



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

March 20, 2020

The Honorable Nancy Pelosi, Speaker  
United States House of Representatives  
1236 Longworth House Office Building  
Washington, D.C. 20515

The Honorable Dianne Feinstein  
United States Senate  
331 Hart Senate Office Building  
Washington, D.C. 20510

The Honorable Kevin McCarthy, Leader  
United States House of Representatives  
2468 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Kamala Harris  
United States Senate  
12 Hart Senate Office Building  
Washington, D.C. 20510

**RE: Economic Impact of Coronavirus on Local Government Services and Employees**

Dear Speaker Pelosi, Leader McCarthy, Senator Feinstein, and Senator Harris:

On behalf of over 1,000 independent special districts and affiliates providing essential local services throughout California, the California Special Districts Association (CSDA) respectfully requests that **additional prospective federal aid packages or supplemental appropriations measures to address the economic impact of the coronavirus (COVID-19) pandemic include special districts**, as many have been and will be significantly harmed:

- Water, sanitation, and utility districts are enduring non-payment by residents unable to pay for services due to loss of employment income. These special districts provide the backbone infrastructure to the economies for their communities and regions.
- Recreation and park districts, library districts, and community services districts are canceling sports leagues, instructional classes, tours, fundraisers, and other programs that generate revenue to sustain their ongoing operations. These special districts serve as the connective tissue for quality of life in their community and often deliver critical childcare, health, and wellness services that families depend on.
- Transit, airport, port, and harbor districts are experiencing a sharp curtailment in ridership and revenue that will have an immediate impact on both employment and commerce, as noted in Governor Gavin Newsom's March 19, 2020 letter [enclosed].

As the next stimulus package is debated, CSDA would like to remind Congress that state and local employers must pay payroll taxes under 26 USC 3111, and must now meet new sick leave and family medical leave requirements, of which public agencies were exempted from the tax credit for the employer share of social security.

**CSDA urges Congress to treat state and local employers (including those exempt from 26 USC 3111) on par with private employers by allowing them to qualify for the payroll credits for the new requirements for paid sick leave and paid family leave.**

California Special Districts Association (CSDA)  
1112 I Street, Suite 200  
Sacramento, CA 95814  
T-916.442.7887  
[www.csda.net](http://www.csda.net)



Speaker Pelosi, Leader McCarthy, Senator Feinstein, and Senator Harris

Page 2

March 20, 2020

As the next stimulus package is expected to counter the current economic downturn, CSDA additionally requests Congress include language to:

- **Restore advance refunding of tax-exempt bonds (HR 2772)** so states and local governments and other qualifying entities can free up billions of dollars they can reallocate and spend on other projects which in turn, strengthens local infrastructure networks, and
- **Increase access to capital for small borrowers (HR 3967)** by increasing the bank qualified borrowing limit from \$10 million to \$30 million, and having it apply at the borrower level so the small issuers (both governmental and nonprofit) who may be hardest hit during the downturn can access capital for immediate project needs.

Thank you for your consideration,

Neil McCormick  
Chief Executive Officer

CC:

The Honorable Gavin Newsom  
Governor, State of California  
State Capitol  
Sacramento, CA 95814

Emily Brock, Director, Federal Liaison Center  
Government Finance Officers Association  
660 N Capitol Street, NW  
Washington, D.C. 20001  
United States