



December 1, 2020

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RE: COVID-19 RELIEF

Dear Members of the California Congressional Delegation:

On behalf of the California State Association of Counties (CSAC), I'm writing to urge you to approve legislation that provides additional federal fiscal support for ongoing state and local COVID-19 response efforts. As coronavirus caseloads and costs continue to spike across our state, it is more critical than ever that counties have the resources and capacity to effectively respond to the impacts of this severe and ongoing public health and economic crisis.

As I'm sure you're well aware, coronavirus hospitalizations in California are now at an all-time high. Moreover, and on the heels of the recent holiday weekend, COVID-19 cases are expected to surge even further, putting additional strain on public health systems throughout our state. In a sign of how dire the situation has become, it is projected that California could run out of ICU beds before Christmas Eve.

In response to the surge in cases, the California Department of Public Health has now placed more than 50 of the State's 58 counties in the state's highest COVID-19 risk-level assessment category, and Governor Newsom is considering another stay at home order. The public health need to limit gatherings and reduce risk in workplaces and businesses is clear, but additional restrictions will continue to impact local economies, working Californians, and further erode already dwindling sales tax revenues. The resulting budgetary impact to county governments is significant, as these revenues help fund critical safety net services, including health, behavioral health, social services, and public safety programs. The reduction in sales and other local tax revenues are also 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 other local tax proceeds.

While previously approved federal COVID-19-related financial assistance and emergency program funding has helped counties in their response to the pandemic, increased federal support is needed as the pandemic stretches into 2021. When this aid ends at the end of the year, the ability of counties to perform the testing, contact tracing, and other essential elements of the public health response and county operations will be severely hampered. Furthermore, the end of existing enhanced unemployment benefits and other federal aid to individuals will create a tremendous strain on county budgets as more individuals turn to the services and assistance that counties provide. In light of skyrocketing coronavirus caseloads and hospitalizations – and with full-scale vaccine distribution still months away – counties must receive additional direct federal assistance to meet ongoing and future demands for public health, emergency response, and other vital public services.

Finally, in addition to providing a fresh infusion of federal fiscal aid directly to counties, we urge you to ensure that any year-end legislative package allows aid to be used in a flexible manner. Specifically, entities must be permitted to use federal funds to cover COVID-19-related expenditures *and* lost revenues resulting from the pandemic. Additionally, the stipulation that state and local governments may only use payments from the Coronavirus Relief Fund (CRF) to cover COVID-19-related costs incurred up until December 30, 2020 should be modified to allow those entities to cover such costs in 2021.

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 this unprecedented public health and economic crisis.

Sincerely,

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

Graham Knaus
Executive Director