



June 2, 2020

The Honorable Nancy Pelosi  
Speaker  
House of Representatives  
Washington, D.C. 20515

The Honorable Mitch McConnell  
Majority Leader  
U.S. Senate  
Washington, D.C. 20510

The Honorable Kevin McCarthy  
Minority Leader  
House of Representatives  
Washington, D.C. 20515

The Honorable Charles Schumer  
Minority Leader  
United States Senate  
Washington, D.C. 20510

**RE: Supporting Special Districts in State and Local Government COVID-19 Relief**

Dear Speaker Pelosi, Leader McCarthy, Leader McConnell, and Leader Schumer,

The National Special Districts Coalitions (NSDC), on behalf of more than 30,000 special districts providing critical infrastructure and essential services to millions of Americans and communities across the nation, respectfully urges you to include special districts in the upcoming COVID-19 relief package for state and local governments.

Like cities and counties, special districts are local governments that serve our mutual constituents as political subdivisions of the state. Special districts are governed by boards of directors, hold open and public meetings, share public records, and provide Department of Homeland Security-designated critical infrastructure through public works projects. Despite employing essential workers to deliver essential services like water, sanitation, fire protection and healthcare districts (first responders), irrigation, transportation, natural resource conservation, mosquito abatement and vector control, parks, libraries, veterans' services, cemeteries, and more, special districts have been largely omitted from federal COVID-19 relief packages.

As special districts are specialized units of government, the CARES Act did not meet the needs of most special districts across the country. Specifically, the Coronavirus Relief Fund's eligibility was not inclusive of special districts, the U.S. Department of Treasury did not consider these local governments in its April 15 guidance on the program, and most states have released little or none of their Coronavirus Relief Fund shares to special districts. Special districts must provide COVID-19-related emergency paid leave with no access to the established payroll tax credit for doing so, further placing uncertainty onto mostly small, lean local governments. Finally, despite special districts' authority to issue revenue anticipation notes, they are unable to directly access the Federal Reserve's Municipal Liquidity Facilities (MLF) under CARES.

We ask that you and your colleagues support measures to remedy these deep concerns and permit their inclusion in the next COVID-19 relief bill pertaining to state and local governments:

- **H.R. 7073 (Garamendi), the Special Districts Provide Essential Services Act.** Under the bill, states would be required to allocate special districts no less than 5 percent of future appropriations. The legislation would also authorize the Federal Reserve to expand direct eligibility of the MLF program to all special districts. A definition for "special district" is also established in the bill.
- **H.R. 6643 (Schneider) and S. 3653 (Smith), the Supporting State and Local Leaders Act,** which would extend to state and local governments the payroll tax credit for providing COVID-19-related emergency sick and family leave. H.R. 6643 is a bipartisan measure that would alleviate special districts of the unfunded mandate instituted with the Families First Coronavirus Response Act.

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NSDC stands ready to provide additional information and work with you to assist our country's special districts and their essential workers in meeting the needs of our mutual constituents. Please feel free to contact Cole Karr at [colek@csda.net](mailto:colek@csda.net) with questions, or you may follow up with any of the undersigned leaders of our coalition.

We thank you for your tireless efforts to respond to the pandemic, and we appreciate your attention to these matters.

Sincerely



Neil McCormick  
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California Special Districts Association  
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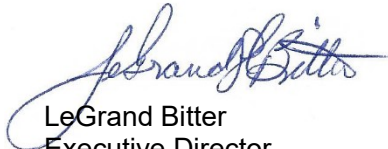
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CC:

California Congressional House Delegation, Senator Dianne Feinstein, Senator Kamala Harris  
Colorado Congressional House Delegation, Senator Michael Bennet, Senator Cory Gardner  
Florida Congressional House Delegation, Senator Marco Rubio, Senator Rick Scott  
Oregon Congressional House Delegation, Senator Ron Wyden, Senator Jeff Merkley  
Utah Congressional House Delegation, Senator Mike Lee, Senator Mitt Romney