

Government Finance Officers Association
Airports Council International-North America
American Public Power Association
American Public Works Association
American Society of Civil Engineers
American Water Works Association
Council of Infrastructure Financing Authorities
International City County Management Association
International Public Management Association for Human Resources
Large Public Power Council
National Association of College and University Business Officers
National Association of Counties
National Association of Health and Educational Facilities Finance Authorities
National Association of Regional Councils
National Association of State Auditors Comptrollers and Treasurers
National Association of State Treasurers
National Association of Clean Water Agencies
National Community Development Association
National League of Cities
The United States Conference of Mayors

March 12, 2020

VIA Electronic Mail

The Honorable Mitch McConnell
Majority Leader, U.S. Senate
317 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Charles Schumer
Minority Leader, U.S. Senate
322 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Nancy Pelosi
Speaker, U.S. House of Representatives
235 Cannon House Office Building
Washington, D.C. 20515

The Honorable Kevin McCarthy
Minority Leader, U.S. House of Representatives
326 Cannon House Office Building
Washington, D.C. 20515

Dear Senators and Representatives:

On behalf of the national organizations listed above, representing hundreds of thousands of state and local government public finance professionals and members of the municipal bond issuer and user community we write to express our appreciation for the consideration of legislation to respond to the potential effects of the COVID-19 virus.

States and local governments will face massive challenges in responding to, and as a result of, this pandemic. We understand there are multiple approaches to providing immediate relief to those affected and longer-term economic stimulus. We also understand that there may be several bills – one addressing immediate needs and a later one focusing on broader economic issues. In drafting these bills, the Public Finance Network (PFN) requests that you include temporary extension and permanent restoration of proven, financing tools utilized by state and local governments, schools, hospitals, airports and special districts and other public sector entities to provide efficient and low cost financing of critical investments in infrastructure that will move this country forward immediately. We believe these steps would free up scarce resources for states and localities while also stimulating investments needed to keep our economy growing.

State and local governments rely on municipal bonds because they have the capacity to immediately finance critical projects that support our nation's infrastructure needs while protecting the economy during this crisis. A number of provisions that were previously included in legislation during crisis have demonstrated their effectiveness; many organizations in the PFN will follow up on those provisions in the near future. As for the immediate need, we respectfully ask that the stimulus include the following (but not limited to):

Restore Advance Refunding of Tax-Exempt Bonds (H.R. 2772): Restoring the ability for governments and other qualifying entities to advance refund tax-exempt municipal bonds thereby freeing up billions of dollars governments and nonprofits could spend on other projects. State and local governments and nonprofits understand that preparing for a pandemic requires strengthening the infrastructure network that underpins their communities and institutions. We are asking you to restore advance refunding thereby providing debt service savings for taxpayers which can be put to immediate public works purposes. This would be of immense help for planning and budgeting purposes for state and local communities and institutions, such as hospitals who are first line responders during this immediate crisis.

Increase Access to Capital for Small Borrowers (H.R. 3967): For many thousands of small issuers and governmental and nonprofit borrowers, increasing the bank qualified borrowing limit from \$10 million to \$30 million, and having it apply at the borrower level so that thousands of small local governments and charities would provide access to capital for immediate project needs.

Restore and Expand the Use of Direct-Pay Bonds: Restoring and expanding the use of direct pay type bonds and ending their exposure to sequestration, would immediately create an attractive investment option globally for thousands of local projects.

While the full impact the COVID-19 virus will have on the economy remains uncertain, a major infrastructure plan could certainly create a stimulating effect in the near term. Looking forward, State and local governments and special districts know that preparing for a pandemic requires strengthening the infrastructure network that underpins their communities Therefore funding and financing infrastructure will remain an issue of paramount importance for many years to come. We look forward to working with you on this and other matters of mutual interest.

Sincerely,

Government Finance Officers Association, Emily Swenson Brock, 202-393-8467
Airports Council International-North America, Annie Russo, 202-293-8500
American Public Power Association, John Godfrey, 202-467-2929
American Public Works Association, Andrea Eales, 202-408-9541
American Society of Civil Engineers, Joe Brady, 202-789-7852
American Water Works Association, Tommy Holmes, 202-326-6128
International City/County Management Association, Elizabeth Kellar, 202-962-3611
International Public Management Association for Human Resources, Neil Reichenberg, 703-549-7100
Large Public Power Council, John DeStasio, 512-707-1010
National Assn. of Health and Educational Facilities Finance Authorities, Chuck Samuels, 202-434-7311
National Association of Clean Water Agencies, Kristina Surfus, 202-833-4655
National Association of College and University Business Officers, Elizabeth Clark, 202-861-2553
National Association of Counties, Eryn Hurley, 202-661-8805
National Association of Regional Councils, Leslie Wollack, 202-618-5696
National Association of State Auditors, Comptrollers and Treasurers, Cornelia Chebinou, 202-624-5451
National Association of State Treasurers, Brian Egan, 202-630-1880
National Community Development Association, Vicki Watson, 540-656-9552
National League of Cities, Irma Diggs, 202-626-3023
The United States Conference of Mayors, Larry Jones, 202-861-6709

CC: Members of the United States House of Representatives
Members of the United States Senate