



California Special Districts Association
Districts Stronger Together



CALIFORNIA ASSOCIATION OF
RESOURCE CONSERVATION DISTRICTS



MVCAC
Mosquito and Vector Control Association of California



CMUA
CALIFORNIA MUNICIPAL UTILITIES ASSOCIATION



ACHD
ASSOCIATION OF CALIFORNIA HEALTHCARE DISTRICTS



San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT



June 2, 2020

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

The Honorable Kevin McCarthy, Leader
United States House of Representatives
2468 Rayburn 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 Kamala Harris
United States Senate
112 Hart Senate Office Building
Washington, D.C. 20510

RE: SUPPORT H.R. 7073 (Garamendi): The Special Districts Provide Essential Services Act

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

The undersigned coalition of California stakeholders representing the state's more than 2,000 special districts strongly supports Congressman John Garamendi's H.R. 7073, the Special Districts Provide Essential Services Act, which addresses specific special district needs due to the impact of COVID-19. We ask for you and your colleagues in the California Congressional Delegation to support this bill.

Millions of Californians rely on special districts to serve as the local government providing them with critical local infrastructure and essential services related to water, sanitation, fire protection, transportation, air quality, health care, resource conservation, parks, mosquito abatement, libraries, veterans' services, cemeteries, and more. CSDA has been in close contact with our membership throughout this health crisis regarding the adverse impact of COVID-19 on district operations. Several issues have become a common refrain as vitally important to ensure the continued delivery of services that special districts provide throughout the state. H.R. 7073 addresses three of these concerns as follows:

- **H.R. 7073 allows special districts direct access to the Coronavirus Relief Fund.** Under the bill, each state would be required to allocate no less than 5 percent of future Coronavirus Relief Fund disbursements received by the state to special districts. Doing so remedies concerns and uncertainty surrounding special districts' future access to much-needed assistance for previously-unbudgeted expenses and revenue loss due to COVID-19. Despite the Fund's allocation under CARES I, many states have not yet released their portion of the Fund to local governments as they look to close the gap on unforeseen budget deficits that project into the future. As you know, California alone has a \$54 billion gap to close over the next fiscal year. Designating special districts as eligible for the Fund would greatly assist in their attempts to both recoup revenue losses and backfill the increase in expenditures many have experienced due to a variety of pandemic-related expenses, which was estimated as of May 5 to be \$250 million for California's special districts.

- **H.R. 7073 specifically permits special districts to be considered “eligible issuers” of the Federal Reserve Board’s Municipal Liquidity Facility (MLF).** The Federal Reserve established the MLF to give states and municipalities access to capital. States, territories, tribes, cities with a population greater than 250,000 and counties with a population greater than 500,000 have access to the Fed’s tool. Despite special districts’ statutory authority to issue tax and revenue anticipation notes, they are currently not considered “eligible issuers” under the CARES Act. H.R. 7073 expands the Fed’s authorization to purchase these notes to include all special districts as “eligible issuers” for MLF.
- **H.R. 7073 would define the term “special district” within federal statute,** which is key for inclusion in fiscal relief funds. With the variety of services that special districts throughout the country deliver, it is important to have a clear understanding of what is – and what is not – a special district. The definition in the bill was developed through a collaborative and consensus-driven process by special district associations across the nation.

We appreciate your past support of local government in previous COVID-19 funding packages. Unfortunately, special districts have been largely omitted from many opportunities for relief in these prior bills, despite the essential services that they provide. H.R. 7073 accommodates the urgent needs of special districts and the millions of Americans they serve.

The undersigned organizations stand ready to work with you and your staff to achieve these goals and meet the challenges our communities, state, and nation face. Thank you for your consideration.

Sincerely,



Neil McCormick
Chief Executive Officer
California Special Districts Association



Karen Buhr
Executive Director
California Association of Resource Conservation Districts



Wayne Natri
Executive Officer
South Coast Air Quality Management District



Chief Steve Kovacs
President
Fire Districts Association of California



Peter Bonkrude
President
Mosquito & Vector Control Association of California



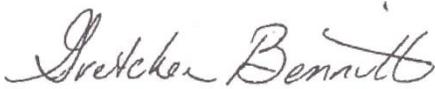
Deputy Chief Mike McLaughlin
Legislative Chief
California Fire Chiefs Association



Danielle Blacet-Hyden
Deputy Executive Director
California Municipal Utilities Association



Amber King
Chief Executive Officer
Association of California Healthcare Districts



Gretchen Bennitt
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California Air Pollution Control Officers Association



Mathew Duarte
Executive Director
California Association of Recreation and Park Districts



Erik White
Executive Director
Placer County Air Pollution Control District



Samir Sheikh
Executive Director/APCO
San Joaquin Valley Air Pollution Control District

CC:

Congressman John Garamendi
Members of the California Congressional Delegation