



May 13, 2020

To: Rep. Lyndon Carlson, Chair, and Members, House Ways & Means Committee

Dear Chair Carlson and Members:

Thank you for the opportunity to comment on HF4673-Marquart, which appropriates \$667 million from the Federal Coronavirus Relief Fund to local units of government in Minnesota. We appreciate the allocation of a portion of the state's share of this funding to small cities as they confront numerous challenges in response to the COVID-19 pandemic.

We feel strongly, however, that Minnesota should distribute federal funds intended for local government to **all** units, regardless of size, to maximize the effectiveness and intended use of these funds. HF4673 will exclude over 350 small cities in the state from direct funding, despite our employees being on the front lines, providing much needed public services to their communities. There are already close to 100 cities in Minnesota with populations under 500, located in the 10 counties with the highest numbers of COVID cases, according to MDH. These communities will not receive a direct appropriation under HF4673.

Our smallest cities are truly those that do the most with limited staff (usually just one or two people). The A1 amendment would require our already overextended staff to track purchases, find the local reimbursement form, and apply to their local county for reimbursement. This process will certainly take time away from critical services for both city and county staff.

We support a process that will allow for the return of any unexpended funds so that they can be repurposed by other units of government.

The services provided by municipal governments of ALL sizes are some of the most essential for local public health and safety, especially during a public health crisis and pandemic. Therefore, we urge a direct distribution of funds for ALL local units of government to support eligible expenses consistent with the federal law and guidance. Our cities pledge to work with state agencies to ensure funds are used within the federal law and guidance, and any further federal clarification on fund uses.

Thank you for your consideration of this letter. We look forward to working with you and are happy to provide any additional information you might require.

Sincerely,

**Cap O'Rourke**  
Executive Director  
Mn Association of Small Cities