

**LEAGUE OF MINNESOTA CITIES
ASSOCIATION OF METROPOLITAN MUNICIPALITIES (METRO CITIES)
COALITION OF GREATER MINNESOTA CITIES
MN ASSOCIATION OF SMALL CITIES
MUNICIPAL LEGISLATIVE COMMISSION**

June 22, 2020

The Honorable Tim Walz, Governor, and the Honorable Peggy Flanagan, Lieutenant Governor
130 State Capitol
Saint Paul, MN 55155

Dear Governor Walz and Lieutenant Governor Flanagan:

Our organizations, representing the 853 cities in Minnesota, are writing to express our continued strong support for a distribution of \$841.4 million from the state's share of the Federal Coronavirus Relief Fund (FCRF) to local governments, and the need to distribute these funds as soon as possible. Without action during the first special session, and unless a special session is called in the near future, we urge you to use the Legislative Advisory Commission (LAC) process to distribute \$841.4 million to cities, counties and townships per the agreement contained in SF 47-Rosen/HF 128-Marquart. \$841.4 million represents 45% of the state's allocation of the FCRF, as calculated in federal guidance for these funds and is consistent with the amount of the distribution that was agreed to in SF 47-Rosen/HF 128-Marquart that passed the Legislature. The federal law recommends that states share 45% of their allocation with local governments.

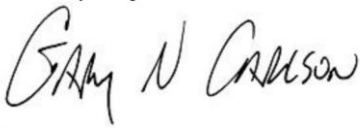
City organizations have consistently supported a distribution from the FCRF that is equitably distributed among cities and counties. While the distribution agreed to by policymakers does not provide full equity, we recognize compromises were necessary and do support the direct distribution of \$841.4 million to local governments, for expenses consistent with the federal law, as included in SF 47-Rosen/HF 128-Marquart.

As a process is established for the distribution of funds, we would ask for clarification to ensure cities are able to use the funds up until the December 30, 2020 date provided in federal law. To this end, we would ask for clarification and flexibility on how required dates for the return of unexpended funds will be defined. The legislative language advanced during the special session required any money not used for expenses incurred by November 15 by cities be transferred to their home county. In order to allow for maximum flexibility when using funds, we urge you to allow cities to retain any dollars not spent by November 15, but that can be encumbered for expenses that will come due before December 30, 2020. The salaries of public safety employees that are presumed eligible by the federal guidance is one example of the need for this flexibility. This flexibility is important, given both the abbreviated timeframe for the use of funds in the federal law, and the fact that the funds have not yet been allocated by the state.

Cities across the state have undertaken significant, often costly adjustments to local services to ensure public health and safety during this crisis. Your support for the distribution of \$841.4

million from the state's share of the Federal Coronavirus Relief Fund is greatly appreciated. Thank you for your consideration of this letter.

Sincerely,



Gary Carlson
League of Minnesota Cities



Patricia Nauman
Association of Metropolitan Municipalities (Metro
(Cities)



Bradley Peterson
Coalition of Greater MN Cities



Thomas Poul
Municipal Legislative Commission



Cap O'Rourke
MN Association of Small Cities

Cynthia Bauerly, Commissioner, MN Department of Revenue
Myron Frans, Commissioner, MN Office of Management and Budget
Hue Nguyen, Deputy Chief of Staff, Legislative and Policy Affairs
Speaker Melissa Hortman, MN House of Representatives
Senate Majority Leader Paul Gazelka, MN Senate
Senator Julie Rosen, Chair, Senate Finance Committee
Representative Lyndon Carlson, Chair, House Ways and Means Committee
Senator Mary Kiffmeyer, Chair, State Government Finance and Policy and Elections
Representative Mike Nelson, Chair, State Government Finance Division
Representative Paul Marquart, Chair, House Taxes Committee
Senator Roger Chamberlain, Senate Taxes Committee
Representative Pat Garofalo, MN House of Representatives
Senator Kari Dziedzic, MN Senate