

Congress of the United States
Washington, DC 20515

July 13, 2020

The Honorable Gavin Newsom
Governor of California
1303 10th Street, Suite 1173
Sacramento, CA 95814

Governor Newsom:

We are writing today in response to reports from our local health officials that your office has given notice to several counties that Federal funding from the Coronavirus Aid, Relief and Economic Security (CARES) Act would be withheld if they do not fully comply with mandates created by the State. All of us, as Members of the California Congressional Delegation, share your concern with the rising number of active COVID-19 cases in California. Choosing this moment to threaten local government funding is unhelpful and counterproductive.

Congress intended for the Coronavirus Relief Fund (CRF) authorized and appropriated in the CARES Act to serve as an immediate \$150 billion line of aid to every State and local government in the nation. California received, by far, the largest allocation in the country: \$15.3 billion, of which \$9.5 billion was disbursed directly to the State. California's 2020 Budget tepidly directs \$1.8 billion in Federal funding to cities and counties, including those that already received direct payments from the U.S. Treasury. This funding is needed to help counties and cities train contact tracers, expand local healthcare capacity, and provision any other assistance needed. Yet as of July 1st, California has delivered almost none of this Federal aid to local governments and counties.

By withholding CRF payment disbursements from these localities, the State is creating winners and losers. In addition, guidance issued by the U.S. Department of the Treasury regarding implementation of the CRF clearly says that States cannot impose restrictions on transfers of funds to local governments that go beyond requirements outlined in Section 601(d) of the Social Security Act. Accordingly, we believe that the State may be inappropriately withholding CRF funds to localities by imposing conditions on such disbursements that are inconsistent with the Treasury Department's guidance and Section 601(d) of the Social Security Act.

As COVID-19 positive cases in California increase once again, our local governments are left with fewer options and less funding than they had earlier this year. Rather than continue to withhold Federal funding in exchange for compliance with State mandates, and to ensure that the State is in full compliance with the Treasury Department's guidance and the law, we ask that you expeditiously release this funding to our local officials.

Sincerely,



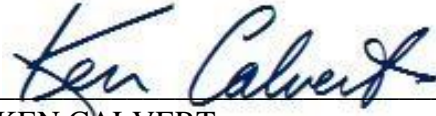
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