

Colorado Congressional Delegation:
Senator Michael Bennet
261 Russell Senate Office Building
Washington, DC 20510

Dear Senator Bennet,

On behalf of Westminster Public Schools, I wish to express our support for H.R. 2319/S. 1117, The Consumer Financial Choice and Capital Markets Protection Act, which will ensure that Westminster Public Schools can continue to cost-efficiently fund capital and public works projects.

Our organization opposes the Securities and Exchange Commission (SEC) modifications to SEC Rule 2a-7 of the Investment Company Act of 1940 that changed the net asset value (NAV) accounting methodology for money market mutual funds (MMMF) from stable to floating.

We strongly believe it is incredibly important to support H.R. 2319/S. 1117 so that Westminster Public Schools can have the enhanced infrastructure to remain competitive and allow for continued economic development.

Westminster Public Schools is an older school district that represents about 9,500 students in Westminster. Our first school building dates back to 1877. We use MMMFs mainly for our infrastructure needs.

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In addition to the vital use of MMMFs as state and local government investments, it is important to note that MMMFs are the largest purchasers of short term municipal securities. Without a stable NAV, MMFs may no longer purchase Westminster Public Schools debt, which would lead to increasing the costs to build capital and public works projects in and around Colorado. Passage of S. 1117 will enable Westminster Public Schools to continue cost-efficient funding of necessary building upgrades and facility improvements. Facility improvements are vital to keep the students learning and the faculty to be able to teach.

In fact, between January 2016 and July 2017, tax exempt MMMFs assets fell by nearly 50 percent, from \$254 billion to \$135 billion, thereby dramatically shrinking the funding pool available to municipal borrowers. In Colorado, implementation of the floating NAV rule caused total money market fund holdings of municipal paper to decline by 30 percent (from \$4.19 billion to \$2.95 billion) between January 1, 2016 and August 31, 2017.

At the same time, municipalities fortunate enough to continue selling their debt to tax-exempt funds saw their borrowing costs increase by nearly double the Federal Reserve's rate increases over the same period. Colorado's median coupon rates paid by municipalities increased by 90 basis points, which is 40 basis points higher than the Federal Reserve's interest rate increases over the same period. Annual financing costs on the remaining \$2.95 billion in money funds rose by \$26.6 million, which is \$11.8 million higher than had they simply matched the Fed increase. Annual financing costs on the \$1.24 billion which left money market funds altogether likely rose by an even greater percentage.

Money market funds have been utilized effectively in the past to both manage liquidity and provide a reliable source of working capital to fund public services and finance continued infrastructure investment and economic development throughout all economic conditions.

We ask that you enact H.R. 2319/S. 1117 so that state and local governments can continue to have unrestricted access to these safe and highly liquid capital markets tools.

Thank you again for considering this important legislation. We look forward to working with you and supporting your efforts to help state and local governments on this and other regulatory and financial matters of mutual interest.

Sincerely,

Sandra Nees, MBA
Chief Financial Officer
Westminster Public Schools
snees@westminsterpublicschools.org

Senator Cory Gardner
354 Russell Senate Office Building
Washington, DC 20510

Dear Senator Gardner,

On behalf of Westminster Public Schools, I wish to express our support for H.R. 2319/S. 1117, The Consumer Financial Choice and Capital Markets Protection Act, which will ensure that Westminster Public Schools can continue to cost-efficiently fund capital and public works projects.

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Sandra Nees, MBA
Chief Financial Officer
Westminster Public Schools
snees@westminsterpublicschools.org

Representative Jared Polis
1727 Longworth House Office Building
Washington, DC 20515

Dear Representative Polis,

On behalf of Westminster Public Schools, I wish to express our support for H.R. 2319/S. 1117, The Consumer Financial Choice and Capital Markets Protection Act, which will ensure that Westminster Public Schools can continue to cost-efficiently fund capital and public works projects.

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Sandra Nees, MBA
Chief Financial Officer
Westminster Public Schools
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Representative Ed Perlmutter
1410 Longworth House Office Building
Washington, DC 20515

Dear Representative Perlmutter,

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Sandra Nees, MBA
Chief Financial Officer
Westminster Public Schools
snees@westminsterpublicschools.org

Representative Ken Buck
1130 Longworth House Office Building
Washington, DC 20515

Dear Representative Buck,

On behalf of Westminster Public Schools, I wish to thank you for your support for H.R. 2319/S. 1117, The Consumer Financial Choice and Capital Markets Protection Act, which will ensure that Westminster Public Schools can continue to cost-efficiently fund capital and public works projects.

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Sandra Nees, MBA
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Westminster Public Schools
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Representative Mike Coffman
2443 Rayburn House Office Building
Washington, DC 20515

Dear Representative Coffman,

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Chief Financial Officer
Westminster Public Schools
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Representative Diana DeGette
2111 Rayburn House Office Building
Washington, DC 20515

Dear Representative DeGette,

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Sandra Nees, MBA
Chief Financial Officer
Westminster Public Schools
snees@westminsterpublicschools.org

Representative Doug Lamborn
2401 Rayburn House Office Building
Washington, DC 20515

Dear Representative Lamborn,

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Westminster Public Schools
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Representative Scott Tipton
218 Cannon House Office Building
Washington, DC 20515

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