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Graham Knaus

July 28, 2020

The Honorable Kamala Harris
112 Hart Senate Office Building
Washington, DC 20510

RE: NEXT ROUND OF FEDERAL SUPPORT FOR LOCAL COVID-19 RESPONSE

Dear Senator Harris:

On behalf of the California State Association of Counties (CSAC), I'm writing to once again express our appreciation to you for delivering much-needed federal resources to California's counties for ongoing coronavirus response and recovery efforts. As the House and Senate work to finalize the terms of a fifth COVID-19 relief package, CSAC applauds you for your continuing efforts aimed at ensuring that the legislation provides robust, direct and flexible federal fiscal support to counties of all sizes.

The federal financial assistance and emergency program funding that was included in the *CARES Act* and other previous coronavirus-relief measures has helped county governments respond to the health emergency and preserve essential public services during the pandemic and continuing economic crisis. Even after this assistance and financial support from the state, however, California's counties are still facing a projected \$2.3 billion shortfall in the revenues that are used to fund critical safety net services. Health, behavioral health, social services, and public safety programs are needed by vulnerable residents more than ever, but remain at significant risk of being cut due to declining sales tax revenues. Additional reductions in sales tax revenues are impacting other county services, including transportation projects, transit, and homelessness programs. Likewise, county general funds are facing billions more in losses from decreased hotel tax and local sales tax proceeds.

Without additional, direct and robust federal fiscal support, counties will be unable to continue to meet the ongoing, unprecedented demands for public health, emergency response, and other vital public services. Unfortunately, the coronavirus package released by Senate Republicans on July 27 does not include **any** funding for state and local fiscal relief. Failure to provide additional support for state and local governments will have dire consequences, including public employee furloughs and layoffs, as well as cuts to important programs and services.

In addition to providing a fresh infusion of federal fiscal aid, we urge you to ensure that the next COVID-19 package allows Coronavirus Relief Fund (CRF) dollars to be used in a more flexible manner. Specifically, entities that received CRF payments must be allowed to use the funds to cover lost revenues resulting from the pandemic. As passed by Congress, the *CARES Act* only permits states and local governments to spend CRF dollars to cover a

limited number of COVID-19-related expenditures. Additionally, the stipulation that state and local governments may only use payments from the Fund to cover COVID-19-related costs between March 1 and December 30, 2020 must be modified to allow entities to cover such costs in 2021.

Finally, CSAC recognizes that the next COVID-19 bill will very likely be the last piece of coronavirus-related legislation considered by Congress before the November elections. Accordingly, we strongly urge you to use this opportunity to provide much-needed resources for other critically important programs, including those that are designed to assist populations that are disproportionately impacted by the ongoing public health emergency. At a minimum, and consistent with the House-passed *HEROES Act* (HR 6800), Congress should provide a temporary 14 percentage point increase in the federal financial match for Medicaid/Medi-Cal and the Title IV-E foster care program. We also strongly support other provisions of the *HEROES Act*, including increased investments in public health, social services programs, nutrition assistance, housing and homelessness programs, and special hazard pay for essential public employees. Similarly, we support language of HR 6800 that would ensure that local governments have access to tax credits to help offset the costs of complying with the paid sick leave and family medical leave mandates of the *Families First Coronavirus Response Act* (PL 116-127).

Thank you again for your support and tireless efforts throughout this incredibly challenging time. As always, CSAC stands ready to continue working with you and your staff to ensure that all levels of government are providing a coordinated response to the public health and economic crisis.

Sincerely,



Graham Knaus
Executive Director