

**LEAGUE OF MINNESOTA CITIES  
ASSOCIATION OF METROPOLITAN MUNICIPALITIES (METRO CITIES)  
MUNICIPAL LEGISLATIVE COMMISSION**

May 12, 2020

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

Thank you for the opportunity to comment on HF 4673-Marquart, that appropriates \$667 million from the Federal Coronavirus Relief Fund to local governments in Minnesota. We appreciate the allocation of a portion of the state's share of this funding to local governments as they confront challenges in response to the COVID-19 pandemic.

Our respective organizations collectively represent 853 across Minnesota that are home to more than 4.6 million citizens. The services provided by municipal governments are some of the most essential for local public health and safety, and especially during a public health crisis and pandemic. Cities employ more than 8,000 full and part-time police officers, and more than 14,000 full and part time firefighters, with a total public safety payroll of roughly \$800 million per year. Cities also operate ambulance/EMS services, hospitals, assisted living/long-term care facilities in many areas of the state. First responders and other municipal employees across Minnesota are now on the front lines of the COVID-19 crisis, working to protect the communities in which they serve.

Our organizations have reviewed HF 4673 and would like to offer the following comments or your consideration:

- We support the \$667 million appropriation to provide local governments with resources as they respond to the challenges created by the pandemic.
- We generally support the per capita distribution methodology which mirrors the federal law distribution to qualifying cities and counties as well as the bill's definition of eligible expenses consistent with the federal law and guidance. Our organizations pledge to work the Minnesota Management and Budget and the Office of the State Auditor to assure funds are used within the federal law and guidance, and any further federal clarification on fund uses.
- We support a distribution of funds that is generally equitable among all cities, counties and towns similar to the federal distribution of CARES Act distribution methodology without the 500,000-population restriction, and as such, would urge the committee to consider a similar distribution weighting change to HF 4673. Cities, like counties, provide critical public services. They are also incurring many un-anticipated expenses as they respond to the pandemic and comply with Executive Orders, state laws and mandates. A range of municipal pandemic costs are acknowledged in the federal law, and include protective and public safety equipment, equipment to allow remote work and public meetings, increases in unemployment insurance and health insurance, overtime staffing needs due to illness or quarantines, communications and signage, and increased

maintenance costs for public buildings and spaces. Our cities have identified these and other costs, and they expect additional future costs in these areas, as well for emerging considerations such as conducting elections. Workers' compensation costs stand to be some of the most significant for cities and will be ongoing. These costs for many cities will be significant, and will strain local budgets at a time when local revenues are declining, or are anticipated to decline, due to the pandemic. We would appreciate your consideration of these concerns as you consider this legislation.

- We support the inclusion of a recapture mechanism for the return of any unexpended funds so that they can be repurposed by other units of government. We also acknowledge that the bill allows a portion of the appropriation for one-time grants for specific needs and stand ready to assist you and the Executive Branch as these funds are considered and appropriated. These funds should first be available to cities and counties other than counties that are receiving a direct distribution of funds from the federal government.

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

Sincerely,



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Tom Poul, Municipal Legislative  
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