



Minnesota Inter-County Association

(651)222-8737 | www.mica.org

Sent via Email

May 14, 2020

Lyndon Carlson, Chair
House Ways and Means Committee
479 State Office Building
St. Paul, MN 55155

Paul Marquart, Chair
House Committee on Taxes
597 State Office Building
St. Paul, MN 55155

Dear Chairs Carlson and Marquart:

The Minnesota Inter-County Association (MICA) supports the urgency and priority that HF4673 (Marquart) places on appropriating CARES Act (P.L. 116-136) Coronavirus Relief Funds to counties, cities, and townships to pay the unplanned expenses those entities are incurring for COVID-19 response actions, while also allowing for payment of excess costs should they arise.

We greatly appreciate and thank Chair Marquart for his work to craft and introduce this legislation and thank Chair Carlson for granting it an immediate hearing of the Ways and Means Committee.

County governments are incurring costs right now, and it is imperative that CARES Act funds be appropriated to local governments by May 18 so those funds can be fully and thoughtfully used by December 30, 2020.

The COVID-19 pandemic is an unprecedented crisis. The consequences for individuals, families, communities, business owners, and others continue to surface as the virus spreads. Public agencies at the federal, state, and local level share responsibility for pandemic response. A key goal of the Coronavirus Relief Fund is to promote a comprehensive response to public health and economic assistance while maintaining public budget stability.

The responsibilities of Minnesota's county governments place our work on the front lines of virtually every dimension of COVID-19 response and recovery. Federal guidance on eligible uses for the funds, for example, references COVID-related expenses for payroll and program costs in the areas of public safety, public health, health care, human services, jails and corrections, and economic assistance and support programs. We support HF4673 aligning allocations with those cost impacts.



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In addition to first responders, our public health staff are integral to the testing, tracing, and facilitation of social distancing to help save lives and minimize virus spread. Our counties are incurring costs for safe housing, rental assistance, emergency food and financial assistance, telehealth services, emergency services and assistance to congregate living facilities, and remote hosting of a wide range of case management and public program enrollment for individuals impacted by COVID-19. We expect these expenses will continue to accumulate throughout the year, along with costs for PPE and other operational costs common to all levels of government, such as for facilitating compliance with state-at-home orders and public health guidance.

As the legislation moves forward, we respectfully ask the author and committee to consider:

- Adjusting Section 1, Subd. 6 timelines to allow for payment of expenses incurred through December 30, 2020, as allowed under federal law. We strongly support the proper and full use of these funds, including timely return of unspent funds to the state for state uses. We suggest that the state is likely to have already incurred eligible costs by December 15 and, to our knowledge, federal guidance does not preclude accounting adjustments made after that date for costs incurred prior to that date.

Again, thank you for prioritizing this important action to support the efforts of all local governments to address COVID-related cost impacts and promote the fiscal stability of the state and local government partnership during these unprecedented and challenging times.

I look forward to working with you to enact this important legislation by May 18. Please contact me if you have any questions.

Matt Massman