



DEDICATED TO A STRONG GREATER MINNESOTA

May 13, 2020

Representative Lyndon Carlson
479 State Office Building
St. Paul, MN 55155

Dear Chair Carlson and members of the House Ways and Means Committee,

I am writing to provide a few thoughts on HF 4673, which distributes federal CARES Act dollars for COVID-19 response to cities, counties, and townships around the state. We acknowledge that this is an exceedingly difficult task, especially given the federal government's direct allocation of dollars to Hennepin and Ramsey counties.

As you know, cities across Minnesota have expended dollars on any number of activities, equipment needs, and communications efforts in response to the COVID-19 pandemic. A brief rundown of expenses includes: IT services, equipment, software and licensure to allow city employees to work from home and to conduct remote public meetings; PPE for police, fire, first responders and other city employees; overtime for employees involved in the response; costs related to communicating with the public, including signage for closed public facilities; additional cleaning equipment and protocols to keep city employees and the public safe, as well as increased costs related to unemployment insurance and workers compensation claims. This list does not even get into the efforts that many cities are undertaking to support struggling businesses and individuals in their communities, nor does it account for the lost revenue from the anticipated loss of property tax revenue, collections of local option sales taxes, lodging taxes, fees that support programs and park and recreation facilities, etc.

No matter where your city is located and regardless of whether there is yet to be a single case of the virus in your community, your city has already spent a significant amount of money to prepare, prevent and protect from the spread of the virus. Further, no matter where you live, the economic fallout has reached your city.

We appreciate that HF 4673 recognizes that every community has needs related to the virus response and that it gets money out the door relatively quickly. Those are significant benefits of this approach.

However, we have significant concerns about the relative distribution between communities in Hennepin and Ramsey counties and those in the rest of the state. The distribution under this bill ensures that some communities will be significantly better resourced than others to tackle the virus response and soften the economic blow to businesses and residents.

We further have concerns that the \$100 million set aside for a grant program. As designed in this bill, the program does not give sufficient guidance or guardrails to the commissioner of revenue to ensure that the grant money will be distributed in a way that is geographically balanced and balanced between types and sizes of local governments.

We recognize that this pandemic has left leaders throughout Minnesota with few good options to choose from. We know state leaders are working round the clock on many fronts to mitigate the impact of this crisis. We also know that a lot is at stake. Communities throughout the state are all feeling the impacts of this crisis, maybe not all in the exact same ways, but certainly we are all feeling it.

In that spirit, we want to continue to work with Rep. Marquart and members of the Legislature to ensure that every community has the resources it needs to address these challenging times.

Thank you,

A handwritten signature in black ink, appearing to read "Bradley Peterson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Bradley Peterson
Executive Director, Coalition of Greater Minnesota Cities