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April 30, 2020

The Honorable Dianne Feinstein
331 Hart Senate Office Building
Washington, DC 20510

RE: COVID-19 Response & Recovery

Dear Senator Feinstein:

On behalf of the California State Association of Counties (CSAC), I'm writing to once again express our deep gratitude to you for delivering desperately needed federal resources to California's counties amid the COVID-19 pandemic and growing economic crisis. The federal assistance approved, to date, is essential to the frontline work of county governments as we continue to respond to the public health crisis and provide other critical safety net services to the citizens of California.

Despite the recent investments, counties cannot continue to meet the unprecedented demands in public health, emergency response, and other vital services without additional, immediate federal support. Coupled with rapidly declining local revenues, the increasing demands on county-delivered safety net services makes our situation untenable and puts the health and security of the public at risk. As you and your colleagues discuss the next phase of coronavirus relief, we urge you to make the following request a top priority for inclusion in the forthcoming legislative package:

Direct Federal Fiscal Relief for Counties

CSAC is grateful to Congress for creating the \$150 billion Coronavirus Relief Fund (CRF) as part of the CARES Act. While localities with a population of over 500,000 are receiving direct CRF awards from the Department of the Treasury, well over two-thirds of counties in California are not receiving *any* fiscal support despite the fact that all 58 counties are facing unparalleled demands for essential public services. This spike in demand comes at a time when numerous local revenue streams are being significantly eroded by the severe economic downturn.

To help alleviate the twin pressures of burgeoning COVID-19 expenses and lost revenues, CSAC strongly urges that the next coronavirus response bill include the following:

- \$5 billion in federal fiscal relief funds to California's counties
- Funding must be available to mitigate direct and indirect COVID-19 costs, revenue losses, and temporary expansion of benefits
- Three-year expenditure authority on all fiscal relief funding
- Maximum flexibility on the use of CRF funds under the CARES Act

Without this desperately needed federal aid, the local response to the public health crisis will be gravely compromised and the prospect of reopening California and initiating an economic recovery will be significantly hindered.

While direct federal fiscal relief for counties is CSAC's top priority for the next COVID-19 response bill, there are a number of other critically important items that we believe should be addressed in the upcoming legislative package, including:

Increased Funding for Public Health

CSAC applauds the public health investments in the *Coronavirus Preparedness and Response Supplemental Appropriations Act* (PL 116-123), the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act; PL 116-136), and the *Paycheck Protection Program and Health Care Enhancement Act* (PL 116-139). Given ongoing demands on our public health system and the uncertainty of the pandemic's trajectory, additional Centers for Disease Control and Prevention (CDC) funding will be necessary to enable public health departments to continue to conduct essential activities, including surveillance, epidemiology, infection control, mitigation, communications, and other preparedness and response measures.

Extend Payroll Tax Credits to Public Agencies for Paid Sick Leave & Family Medical Leave

The *Families First Coronavirus Response Act* (PL 116-127) expands paid sick leave and family medical leave requirements for all state and local public agency employers, as well as many private sector businesses. However, while private sector employers are allowed to receive a tax credit to offset the cost of complying with these mandates, public sector employers are explicitly prohibited from receiving the benefit. We urge you to work to ensure that the next coronavirus response bill allows states and local governments to access these important tax credits.

Increase the SNAP Benefit by 15 Percent

CSAC welcomed the nutrition investments included in PL 116-123 and PL 116-127. At the same time, we believe more needs to be done to meet the nutritional demands at the state and local level. Specifically, CSAC supports a 15 percent increase in the maximum Supplemental Nutrition Assistance Program (SNAP)/CalFresh benefit. Increasing SNAP not only provides additional support to families, it results in a multiplier effect in the economy. The USDA estimates that for every one SNAP dollar spent, \$1.70 is generated in economic activity.

Health and Human Services

Increase the Federal Match for Medicaid & Foster Care by 12 Percentage Points

PL 116-127 included a 6.2 percentage point increase in the federal match for Medicaid/Medi-Cal and the Title IV-E foster care program. As unemployment increases, however, further stress will be placed on our health and human services systems. Similarly, as families lose their health insurance coverage, more will become eligible for Medicaid. These financial stresses also will increase demands on our child welfare and foster care system, which are designed to protect children and support families in crisis. To help alleviate this pressure, we support increasing the temporary Medicaid and Title IV-E match to 12 percentage points, as recommended by the National Governors Association.

Increase Funding for TANF and SSBG

Due to the economic fallout of the COVID-19 pandemic, counties will likely see an increase in Temporary Assistance for Needy Families (TANF)/CalWORKs caseloads. Accordingly, we support establishing an emergency contingency fund for the TANF program, with funding tied to proportionate TANF caseload growth and the current state and county investment in the program. A similar investment was provided under the 2009 *American Recovery and Reinvestment Act* (ARRA).

Congress also should approve \$4.1 billion in supplemental Social Services Block Grant (SSBG) funding to provide states and counties with additional, flexible sources of federal support to address locally-identified needs. SSBG funds are often used to bolster adult protective services and child welfare programs, both of which provide support for individuals who are especially vulnerable during a crisis.

Increase Child Welfare Funding

CSAC supports increases in Title IV-B and *Child Abuse Prevention and Treatment Act* (CAPTA) funding. These funds would ensure that the county child protection system can adapt and respond quickly to reports of child abuse and address barriers to ordinary service delivery during the pandemic. While the reports of mistreatment have decreased, counties know from experience that it is likely due to the lack of a child's interaction with school staff, neighbors, and others who are often the first to notify agencies of possible maltreatment. Increased funding also would ensure that the child protection workforce has the necessary technological and protective resources to continue to serve children and their families.

Extend California's Medicaid Waivers

CSAC supports extending for at least one year California's Section 1115 Medicaid waivers, which are set to expire on December 31, 2020 as provided by the *Take Responsibility for Workers and Families Act* (HR 6379, Section 70114: "Extension of Existing Section 1115 Demonstration Projects"). Counties and the State are diverting nearly all resources to meet the challenge of the COVID-19 pandemic and therefore do not have the capacity to engage in substantive discussions to develop a new waiver.

Delay/Prohibit Implementation of the Medicaid Fiscal Accountability Regulation (MFAR)

CSAC supports delaying or prohibiting the implementation of a final rule on MFAR, which would make significant changes to the methods states and counties use to finance the non-federal share of Medicaid. If finalized, MFAR could destabilize the financial underpinnings of states' Medicaid programs at exactly the time when our systems are responding to the COVID-19 pandemic.

Housing and Homelessness

Provide Funding to States and Localities to Mitigate Housing Insecurity

CSAC supports the creation of an emergency assistance fund (EAF) – like the EAF outlined in the Eviction Crisis Act (S 3030) – to help prevent evictions or tax foreclosures by providing short-term financial assistance and housing stabilization services.

Increase Community Development Block Grant (CDBG) Funding

CSAC supported the \$5 billion in CDBG funding approved in PL 116-136 to enable counties and cities to address the economic and housing impacts caused by the coronavirus pandemic. Additional investments are necessary, however. The CDBG program provides an extremely flexible and readily available resource for a wide range of activities to prevent and respond to COVID-19.

Increase Homeless Assistance Grants

CSAC applauds the \$4 billion in Emergency Solutions Grant (ESG) funding in PL 116-136 to help address the homelessness crisis, which has been exacerbated by the pandemic. California's counties support additional increases in funding for HUD's Homeless Assistance Grants, which fund core homelessness programs, including the Continuum of Care (CoC) program and the ESG program.

Promote Economic Recovery Through Investment in Infrastructure

Including an infrastructure package as part of the next coronavirus relief bill would help alleviate some of the fiscal damage caused by the coronavirus while spurring long-term economic recovery. An ideal way to stimulate local economies and create jobs is for Congress to provide *direct* federal funding to local governments as part of a broader transportation stimulus package. Such an investment will facilitate the delivery of key road, bridge and public transportation projects, including much needed dollars for maintenance and preservation of the current transportation system.

As driving and fuel consumption decrease while residents observe "safer at home" orders, local governments in California are projecting losses of hundreds of millions of dollars in fuel tax revenues. These revenues were already dedicated to local road maintenance projects, safety improvements, bicycle and pedestrian projects, and local match for federally-funded projects—and the vast majority of all of these projects will be built by private contractors. In addition to preventing delays or cancellations of hundreds of already-planned projects, local agencies in California could use federal stimulus funding to advertise for construction of an additional \$110 million in local bridge projects today, and another \$374 million within six months. Similarly, we estimate that local agencies could quickly deliver an additional \$200 million in local Highway Safety Improvement Program projects.

Finally, we urge you to work toward inclusion of a multi-year surface transportation reauthorization bill with a long-term fix for the Highway Trust Fund.

Rural Development and Support

Approve Long-term Reauthorizations of PILT and SRS

CSAC urges Congress to approve long-term reauthorizations of the Payments-in-Lieu-of-Taxes (PILT) program and the Secure Rural Schools (SRS) program. California's rural counties need predictable revenue streams now more than ever, and renewing PILT and SRS will provide increased fiscal certainty and stability for our communities. PILT funding allows counties to provide an array public services on tax-exempt lands, including solid waste disposal, law enforcement, search and rescue operations, environmental compliance, and firefighting. Counties use SRS funding to maintain local roads and other public infrastructure, operate search and rescue missions, and provide other essential local services.

Increase Funding for Broadband

As much of the country has been forced to transition to remote work and distance learning platforms during the pandemic, the limits of our broadband infrastructure continues to be tested. Moreover, access to E-government and telehealth services have become more crucial than ever. Nevertheless, there are those who continue to lack access to high-speed broadband. Federal investment should be made to deploy secure and resilient broadband and expand access for communities nationwide,

particularly for unserved and underserved rural areas. Such an investment would help create stronger small businesses and more jobs in communities that have been left behind.

Thank you again for all your tireless work during this incredibly challenging time. We stand ready to continue working with you to ensure that all levels of government are providing a coordinated response to this public health and economic crisis.

Respectfully,

A handwritten signature in blue ink, appearing to read 'GKnaus', is positioned above the typed name.

Graham Knaus
Executive Director