



**California Special  
Districts Association**  
*Districts Stronger Together*

April 15, 2020

The Honorable Steven Mnuchin, Secretary  
United States Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, D.C. 20220  
[via [LegAffairs@do.treas.gov](mailto:LegAffairs@do.treas.gov)]

**RE: Special Districts Need Further Clarity, Inclusion in Coronavirus Relief Fund Guidance**

Dear Secretary Mnuchin:

The California Special Districts Association (CSDA) respectfully requests the U.S. Department of Treasury (Department) revisit guidance issued April 13, 2020, regarding Coronavirus Relief Fund (Fund) disbursements to local governments pursuant to the Coronavirus Aid, Relief, and Economic Security (CARES) Act. CSDA represents over 1,000 special districts and affiliate organizations throughout California.

Special districts provide a wide variety of public services to urban, suburban and rural communities, including water supply, treatment and distribution; sewage collection and treatment; fire suppression and emergency medical response; hospital and community healthcare; electricity; resource conservation, open space, parks, and recreation; security and police protection; solid waste collection, transfer, recycling and disposal; library; cemetery; mosquito abatement and vector control; road construction and maintenance; and transit, airport, harbors and ports.

Unfortunately, the Department guidance does not provide clarity regarding the eligibility of special districts. Further guidance would be necessary to inform how a special district's funding would be disbursed, as many special districts' jurisdictions overlap with cities within a county as well. Sixteen California counties' populations surpass 500,000, within which several special districts serve more than 500,000 residents and have incurred substantial unbudgeted COVID-19 related costs.

Under the CARES Act, Title VI, Section 601(b)(2), a "unit of local government of a State" can apply to the Department if it serves a population greater than 500,000 based on the most recent Census data. Pursuant to Section 601(g)(2), "unit of local government" is defined to include a municipality, which is defined in Title IV, Subtitle A, Section 4002(7)(A) to include a political subdivision of a state. Special districts are distinctly established as political subdivisions of the state.

However, the Department's guidance focuses primarily on the breakdown of populations within counties and cities. The guidance provides a list of cities and counties eligible for direct funding and provides methodology for disbursement caps. This methodology does not provide guidance for how populations falling under multiple jurisdictions are addressed. For example, the guidance does not consider that the Orange County Mosquito and Vector Control District serves the entire County of Orange, making both jurisdictions' population more than 3 million. The question remains as to how the special district's Fund eligibility determination will be made.

Moreover, the Department's guidance will not only impact how the Coronavirus Relief Fund's direct disbursements are made from Treasury, but also how states may interpret disbursements of their respective shares of the Fund. Further, it could impact future laws addressing additional disbursements and assistance offered to local governments in future relief legislation.

Accordingly, CSDA respectfully requests the guidance be revised to specifically include special districts or any political subdivision of the state as eligible recipients pursuant to the Fund, and that the Department provide a formula on how funding caps for direct disbursements from the Fund will be made.

Thank you for your efforts on behalf of local governments throughout the country, and thank you for your consideration of special districts as we serve on the front lines of responding to our communities' immediate and ongoing needs. We stand ready to work with you and the Department on this and future initiatives to assist special districts across the country, which provide essential services to millions of Americans.

Should you have any questions related to this request, or if CSDA can provide any additional information, please feel free to contact our Deputy General Counsel, Mustafa Hessabi, at [mustafah@csla.net](mailto:mustafah@csla.net) or by calling 916-442-7887.

Thank you for your consideration,

A handwritten signature in black ink, appearing to read "Neil McCormick". The signature is fluid and cursive, with a large, sweeping "A" at the end.

Neil McCormick  
Chief Executive Officer