

March 18, 2021

Honorable Governor Kate Brown  
Office of the Governor  
900 Court St NE, Suite 254  
Salem, Oregon 97301

**RE: SDAO \$130 million Round 2 Federal CARES Funding Request**

Dear Honorable Governor Brown:

On behalf of special districts in Oregon, the Special Districts Association of Oregon (SDAO) would like to thank you and your administration for your efforts to protect and assist Oregonians in response to the COVID-19 pandemic. We are especially thankful for the financial support that was provided to special districts from the first round of federal COVID-19 relief funds. Your allocation of these funds to our districts helped address the critical needs of our members who are supporting individuals, small businesses, health care and social service delivery in our communities during this difficult time.

Nearly every Oregonian relies in some degree on special districts for their critical local infrastructure and essential services related to water, sanitation, fire protection, emergency medical services, transportation, soil and water conservation, parks, libraries, and more. Special districts are especially critical in our disadvantaged rural communities, many of which rely almost entirely on special districts for their basic municipal services. During this time, many districts have issued moratoriums on shutting off water, wastewater, sanitation, and other utility services; recreation and park districts, and library districts, which operate largely on programmatic fees and rental charges, have been forced to close their doors. Soil and water conservation districts are unable to perform contract work. First responders and front-line public servants with fire protection districts, healthcare districts, and county service districts providing police protection faced increased risks with limited personal protective equipment.

As you know your office assisted special districts in securing approximately 10% of the local government distribution (\$26 million) in the first round of COVID-19 relief funds. These funds helped address some immediate needs, but the funds were not allowed to be used to address some of our biggest issues such as lost revenue, reduced service levels, uncollectable utility fees and infrastructure improvements. Based on a recent survey we conducted of our membership, Oregon's special districts are anticipating a \$562.3 million impact through this year due to the pandemic. More than half – 53 percent – will have reduced essential services provided to Oregonians while 35 percent will have reduced their frontline workforce through this year. All of the nearly 300 fire, rescue and emergency districts have felt some degree of impact due to the pandemic and anticipate ongoing effects as they provide first-response services to their communities, and Oregon's port districts have taken a 20 percent hit on their annual operating budgets.

SDAO is grateful that Congress has approved \$2.628 billion for the State of Oregon and \$1.5 billion for Oregon's cities and counties, but unfortunately special districts – a large sector of Oregon's local governments – have the potential to be overlooked during this distribution of Coronavirus Relief Fund monies. This year, SDAO, in partnership with the National Special Districts Coalition (NSDC), supported Senate Bill 91 - [Special Districts Provide Essential Services Act](#) which would have required states to allocate 5% of their relief funds to assist special districts. This bill had the support of Senator Wyden and Congressman DeFazio. The attached letter of support was signed by over 100 Oregon special districts and all of our statewide partner associations that represent Oregon's special districts.

Congress provided a flexible solution to this problem in the American Rescue Plan Act, empowering states with authority to transfer Coronavirus State Fiscal Recovery monies specifically to special districts. Accordingly, we urge you to use this new transfer authority as intended to distribute a portion of your State Fiscal Recovery funding to Oregon's special districts. Fortunately, a process was already created during the first round of COVID-19 relief funds to distribute funds to districts through DAS; we encourage you to utilize this mechanism in this next round of fund distribution.

As indicated in our polling, the estimated fiscal impact to Oregon's special districts is \$562.3 million. We know this is not a reasonable amount to expect for special districts considering the State's other needs, but we do believe that the 5% allocation (\$130 million) as proposed in SB 91 is fair and reasonable, especially considering that cities and counties are receiving a direct allocation of approximately \$1.5 billion. In many rural areas of our state more citizens receive the majority of their municipal services from special districts rather than from cities or counties.

Thank you for your consideration of our request for \$130 million from round two of the federal CRF funds. We are ready to work with you as we continue to protect Oregonians and facilitate our state's recovery.



Frank Stratton  
Executive Director

cc: Senate President, Peter Courtney  
Speaker of the House, Tina Kotek  
Senate Majority Leader, Rob Wagner  
House Majority Leader, Barbara Smith Warner  
Senate Republican Leader, Fred Girod  
House Republican Leader, Christine Drazan  
Ways & Means Co-Chairs  
CRF Round #1 Legislative Workgroup Members