



# CITY OF OCEANSIDE

April 13, 2020

The Honorable Mike Levin  
U.S. House of Representatives  
1626 Longworth House Office Building  
Washington, DC 20515

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

The Honorable Kamala Harris  
United States Senate  
112 Hart Senate Office Building  
Washington, DC 20510

## **RE: Federal Financial Assistance for Oceanside Amid COVID-19 Outbreak**

Dear Representative Levin, Senator Feinstein, and Senator Harris:

On behalf of the City of Oceanside, thank you for your support of the bipartisan Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136), signed into law on March 27, which provides \$2.3 trillion to address the economic fallout of the Coronavirus Disease 2019 (COVID-19). The CARES Act provides numerous funding opportunities for local governments through existing federal programs, which received a total of \$340 billion in emergency supplemental appropriations.

However, Congress should take additional steps in the next coronavirus-related funding legislation to provide increased resources to COVID-19 impacted local governments such as Oceanside. Specifically, I urge you to consider the following priorities for Oceanside:

- **Amend the Coronavirus Relief Fund provision of the CARES Act to explicitly allow states to provide funding to localities with populations less than 500,000, to cover, in part, lost revenue due to COVID-19:** The Coronavirus Relief Fund in the CARES Act only provides direct funding to local governments with populations greater than 500,000, excluding Oceanside. While the State of California will receive approximately \$9.525 billion from the Fund, it is unclear whether the State will disburse any of these funds to local governments with populations less than 500,000 or if it is under any obligation to do so. Pending guidance from the Treasury Department, Congress should clarify in the fourth coronavirus-related funding package that Coronavirus Relief Funds allocated directly to states may also be disbursed to local governments with populations less than 500,000, and that all such Coronavirus Relief Funds may be used to cover lost revenue due to COVID-19.
- **Establish a new, flexible stabilization fund for local governments with populations under 500,000:** Oceanside continues to provide critical services to our residents, including emergency operations and other vital assistance, yet necessary COVID-19 restrictions have caused a significant decline in otherwise budgeted revenues. To help mitigate these impacts and continue services, Congress must provide significant additional funding to local governments with

populations under 500,000, to be utilized, in part, for lost revenues as a result of COVID-19. The services our City employees provide are essential to keeping our constituents safe and mitigating the spread of the coronavirus as effectively as possible, but we cannot do it alone.

On April 7, Rep. Joe Neguse (D-CO) and 75 members of the House introduced the **Coronavirus Community Relief Act** (H.R. 6467), which provides \$250 billion in direct stabilization funds for local governments with populations under 500,000 to be used for “lost revenue, reimbursement for expenses already incurred, and increases in costs reasonably believed to be the direct or indirect result of, or direct or indirect responses to circumstances caused by, the public health emergency with respect to COVID-19.” Sen. Martin Heinrich (D-NM) is also likely to introduce a Senate companion bill in the coming days. I urge your support for this legislation and its inclusion in the next coronavirus-related package considered by Congress.

- **Fix the unfunded mandate in the Families First Coronavirus Response Act (FFCRA) that prevents city governments from receiving federal tax credits to offset the costs of the emergency paid sick and FMLA programs for eligible city employees:** The FFCRA (P.L. 116-127), enacted on March 18, provides federal tax credits to offset the new emergency paid sick and Family and Medical Leave (FMLA) programs, effective April 1—December 31, 2020, to private employers with less than 500 employees. However, local governments, including Oceanside, are required to provide the financial benefits of both these programs to our eligible employees while being excluded from qualifying for the federal reimbursable tax credits to offset the costs of these paid leave programs. The additional costs to Oceanside and communities across the country during this already tumultuous time will be significant. The Congressional Budget Office, in its April 2 preliminary estimate of the effects of the FFCRA, concludes that “state and local governments will spend a total of about \$20 billion over fiscal years 2020 and 2021 to comply with the [unfunded] mandate.”

While Oceanside believes these two emergency paid leave programs should be available to our employees, we believe the next coronavirus-related funding package should strike the language from the FFCRA that excludes local governments from receiving the reimbursable tax credits. I also urge your support for any stand-alone legislation introduced in the House or Senate in the coming days that would make these important changes.

Oceanside is facing significant challenges in responding to the COVID-19 pandemic, and our resources are becoming more constrained by the day. The City is simultaneously dealing with a disastrous pandemic affecting our residents in addition to dealing with a budget revenue shortfall impacting our City workforce and services. As Congress considers developing a fourth supplemental package, we urge you to continue to support efforts to ensure the safety of our residents.

Thank you again for your important work and leadership during these challenging times.

Sincerely,



Peter Weiss

MAYOR, CITY OF OCEANSIDE