

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

May 9, 2020

Senator Julie Rosen, Chair and Senate Finance Committee

Dear Senator Rosen and Committee Members:

Our respective organizations, representing 853 cities which are home to more than 4.6 million citizens across Minnesota, appreciate the opportunity to comment on Senate File 4564-Rosen, that sets a funding amount and distribution formula for the appropriation of funds to local governments from the state allocation of the Federal Coronavirus Relief Fund. This letter is intended to serve as written testimony as the bill is heard in the Senate Finance Committee on Monday afternoon.

The services provided by municipal governments are essential for public health and safety and are critical during this crisis. First responders and other municipal employees are on the front lines of this crisis and city services are basic for public safety. Citizens rely on city officials to ensure a community's safety and protection, and the operations of cities across the state need to be positioned to address local service needs resulting from the pandemic.

Cities have already experienced unanticipated expenditures for personal 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, as well as increased maintenance costs for public buildings and spaces. We expect additional future costs in these areas as well for emerging considerations such as conducting elections.

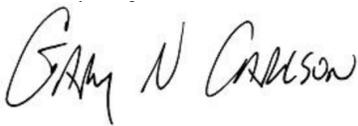
Specific to the SF4564 the SCS4564A-2 delete-all amendment, our organizations have carefully reviewed legislation and we express our support for the following:

- Allocating \$667 million appropriation included in the bill for this purpose. These funds will be essential to assure cities, counties and townships have the resources to respond to the growing challenges created by the pandemic.
- Using a per capita distribution mechanism to quickly distribution these funds to cities, counties and townships. The allocation of a per capita amount for cities equal to approximately one-half of the initial per capita county distribution to counties is appropriate given the important services to citizens provided by cities and counties. A reimbursement system, as opposed to a direct distribution would be cumbersome and could delay the availability and use of the funding.

- Including a recapture mechanism for the return unexpended funds, to allow funds to be repurposed by other units of government. Although the amendment moves that date to from October 1 to November 1, we would encourage you to consider setting that date as late as possible to allow local units of government to fully utilize the funding.
- Using the federal law and guidance from the U.S. Treasury. Our organizations pledge to work the Minnesota Management and Budget and the Office of the State Auditor to assure the funds are used within the federal law and guidance, and any further provided federal clarification on uses of the funds.
- As a result of the enactment of MN Session Laws 2020, Chapter 72, local units of government are facing increased costs for workers' compensation for our essential workers due to exposure to COVID. We support additional state funding, possibly from other CARES Act funding, to address these added costs.

Again, thank you for your consideration of this letter. We look forward to working with you as this legislation progresses.

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