

# Federal Advocacy Platform

*The National Special Districts Coalition (NSDC) is the only national organization federally representing and advocating for all special districts. A key element of the Coalition's mission is federal advocacy for special districts to receive equitable access to critical programs available to other local governments.*

## Federal Priorities

### National Definition of Special Districts

Special districts are community-based and locally-organized political subdivisions of a state formed to provide specialized public service(s) that other forms of governments do not. Despite the important role special districts play in the daily lives of millions of Americans in providing a variety of essential services, including critical infrastructure, "special district" is not defined in U.S. Code. A top priority for the Coalition is to define "special district" in federal law to ensure districts have clear access to applicable federal programs.

#### *Defining "Special District"*

*NSDC collaborates with members of Congress to pass legislation defining "special district" to be a political subdivision of a State, formed pursuant to general law or special act of the State, for the purpose of performing one or more governmental or proprietary functions.*

#### *Jurisdictional Integrity*

NSDC advocates in favor of legislation fostering special districts' access to resources and supportive to their operations that would strengthen the communities they serve. Likewise, the Coalition opposes policies that would degrade the value of districts' services to their communities or create obstacles for community-formed governments to operate effectively, govern efficiently, exist, and preserve local control.

### COVID-19 Recovery

Access to federal COVID-19 financial assistance for state and local governments was the issue compelling the Coalition to unite in advocacy. NSDC is committed to advocating for special districts' inclusion in federally funded pandemic responses and ongoing economic recovery initiatives. As a national issue with many federal touchpoints, Coalition members have access to legislative advocacy resources created for state and local grassroots efforts.

COVID-19 relief advocacy priorities include special districts' access to state and local government relief programs that 1) reimburse expenditures made to respond, mitigate, and prevent the spread of the coronavirus, 2) address fiscal impacts stemming from low-income households' hardships to keep utility payments current, 3) cover revenue loss due to the pandemic, 4) support frontline workers responsible for continuity of critical public services, and 5) support economic stimulus and job programs, such as infrastructure investments, related to federal pandemic recovery efforts.

## Climate Adaptation & Community Resiliency

Special districts provide services susceptible to the effects of adverse impacts of climate change. Special districts, like other many local government entities, are taking steps to build resilient infrastructure to withstand extreme conditions. NSDC's priority is to enhance special districts' position as local government stakeholders in climate policy discussion. The Coalition's focus includes the following topics.

### *Wildfire mitigation and forest management*

NSDC's mission is to support policies and develop partnerships with stakeholders to achieve common goals for all disaster-impacted and disaster-prone special districts.

Many special districts provide essential services in communities prone to wildland fires, operating in the urban-wildland interface and in rural areas. Catastrophic, year-round wildfire risk is an increasing phenomenon resulting from climate change, forest management issues, and failures in utility infrastructure. Many special districts operate in urban-wildland interface regions facing direct wildfire threats to critical infrastructure. Further, water and irrigation districts sourcing water from fire-impacted watersheds are impacted due to contaminants and soil erosion these events create.

During the 2016-2020 fire seasons, 62 percent of acres burned were on federal land with 2020 reaching 70 percent<sup>1</sup>. With direct and indirect impacts on services, NSDC is focused on furthering policies providing U.S. Department of Agriculture, Department of Interior, and other federal agencies with tools for appropriate forest management, forest restoration, and post-fire/water quality mitigation efforts.

### *Drought impacts*

Drought impacts districts providing irrigated water for agricultural use, drinking water, natural resource conservation, wastewater, fire protection and more. NSDC seeks to support districts' drought-related adaptation and resilient infrastructure needs, including programs assisting special districts' preparation for and response to extreme drought. NSDC encourages programs that enhance water infrastructure, conservation, groundwater recharge, recycling, and storage.

### *Addressing extreme weather events*

The special districts services communities rely upon often become even more essential during extreme weather events and disasters. Special district facilities not only provide critical infrastructure – such as emergency response and rescue, healthcare and hospital, drinking water, wastewater treatment, stormwater capture, flood control services, and more – but are also serve as central hubs for resources and refuge. Special districts' community facilities are prime locations for community cooling stations, emergency shelters, safe rooms, and more.

As such, NSDC supports efforts to harden infrastructure and mitigate the impacts of extreme weather events. Programs designed to ensure local governments, including special districts, can adequately prepare for and efficiently respond to crises are critical. The Coalition supports development and implementation of programs meeting this need, and, accordingly, advocates for eligibility in the same fashion as other units of local government.

NSDC seeks to cultivate partnerships and communication with key federal agencies administering these programs, such as the Federal Emergency Management Agency and the Cybersecurity and Infrastructure Security Agency, to ensure districts are considered for relevant programming.

### *Cybersecurity*

The nation's special districts are no exception to the rising threat of hacks and ransomware attacks on critical infrastructure. Many special districts operate critical infrastructure on connected systems vulnerable in similar fashions as city, county, and state counterparts. Special districts deliver public services to millions of Americans and utilize online software to conduct financial transactions. NSDC supports policies bolstering programs to enhance readiness, threat assessment, and response capabilities for public agencies. The coalition works to enhance special districts' awareness of programs addressing cybersecurity policies and to connect special districts with federal resources addressing cyber threats.

### *Emergency Preparedness*

NSDC encourages all special districts to take measures to ensure continuity of services, responds to community needs, and take security measures before a crisis unfolds. Likewise, the Coalition supports programs to enhance public programs providing resources for agencies to adequately prepare for emergency. This includes, but is not limited to, ensuring special districts are considered in Federal Emergency Management Agency (FEMA)'s intergovernmental collaboration efforts as well as collaboration efforts from other federal agencies administering readiness and residency programs for public agencies. Furthermore, NSDC advocates for federal decisionmakers to consider special districts in guidance for critical public programs including FEMA's risk management and resiliency programs, as well as to be stakeholders in development of future public emergency preparedness programs.

## **Infrastructure**

Special districts exist to provide various elements of infrastructure filling gaps in services other units of governments do not provide. As such, special districts have a major stake in federal infrastructure initiatives. Among the Coalition's top federal legislative priorities is the passage of policies investing in the nation's physical and natural infrastructure and assuring special districts have definitive access to infrastructure programs, thus bettering district operations and services to millions of Americans.

### *Water Infrastructure*

Special districts provide millions of American households, businesses, agricultural enterprises, and a variety of institutions with drinking water, wastewater treatment, and irrigation services. Ensuring the integrity of water infrastructure for a supply of safe, clean drinking water is critical to the safety and viability of the communities that rely on their services. NSDC advocates for policies and inclusive implementation of programs enhancing these services

### *Community Facilities*

Special districts house many primary community facilities essential to the vitality of rural and urban communities alike. These services include, but are not limited to, fire stations, healthcare centers such as hospitals and medical clinics, libraries, community recreation, public water resources, and the buildings housing the staff to implement these programs. The coalition works to secure special districts' access to programs and funding that enhance these community facilities.

### *Electricity Grid Reliability and Renewable Energy*

Special district services rely on a steady flow of energy for the continuity of critical services. The Coalition advocates for electrical grid enhancements and investments in grid security, not only for those special districts

responsible for the generation, transmission, and delivery of public electricity but also those that rely on stable and consistent sources of energy to operate. This includes water districts that require pumping facilities for deliveries, healthcare districts that need power to operate lifesaving equipment, and emergency responders such as fire protection and ambulance providers to maintain communication during events. Further, to accommodate 21<sup>st</sup> Century energy solutions, NSDC supports programs fostering the development of renewable energy and the ability for special districts to utilize renewable energy to execute their essential services.

### *Natural Infrastructure*

The Coalition's platform includes support for policies investing in natural infrastructure such as the maintenance of federal forests and federal lands, enhancing watershed quality, flood control, flood plain management, and fostering quality development of recreation and open space. Many special districts offer, broadly, natural resource conservation services and, more specifically, essential services to communities in areas prone to natural disasters. These districts are stakeholders in natural infrastructure and mitigation activities. The Coalition embraces programs to address reasonable natural infrastructure investments with direct and indirect benefits for special districts.

### *Transit, Roads, and Bridges*

Special districts provide urban and regional transit services that keep many of America's commuters on the move. The Coalition supports programs that strengthen district-provided public transportation options and expand services into rural communities. Further, the Coalition supports programs investing in the nation's roads and bridges, and for the special districts providing these services to have access to such infrastructure funding.

### *Ports, Harbors, and Airports*

Special port, harbor, and airport districts share in the responsibility for the import and export of goods and services, as well as the movement of passengers, upon which entire regions and the nation depend. Many port and harbor special districts play an important role in their local economies, providing jobs, supporting businesses, and serving important coastal industries such as fishing and tourism. Airports also contribute to economic development and foster wide impacts on regional commerce. The Coalition recognizes the significance these districts play in regional and state economies, and likewise supports policies to ensure the operational integrity and enhancement of these districts.

### *Broadband*

Many special districts provide essential services in rural and remote communities that lack reliable internet access. This ability to connect to the worldwide web is critical for communities' sustainability, modernization and economic development. Special districts are uniquely positioned to offer – or facilitate – broadband services to communities currently lacking access and provide avenues to help close the digital divide. NSDC is a proponent of additional funding to proliferate reliable high-speed internet access to communities across the nation and is an advocate for districts capable of provide these services to receive the support needed to successfully connect all Americans.

### *Public Infrastructure Financing Tools*

To ensure special districts can successfully secure financing necessary to complete infrastructure projects, the Coalition is committed to advocacy supporting public infrastructure finance programs. Examples of such policies and programs including, but not limited to, the Water Infrastructure Finance and Innovation Act, Clean Water and

Drinking Water state revolving funds, and the U.S. Department of Agriculture Rural Development Communities Facilities Loan & Grant Program. The Coalition considers priority legislation that would reinstitute, amend, and expand provisions within the Federal Tax Code for private-activity bonds; advance refundings increasing the limits on bank-qualification pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended; and special tax credits or federal subsidies for either the bond issuer or the bondholder, similar to Build America Bonds, and Recovery Zone Bonds created under the American Recovery and Reinvestment Act.

Further, NSDC works to ensure special districts have equitable access to present and future municipal finance tools cities and counties use to plan for, execute, and complete public works and infrastructure projects.

NSDC supports policies that uphold the integrity and use of tax-exempt municipal bonds as a tool for special districts' long-term financial success. The Coalition also advocates for tax incentive programs that encourage private investments in infrastructure, such as Opportunity Zones and the New Markets Tax Credit Program.

### *Streamlining Regulatory Processes*

NSDC advocates for flexible and streamlined federal regulatory processes to enhance efficiencies and prevent hinderance of projects critical to executing the essential services special districts provide. The Coalition supports positive, balanced, and coordinated state and federal regulatory processes that would not threaten special districts' projects, prevent increased financial burdens on local government finance, and would not compromise environmental laws.

## **Access to Federal Funding**

Of utmost importance is special districts' access to federal funding programs intended to assist local governments. Special districts have long experienced barriers to funding opportunities, often required to seek access from other eligible units of government to acquire adequate resources to provide services. This is not always guaranteed. NSDC is devoted to collaborating with federal legislative representatives to ensure "special district" is defined in federal statute while also working with the U.S. Census Bureau to achieve special districts' recognition as a "geographic entity." Success of this key platform item will be measured in newfound eligibility for a variety of federal and state formula funding opportunities.

### *Grant and Formula Funding*

Upon successful efforts to secure a federal definition of "special district" and to gain status as geographic entities, NSDC will focus on securing special districts' direct eligibility for fundamental local government programming, such as the U.S. Department of Housing and Urban Development's Community Development Block Grant or population-based funding opportunities within U.S. Department of Agriculture Rural Development, U.S. Department of Transportation, and other departments that may execute funding opportunities of interest to special districts.

NSDC also supports amplified access to grant opportunities for rural, underserved communities, and to ensure these communities continue to have a voice in urban and rural funding opportunities.

### *Congressionally Directed Spending Opportunities*

Congressionally-Directed Spending Requests, also known as earmarks, made a comeback for Fiscal Year 2022. Absent the ability to readily access other federal program funds, these congressional requests pose a unique opportunity for special districts to request specific project funding. As long as the Congressionally-Directed Spending Request program is active, NSDC is committed to providing members resources needed for crafting and

submitting projects to members of Congress including program guidelines, timelines, and access to consultation services. NSDC does not endorse specific projects.

## Disadvantaged Communities

Special districts serve communities of all types, but many provide services to what could be considered a “disadvantaged community.” This term is not yet formally defined at the federal level. As federal policies begin ushering in the use of this term, the Coalition seeks a seat at the table to refine future legislative or regulatory actions setting the scope and meaning of “disadvantaged communities” and advocating on policies impacting special districts serving such communities.

## Federal Regulations

NSDC monitors and acts upon major federal regulations that broadly impacts special districts within policy areas deemed of significance for special districts. Regulatory topics of interest include water quality, the ability for special districts utilize federal funding, and other designated items the Coalition may deem significant for specific industries and types of districts. NSDC will continue to develop regulatory advocacy as the Coalition develops.

1 Congressional Research Services; *Wildfire Statistics*; May 4, 2021 - <https://fas.org/sgp/crs/misc/IF10244.pdf>

# Advocacy Efforts

## Hill Advocacy

The purpose of NSDC's legislative platform is to guide advocacy priorities and elevate special districts' voice in the halls of Congress. NSDC's advocacy team is devoted to connecting with members of the U.S. House of Representatives, U.S. Senate, and their staffs to convey understanding of special districts' services and the important roles they play in the daily lives of their constituents. Advocates communicate Coalition positions on current issues and legislation pending in the federal legislature, and they facilitate favorable policy outcomes.

## Relationship Building

The Coalition works to develop partnership with other local government advocacy organizations, such as the National Association of Counties and the National League of Cities, to collaborate on issues of shared importance and drive awareness of special districts' services.

Advocacy efforts ensure grassroots programs are successfully implemented in coordination with public education efforts, when applicable, and to connect federal representatives with NSDC members and their individual members, when necessary.

NSDC's federal advocates also work to connect and facilitate understanding of special district issues and needs to key federal agencies responsible for the execution of policies of importance to special districts' operations. The Coalition's federal relationship-building efforts are also focused on bringing federal resources to the state and grassroots level to engage with districts to achieve mutual goals.

## Education through Advocacy

A pillar of NSDC's mission is to build awareness through public and legislative affairs. Key points of legislative advocacy are to explain basics of what a special district is and how the structure of government differs from other units of government. Implemented similarly as certain elements of the national "Districts Make the Difference Campaign," federal advocates convey the fundamentals of how special districts the mechanisms in place for federal funding opportunities.