

Councilmember Nestor R. Garcia
Vice Chair
Chair, Council Committee on Budget

TRIP REPORT
National Association of Counties
Annual Legislative Conference
March 6-10, 2010

Introduction

The more things change – the more they stay the same! I looked back at the introduction to my last report on the 2009 NACo legislative conference – and the environment, both here in Honolulu and in our nation's capital – hasn't changed much. "The City and County of Honolulu is like many of its sister counties across the country: due to the economic downturn caused by the global financial crisis, local government budget problems have deteriorated, increasing pressure on officials at the city and county levels . . ." Yes, the same thing I said in last year's report! This year, as the budget chair yet again, I am also having to keep one eye "across the street", as the Hawaii State legislature is in the midst of dealing with its own growing budget deficits. And again, just as last year, the Hawaii State Legislature is considering takeaways from the counties.

The nation's capital is charged with excitement, as the President and the Congress are grappling over the historic attempt to reform health care across the country. A jobs bill, to deal with the crippling unemployment picture, is also under consideration. As a side show, the conference also took place as yet another ethics controversy exploded in Congress (this one involving freshman Democratic congressman from New York State, Eric Mazza). Of course, back at home, we are also wrestling with the ethics challenges of one of our own on the Council – member Rod Tam.

As with all NACo legislative conference sessions (held once again at the Marriot Wardman Park hotel), the conferees also get to meet with their respective Congressional delegations (our meeting was set for Wednesday, March 10th). And again, just as last year, Honolulu Council members also got to meet with representatives from the Federal Transit Administration (a so-called Permitted Interaction Group – yes, PIG – comprised of Chair Todd Apo, Floor Leader Ikaika Anderson, and Council members Romy Cachola and Ann Kobayashi, met with the FTA Administrator himself, Peter Rogoff, on Tuesday, March 9th). The topic: the \$5.5 billion elevated fixed guide way. The Final Environmental Impact Statement is in its final stages – and will be sent to Governor Linda Lingle for her review and approval.

This year, the NACO conference attendees from Honolulu included Chair Todd Apo, along with Council members Romy Cachola, Donavan Dela Cruz, Ann Kobayashi, and myself (the Vice Chair of the Council).

Finally, as Vice President of the Hawaii State Association of Counties, I helped coordinate efforts on behalf of the Hawaii delegation. The delegation included Council members from the counties of Kauai, Maui and Hawaii. Once again – Hawaii had the distinction of being only one of 20 states to have 100 percent attendance (having all counties within a state attend a NACO conference)! NOTE: there are 2,382 counties that are members of NACO.

The Weekend (March 6-7)

The weekend consisted mainly of various committee and board meetings. Our Hawaii representatives include Honolulu Council member Romy Cachola, Kauai Council member Derek Kawakami, and Maui Council member Joe Pontanilla as members of the NACO Board of

Directors; Councilmember Cachola with the Transportation Steering Committee; and Maui Council member Mike Victorino with the Environment, Energy and Land Use Steering Committee.

I also coordinated receipt of the Hawaii delegation's boxes of flower leis. The lei were among the omiyage which were distributed to key officers with NACO and, as always, were warmly received.

Monday, Mar. 8
Educational Session Block I
“Transportation Issues Are Hot – Or At Least Warm”

I make it a point each time I attend the NACO legislative conference to sit in on transportation sessions. This session featured three speakers – but I zeroed in on the woman who works for my former boss – U.S. Senator Daniel K. Inouye. He is the powerful chairman of the Senate Appropriations Committee. Ms. Rachel Milberg has served four years on the committee (she once worked for the Congressional Budget Office). She says she also answers to the chair of the Appropriations Sub-committee on Transportation, Senator Patty Murray of Washington State.

This year there has been a lot of excitement over high speed rail – and eventually having a high speed rail network across the country. The President has proposed some \$13 billion to start high speed rail. But there is also the work to be done on a new Reauthorization Bill for transportation (the former SAFE-TEA LU bill), as well as extending, and building, the nation's Highway Trust Fund. For now, transportation projects are largely being funded through appropriations measures. While much is being asked for various transportation projects across the country, Milberg warns that the discussion is being subdued by the growing anxiety over the ever increasing federal deficit. Sen. Murray has said that while she would like to continue to invest in more infrastructure, she is also concerned about maintaining what we already have in place.

Milberg spoke about the appropriations committee process – a committee that is tied to an annual cycle more so than any other committee. The 2010 appropriations bill has been enacted, signed by the President, and is being implemented. For the 2011 appropriations measures, the process is:

- The president submits his budget request to the Congress at the end of February.
- NOTE: the budget request from the Department of Transportation has, thus far, fared very well.
- Next comes a Budget Resolution. Here is where the Congress sets the framework and overall budget levels. The immediate concern here is the top-line numbers, what will eventually set the allocations. This is targeted for passage in April.
- The Appropriations Committee will undertake consideration of appropriations measures in Late June, Early July. The plan is to send its recommendations to the full Senate either before the August recess, or after.
- Final passage is to come before Sept 30 – in time for the start of the fiscal year in October. A stretch – since this is an election year.

There are other challenges this year, according to Milberg:

- The senators who sit on the Reauthorization measure are struggling over whether to fund new transportation modes vs. traditional modes like freight haulers and passenger trains.
- Should there be federal oversight with respect to safety for our transportation network?
- There is a push to establish stronger planning guidelines, and a call for strict performance standards.
- Other issues include rural requests vs. urban calls for assistance, traditional tail vs. high speed rail, and the need to establish an Authorization fund and a stronger Highway Trust fund vs. funding projects through the use of the general fund funneled through the Appropriations Committee.

Educational Session Block II “Improving Public Health Through Better Land Use Planning”

The only speaker here had a very interesting presentation – so much so that I am interested in applying on Honolulu what she did for her county in California. Dr. Ann Lindsay is the public health officer from Humboldt County, in northern California. She received a grant to do what’s called a Health Impact Assessment (HIA). An HIA is all about establishing healthy communities. For example – how we design our communities directly impacts how much people walk and how much time they spend in their cars. Her talk focused on how factors such as neighborhood walk-ability, vehicle miles traveled, and exposure to pollutants can actually be quantified to determine the health impacts resulting from land use planning decisions. Dr. Lindsay demonstrated how the use of an HIA, along with the web-based Health Development Measurement Tool (HDMT), can be used to quantify the impacts of both land use policies and individual projects on public health.

She says policymakers and administrators are social engineers – and that it is not about the design of a product – but how the user/customer/resident interacts with the product. Dr. Lindsay also observed that “rural is now the new suburban”, meaning that because of SUVs, solar power and other off-the-grid technologies, satellite TV and the Internet have enabled people to live with a measure of comfort in rural areas. She went on to say that cul-de-sacs only put people in their cars – so the community is not a walk able one. She says old-style communities (in urban areas) are more walk able, there tends to be more economic activity with small shops and other merchants vs. a newer community that features a super-mall. Dr. Lindsay also found that with expansion to the rural areas, people are farther away from schools and jobs (thus there are more vehicle miles traveled), that infrastructure is more expensive, and that more open space is lost.

Dr. Lindsay says where we live can indeed impact our health. She says that a healthy community must meet certain criteria:

- That it meets our basic needs;
- Has a quality and sustainable environment;
- There is adequate economic development (jobs);
- Features supportive and respectful social relationships.

She says an HIA can measure the health of a community – that it is about a qualitative and quantitative analysis of the health impacts of a project or a planning decision. She says you can arrive at the health measurements through citizen input, data collected from the field, and scientific literature. Interesting observation: if you have to drive more than two miles to the grocery store or run a similar errand – you are, on average, likely to be five pounds overweight!

General Session

The session this Monday afternoon led off with our NACo President, Valerie Brown (a Supervisor with Sonoma County, California). She is leading the discussion for the counties on the issue of national health care reform. Brown says for this legislative conference – there are 24 educational sessions and something called print-on-demand, which gives participants the opportunity to download presentations they otherwise would have completely missed because of scheduling conflicts with the various presentations. NACo also now has a Facebook page, and is also on Twitter.

Brown reminded the participants that this is the 75th anniversary of NACo – which was founded by counties in the western United States, which wanted equal representation in the nation's capital. NACo marched on DC in 1994 – which led to reforms the next year of unfunded mandates imposed on counties by the federal government. There are now some 2,382 counties that are members of NACo. This year – NACo's Corporate Premier Partner of the Year is Cisco Systems. Brown also noted that through NACo's Prescription Discount Program – participating counties have saved some \$250 million in prescription costs for their constituents.

Brown introduced the Guest Speaker of the afternoon: Joe Klein, columnist for Time magazine and the author of the non-fiction political tome, *Primary Colors*. Klein spoke of the time when he sat with (then presidential candidate) Barack Obama, who told him that a novel about him would be too boring!

Klein said that according to his observations, Democrats like to do a lot – and that they are an ambitious lot. Clinton would say after he left the presidency, he advised that a leader should build trust first – that you must also first show you can govern, so that people do not become more disillusioned about the government. Klein said in a recent poll that 56% of Americans fear that government is a threat to their rights. He said the president's poll ratings show him at less than 50% approval rating. Historically, the party of the president always loses seats in the Congress (average loss each year is 30 seats).

Klein said in the first year of the Obama administration, it was all about policy. Now, it is about politics. Klein says after President Bill Clinton left office – he realized that the most important thing to do first is to show that you can govern – to build trust – so that people do not come to dread government. Klein says in a recent CNN poll, 56 percent of Americans believe the federal government is a threat to their rights – shocking!

Klein says in the last 40 years, it has been shown that the party of the president loses control of one or both houses of Congress in off-year elections (the reverse was true only twice – in 1998 and 2002). Klein says if the presidential approval rating is less than 50%, the average loss in Congress of the president's party is 30 seats.

Klein says if healthcare passes this year – it will be because the Democrats will have won on two arguments: 1) that because of us, no one can take away your healthcare, and 2) that they have won over the seniors, because, among other things, the Democrats were able to

close the so-called “donut hole” in the Medicare prescription program (the gap in which seniors have to foot the entire cost of their medicine). Still, Klein says even if there is a healthcare bill that is enacted and signed into law – “this city will still be broken.”

So why go ahead with healthcare reform? Klein says three reasons: 1) the long-term financial problem with the ever-increasing cost of health care, 2) short-term moral problem; that 30 million Americans now go without any or adequate health care and 3) economic efficiency and the global economy. For example – for every car you buy, about \$1600 goes to pay for the health care costs of auto employees and retired auto employees. Also, for those who want to become entrepreneurs and start a new business, you are dissuaded from leaving your current job because you now enjoy health care from your company, and would risk losing that for you and your family if you start a new business and have to come up with health care for you, your family and your employees. With Obama’s healthcare bill – you will have so-called exchanges or healthcare supermarkets, especially for small businesses; you will have reforms that will guarantee health care even if you have a pre-existing condition and it will be coverage for millions who have little or no health care. For Republicans, Klein says this will be akin to a vast expansion of Medicaid, which would become a burden for the states.

Klein says the healthcare debate got clouded with issues such as death panels, abortion and the public option. Why? One reason: special interests. He cited the example of Daniel Webster, who, while he served in the U.S. Senate, was also on the payroll of the Bank of the United States. Special interests are not new – what is new is the rise of professional special interest groups like trade associations. These large groups can pay for a number of lobbyists, who are former Congressmen or former staffers who actually write the legislation for Congressmen. These trade associations also have money to pay for polls, political consultants and focus groups.

Klein says these trade associations on both sides of the healthcare reform issue came to the same conclusion: reform meant government takeover of health care. The left liked it – the right hated it.

Another reason for the cloud over the health care reform debate: the change in the nature of political parties. The wings of both parties have become stronger – and the moderates have left in droves (e.g. the impending departure of U.S. Senator Evan Bayh). Klein says the level of cooperation between the parties is now at an all-time low. He says 80% of all bills last year were filibustered!

He says the third reason – the unprecedented period of peace and prosperity since World War II. To be sure – there have been conflicts (regional like the Persian Gulf and Indochina or small scale like the invasion of Panama – my notes).

So Klein says – during this time – people have come to lose interest in politics. He says you see it also in the mass media – a sort of tribalization of the country – with groups forming around MTV, or ESPN – and the result is that the media has migrated towards infotainment. He says “we in the media have also lost our habits of citizenship.”

He says the only time we get together is when the news is about an airliner crashing into a skyscraper. Interestingly enough – Klein says he is optimistic because he sees the military as the means by which the American people will come together to solve problems.

That's because he sees the culture of the military – with its can-do attitude and sense of caring for one another – will help rebuild a sense of community in the country when these soldiers, sailors, airmen and marines retire and return to civilian life.

Tuesday, Mar. 9th
General Session

The session begins with a bang: the Speaker of the U.S. House herself, Nancy Pelosi. She acknowledges that the relationship between the counties and the federal government has been in doubt in the past – but she feels that these days, the relationship is strong, productive and balanced. For the most part – she spoke about the work Congress is doing to help the country. For example – she referred to the Stimulus bill, that she says generated 2 million jobs for the nation. She spoke of the \$178 million distributed through the Community Development Block Grant Program, and spoke about expanding broadband access for a number of our communities. She compared the last quarter of the Bush administration – which saw a minus 6.4 percent in GDP, compared to a year later, which now stands at a plus 5.9 percent.

She says back then, the DOW was at 6500 – and now, it stands above 10,500. She also says the country has seen 7 straight months of growth in our manufacturing base. She says Congress is working to extend the Highway Trust Fund, and to establish what is referred to as the HIRE program – a payroll tax credit to get businesses to hire employees. She says Congress is working to help President Obama with his three pillars – education, clean energy and health insurance reform.

Next up was U.S. Secretary of Health and Human Services, (former Kansas Governor) Kathleen Sibelius. She oversees one of the largest civilian departments in the federal government, with 67,000 employees. She says (interestingly enough!) that there are similarities between the period when NACo was first formed (in 1935) and today. Back then, as now, there was great anxiety and uncertainty, with the nation's economy in turmoil and high unemployment and people wondering if times would get any better. Immediately after she was sworn in as Secretary of HHS, she was rushed to the White House Situation Room, where she was briefed on the nature and scope of the H1N1 flu pandemic.

The Secretary says only 21 states use TANF funds as a means to create jobs. She also says only 20 percent of hospitals and only 10 percent of doctors use modern technology – the rest use methods that date back nearly to the time of Hippocrates. She says the Stimulus Bill helped to bring some members of these groups up-to-date. She says only 7 cents of every dollar is used for prevention and wellness – while 75 cents is used to treat the conditions underlying what ails people.

The third person to address the session was Melody Barnes, the Director of the White House Domestic Policy Council. She says she works to “align federal resources that support your work.” She says she likes to stress three things when it comes to those federal resources: that the aid is people-oriented, that it is place-based, and that the federal government coordinate the assistance with the stakeholders. She says to help bridge concerns, she called for the first inter-agency review of resources available to the states and counties – the first such review in some 20 years. Barnes says the local governments know the best way to resource and fund their communities.

She next spoke of new federal programs to help states and counties. She says HUD Secretary Donovan and Education Secretary Duncan are working on a program called "Promise Neighborhoods." The initiative calls for reforms that will enable children in poverty-stricken neighborhoods to secure a high school education. One way to do that is to try to rid the areas of poverty, and transform communities into functioning, mixed neighborhoods. She also spoke of funding what is called the Sustainable Communities Partnership – through so-called Tiger Grants (the White House is calling for about \$4 billion for federal Fiscal Year 2011).

Educational Session Block III "Energy Policy: Surging or Running Out Of Steam?"

First off was Sally Larson, with the Alliance to Save Energy (email her at SLarson@ASE.org). She says bills on energy and climate change probably will have to wait until after the Easter recess – with all the attention right now on healthcare reform. She says besides the President's measures – there is a bill co-sponsored by Senators Kerry, Lieberman and Graham. She says for the 111th Congress – the ASE's top priority is climate change legislation. But, she says it is unlikely something will pass this year – because of the increasing partisanship between the political parties, health care legislation fatigue, and the short Congressional calendar.

She spoke of an idea that would finance energy efficient investments, a program that would help homeowners and businesses pay the initial costs of off-the-grid technologies: the PACE program. Larson says there is another, similar measure, called HOMESTAR, which would help those interested in retrofitting their places with off-the-grid technologies through a tax credit.

Next came Craig Isakow, with the Office of Weatherization and Intergovernmental Programs, U.S. Department of Energy. He says in the past, the DOE invested in technology innovation and research and development. Isakow says the new approach called for the DOE to come together with some 2300 local communities. There is now emphasis on such things as energy efficiency retrofits, energy efficiency programs for buildings, and even energy efficient traffic signals and street lighting.

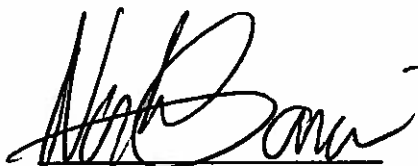
Wed. March 11th HSAC delegation visits Capitol Hill

As is customary at every NACo legislative conference in Washington, DC, the HSAC delegation meets with the members of the Hawaii Congressional delegation. Along with the members of the Honolulu City Council who were present (Council members Cachola, Kobayashi, Dela Cruz, Anderson, Apo and myself) we were joined by Council members Joe Pontanilla and Mike Victorino of Maui County, Dickie Chang and Derek Kawakami of Kauai County, and Emily Naole-Beason of Hawaii County. We met with Congresswoman Mazie Hirono, and Senators Daniel Akaka and Daniel Inouye.

There was a short courtesy visit with staffers with the office of former Congressman Neil Abercrombie, who had resigned at the end of February to focus full-time on his run for Governor of Hawaii.

At each stop – I made introductory remarks and spoke first on behalf of the City and County of Honolulu. I asked each of the members of Congress their perspective on healthcare reform (each of the members say they will push to exempt Hawaii from the legislation) and the ongoing effort to pass a jobs bill. Maui was next, and they spoke of the need for federal funding of a watershed management project (the Waikamoi Plume) and for an assessment of the Lahaina wastewater treatment plant and the related issue of the removal of injection wells. The Big Island had only one project – federal assistance in the form of a \$40 million project to help make Poohiki an area safe for swimming, as well as to develop an amphitheater and a cultural center on shore. Kauai had a number of projects in need of federal assistance – and had already spoken to the members of Congress before this visit to their offices.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Nestor Garcia", written over a horizontal line.

Nestor R. Garcia, Vice Chair
Honolulu City Council
Council District 9

City Council
City and County of Honolulu

CLAIM FOR TRAVEL REIMBURSEMENT

Date: March 17, 2010

Traveler: Nestor Garcia

Event: 2010 NACo Legislative Conference

Location: Washington, D.C.

Dates: From March 6, 2010 To March 10, 2010

Description	Amount	Notes
1. Registration Fee	\$465.00	Receipt attached
2. Airfare	\$889.00	DR: 3/5/10 6:05 pm RT: 3/11/10 6:05 pm
3. Hotel	\$1,173.65	
4. Meals	\$109.09	Receipts attached
5. Ground Transportation	\$71.00	Receipts attached
6. Tips	\$7.00	Receipts & tally tap attached
7. Other	\$25.00	Hotel business center receipts & tally tap attached
Other		
Other		
8. Adjustment		
TOTAL REIMBURSEMENT	\$2,739.74	

This is to certify that the above data, based upon receipts submitted to Council Administrative Support Services via a CCLTRVL02 form, is accurate. Further, I am claiming reimbursement for expenses associated with a trip in which City business was conducted and personal funds were used to advance payment:



Signature of Traveler

03/19/2010

Date