

Congress of the United States
Washington, DC 20515

April 8, 2020

The Honorable Steven T. Mnuchin
Secretary
United States Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Dear Secretary Mnuchin,

We write to urge you to provide funding from the \$150 billion Coronavirus Relief Fund included in the CARES Act for state and local governments as quickly, and with as much flexibility, as possible. We have spoken to state and local leaders throughout Maryland and it is clear that this \$150 billion is essential to help meet critical needs and relieve growing budget gaps. And as Maryland's cases of COVID-19 are projected to increase, state and local governments need this funding to be as flexible as possible to respond to changing conditions.

As you develop guidance for these funds, we ask that you follow the statute by allowing for:

1. **Flexible Use.** Under the statute, funds are to be used to manage costs that are “necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19)” and “were not accounted for in the budget most recently approved as of the date of enactment of this section.” The language also covers costs incurred between March 1, 2020 and December 30, 2020.

This should include the broad range of unanticipated expenditures confronting state and local governments, from the direct public health response and other human services needs to effects on expenditures and revenue from closing non-essential businesses and shelter-in-place orders.

Maryland and its localities have had to address the COVID-19 crisis from multiple avenues, whether it be setting up drive-through testing centers or providing shelter for the homeless that complies with public health guidance. Some residents who have lost their jobs rely on Medicaid to receive health care during this pandemic, and seniors sheltering at home need increased food delivery service.

As schools work to reach their students, school systems have worked to increase access to distance learning technology and close the digital divide for students and families without broadband at home. In addition to education resources in the CARES Act, the Coronavirus Relief Fund should be available to support these unanticipated costs.

Finally, the rapid decrease in anticipated revenues creates unforeseen gaps in state budgets that clearly meet the statutory standard of necessary expenses that are not “accounted for” in the most recent state and local budgets.

2. **Fair Share for Local Jurisdictions.** We have heard substantial concern from small and mid-sized jurisdictions in Maryland about the 500,000-person population threshold for direct funding for local jurisdictions. It is our understanding that this threshold was put into statute because direct distribution to smaller jurisdictions would be administratively-complex for the Department of Treasury and might lead to delays in payments. We urge you to include guidance to state recipients that allows for local governments with populations below 500,000 to receive a fair share to support their operations and needs.
3. **Speed.** The statute requires payments within 30 days, but it is clear from our discussions with stakeholders in Maryland that they face critical budgetary issues. As cases increase, the need for funds becomes more urgent. We ask that you move quickly to distribute funds so they can be put to work right away.

Maryland's Governor Larry Hogan has called for additional support from the federal government to weather this storm and serve all of our constituents. If there is anything we can do to assist in the flexible and timely distribution of these funds, please do not hesitate to let us know. We look forward to continuing to work with you to address these challenges.

Sincerely,

/s/ Chris Van Hollen
CHRIS VAN HOLLEN
U.S. Senator

/s/ Benjamin L. Cardin
BENJAMIN L. CARDIN
U.S. Senator

/s/ Steny H. Hoyer
STENY H. HOYER
U.S. Representative

/s/ C.A. Dutch Ruppersberger
C.A. DUTCH RUPPERSBERGER
U.S. Representative

/s/ John P. Sarbanes
JOHN P. SARBANES
U.S. Representative

/s/ Andy Harris, M.D.
ANDY HARRIS, M.D.
U.S. Representative

/s/ Jamie Raskin
JAMIE RASKIN
U.S. Representative

/s/ Anthony G. Brown
ANTHONY G. BROWN
U.S. Representative

/s/ David Trone
DAVID TRONE
U.S. Representative