



GFOA FEDERAL LIAISON CENTER

The mission of the Federal Liaison Center is to inform GFOA members of federal, judicial and legislative activities that affect matters of public finance and to represent the interests of GFOA in Washington, DC. Center staff conducts research and analysis to inform GFOA members and policymakers of GFOA positions through advocacy efforts.

GFOA membership includes over 21,000 public finance officials in state, municipal and political subdivisions across the United States.

The Federal Liaison Center advocates through partnerships with state and local organizations that share interests concerning public finance, tax, pension & benefits and other issues important to GFOA members. We maintain close working relationships with many regulatory agencies including the Securities and Exchange Commission (SEC), the Internal Revenue Service (IRS), the Municipal Securities Rulemaking Board (MSRB). GFOA hosts the Public Finance Network in Washington, D.C., representing the membership over 40 issuer-organizations on behalf of our objectives.

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FEDERAL LIAISON CENTER **PRIORITIES IN THE 117TH CONGRESS**



MUNICIPAL FINANCE

For more than 100 years, GFOA in unison with its partners have consistently depended on the preservation of the municipal bond tax exemption as a fundamental component of our nation's intergovernmental partnership. It is the bedrock by which State and local governments, authorities and nonprofits of all sizes can cost effectively access the capital markets and in turn provide essential infrastructure for their citizens.

- Preserve the full tax exemption on municipal bond interest that has been the fundamental component of the federal/state/local partnership for over a century in developing the nation's infrastructure.
- Reinstatement of the authority to issue tax-exempt advance refunding bonds, a critical cost-savings tool for state and local governments that would enable them to refinance debt and free up capital for additional public works purposes.
- Expand access to capital for small borrowers by increasing the bank qualified borrowing limit from \$10 million to \$30 million, tie any future increases of the limit to inflation and have it apply at the borrower level.



ECONOMIC RECOVERY AND PROTECTING PUBLIC HEALTH

The coronavirus pandemic has created a broad array of challenges for state and local governments as they must continue providing services while simultaneously responding to an uncertain environment due to the ongoing pandemic. The budgetary impacts the COVID-19 response has placed on nearly every aspect of state and local operations is extraordinary. Without additional aid from our federal partners, state and local governments may need to respond using overall cuts and reductions in service, risking jobs and limiting access to public education, safety and utilities resources. Unfortunately, some of these measures have already been deployed, but if they continue our nation's economic recovery will only be further delayed.

- Provide additional robust, flexible funds to state and local governments to mitigate the budgetary impact of the COVID-19 response.
- Provide timely and flexible guidance simultaneously with the enactment of any federal programs providing funding to state and local governments.
- Continue to monitor municipal market conditions for robustness and the necessity of creating market-stabilizing tools by the Federal Reserve.
- Support state and local ability to fund essential public services at all times by preserving the State and Local Tax Deduction (SALT) and eliminating the current SALT cap that disrupts the stability of state and local tax revenues.



PUBLIC PENSIONS

The damage weathered by many pension systems through the tough fiscal years post-great recession and the volatility experienced during the pandemic has not gone unnoticed by the fiduciaries of these funds. State and local governments have enhanced efforts to stabilize and reinforce defined benefit pension systems. State and local employee retirement and healthcare plans are established and regulated by state laws and, in many cases, further subject to local governing policies and ordinances.

- Preserve the authority of state and local governments to design and maintain public-sector retirement arrangements, regardless of type, that are tailored to the specific needs of the community.
- Oppose legislative initiatives or regulations that require excessive and burdensome administrative requirements and unfunded mandates on state and local governments and their retirement plans.