



July 9, 2020

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

The Honorable Dr. Ami Bera
United States House of Representatives
1727 Longworth House Office Building
Washington, DC 20515

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

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

Dear Senator Feinstein, Senator Harris, and Congressman Ami Bera.

The Cosumnes Community Services District 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, veterans memorial districts, and community services districts are canceling sports leagues, instructional classes, tours, fundraisers, and other programs, events, and gatherings 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.

As the next stimulus package is debated, Cosumnes Community Services District 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.

The Cosumnes Community Services District] 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.

As the next stimulus package is expected to counter the current economic downturn, the Cosumnes Community Services District 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,



Joshua Green,
General Manager
Cosumnes Community Services District

CC:

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

California Special Districts Association [via advocacy@cdda.net]