



October 2, 2013

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Dear Members of the California Congressional Delegation:

On behalf of the California State Association of Counties (CSAC), I am writing to express our concerns regarding the ongoing shutdown of the federal government. While we understand that the current stalemate on Capitol Hill stems from disagreements over healthcare implementation, we want to remind Members that the continued absence of funding for federal departments and agencies has an impact on local government programs and the constituents we serve.

Although essential government services will continue during the shutdown, particularly those related to public safety, many discretionary programs are at risk. Unless there are carryover funds available from the previous fiscal year, many important local programs and services could be halted, including certain health and human services programs, housing activities, and justice initiatives. Because many of these grant programs are managed and processed by federal officials, it is anticipated that the administration of these programs will be slowed and, in some cases, stopped.

Notably, reports indicate that delivery of a number of services in our local communities are already experiencing interruption due to the shutdown. For example, while veteran hospitals remain open, other veteran support services, such as benefit application and administrative support services, have been suspended. Additionally, Social Security Administration support services are not available to beneficiaries.

With regard to the municipal bond market, the shutdown could impact local governments that are preparing to issue bonds, especially in the case of projects that have a significant federal funding component, including highway and mass transit projects and Section 8 affordable housing. In such cases, counties and cities may elect to delay going to market if there is concern that the uncertainty caused by the government shutdown will result in higher borrowing costs.

Sequestration has already forced county governments to do more with less, and the current interruption of federal funding will only serve to put additional pressure on counties and our citizens. As Congress continues its debate over a new funding agreement, CSAC strongly urges you to consider the impact that a sustained government shutdown will have on local governments and communities.

Thank you for your consideration of our views. If you have any questions or need any additional information, please feel free to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Matthew Z. Cate".

Matt Cate
CSAC Executive Director