and any action should encourage and foster a true dialogue where the strengths of each partner, as well as the challenges they face, are understood by all parties involved.

Counties stand ready with innovative approaches and solutions to work side-by-side with our federal and state partners to ensure the health, well-being and safety of our citizens.

Thank you again for the opportunity to speak to you today, and I am happy to take any questions.