

Washington Update

COUNTY OF SANTA BARBARA

April 27, 2020

PANDEMIC DISRUPTION

We continue to advocate for assistance to the County in the current pandemic emergency. We are in regular contact with CEO Miyasato and her staff regarding the County's priorities and most pressing needs. We are also coordinating our advocacy with NACo and other local government representatives to address the many issues impacting the County.

So far, the following legislative packages have been enacted:

- Round 1: H.R. 6074, the *Coronavirus Preparedness and Response Supplemental Appropriations Act*. This \$8 billion package focused on preparedness.
- Round 2: H.R. 6201, the *Families First Coronavirus Response Act*. This \$192 billion package emphasized virus testing and procurement of medical supplies. New paid sick leave and family leave requirements were also included.
- Round 3: H.R. 748, the *Coronavirus Aid, Relief, and Economic Security (CARES) Act*. This \$1.76 trillion package included provisions to mitigate the impacts on individuals and businesses, funding for health care providers, and supplemental appropriations for federal programs that have been taxed by responding to the emergency.
- Round 3.5/Interim bill: H.R. 266, the *Paycheck Protection Program and Health Care Enhancement Act*. Intended to provide immediately needed funding for the SBA Paycheck Protection Program of forgivable loans, this \$483 billion package also included funding for hospitals and health care providers.

FUNDING FOR LOCAL GOVERNMENT STABILIZATION

We are continuing to advocate for legislation to provide fiscal relief to the County of Santa Barbara in light of the extensive responsibilities that must be addressed despite significant revenue losses due to the economic impact of the present health emergency. As part of these efforts, we provided information prepared by County staff on the fiscal impact of the crisis to our local delegation for their use in advocating for this funding and assisted CEO Miyasato in her direct advocacy on this issue.

During consideration of the Round 3.5/Interim Package (H.R. 266, the *Paycheck Protection Program and Health Care Enhancement Act*), House and Senate Democratic Leaders agreed to a proposal that would have provided funding to all counties and cities, regardless of size. Our Senators and House Delegation gave this proposal strong support, but the Trump Administration insisted that the stabilization funding be put off for the next package that is planned for May.

As discussions for a possible Round 4 package begin, we are advocating for legislation that includes the following elements:

- Providing the most funding possible for the fiscal needs of local governments.
- Including localities that have populations smaller than 500,000.
- Allowing maximum flexibility in the use of the funds, including allowing it to be used to offset lost revenue.
- Using a distribution formula that recognizes the unique and comprehensive responsibilities of counties.

Several helpful proposals have been introduced in Congress on this issue. Representative Neguse (D-CO) has introduced H.R. 6467,

the *Coronavirus Community Relief Act (CCRA)*, which would allocate \$250 Billion in funding to communities with populations under 500,000. Representative Carbajal has cosponsored H.R. 6467 and Senators Harris and Feinstein have cosponsored the Senate version of the bill introduced by Senator Heinrich (D-NM).

In addition, bipartisan legislation has been proposed by Senators Cassidy (R-LA) and Menendez (D-NY) to set up a \$500 billion State and Municipal Aid for Recovery and Transition (SMART) Fund. This proposal would expand eligibility to include local governments with populations of 50,000 or greater and allow flexibility to use the funds to offset revenue losses.

The legislative process on fiscal relief legislation will likely involve extensive negotiations over the details. Speaker Pelosi (D-CA) has said that Democrats will seek around \$700 billion to help struggling state and local governments. Senate Majority Leader McConnell (R-KY) has been reticent to support a package of that size and has argued for a go-slow approach on fiscal relief.

ROUND 4

When Congress reconvenes sometime after May 4, the main issue on the agenda will be development of a substantial coronavirus relief and recovery package to follow up Round 3/CARES Act. Some of the provisions in Round 4 are expected to be similar to those previously enacted: payments to individuals, extension of unemployment benefits, stabilization funding for state and local governments, Small Business Administration forgivable loans, and supplemental appropriations for federal programs that address the public health emergency.

In addition, there is strong bipartisan interest in economic recovery and stimulus programs. A substantial infrastructure investment package is possible that would include transportation, water, broadband, and other types of projects.

President Trump is also proposing a reduction in payroll taxes and other tax provisions to aid businesses.

WATER INFRASTRUCTURE

On April 21, two bipartisan water infrastructure bills were announced by the bipartisan leadership of the Senate Environment and Public Works Committee. The two packages include proposals for a Water Resources Development Act reauthorization for Army Corps of Engineers program, provisions related to Clean Water Act programs, and a reauthorization for Safe Drinking Water Act programs. The consideration of these bills is expected to eventually be merged with development of surface transportation program authorizations and possibly other infrastructure initiatives. We provided the draft bills to County staff for their review and continue to advocate for funding for projects in the County.

CENSUS

On April 13, the Census Bureau informed Congress that Census collection efforts would be delayed until June 1, and that the agency would miss key deadlines for finalizing data due to the coronavirus. The administration has requested a 120-day extension of the deadline in the Census Act for the counting process. The deadline to deliver new congressional seat distributions would be extended by four months, to April 30, 2021. House Oversight Committee Chair Maloney (D-NY) has indicated support for the request, which is a possible candidate for inclusion in the Round 4 bill.

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