

April 9, 2020

SUBMITTED VIA ELECTRONIC DELIVERY

The Honorable Steven T. Mnuchin
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Ave NW
Washington, DC 20571

Dear Secretary Mnuchin:

I write regarding critical supports for state, county and local governments included in the Coronavirus Aid, Relief and Economic Security (CARES) Act, specifically those related to the Coronavirus Relief Fund. I am grateful for Treasury's ongoing efforts to bring the \$150 billion in Congressional appropriations to these jurisdictions, who continue to face severe budget crises as a result of the COVID-19 pandemic. I believe these jurisdictions will continue to need and deserve additional support in future legislation, but I also hope the current round of funding will be leveraged to provide maximum relief.

To that end, I believe it is crucial that Treasury promote three commonsense principles in any guidance related to distributions from the Coronavirus Relief Fund – flexibility, fairness and clarity. Adhering to these principles will help ensure these funds are best utilized to help state, county and local governments fight back against the challenges they face during this pandemic, and that Coronavirus Relief Funds are assisting big cities and small towns alike. Specifically, I ask that Treasury work to promote:

- 1. Flexibility:** Jurisdictions must have flexibility in how they use these funds to provide essential services and avoid layoffs of vital employees like firefighters, police officers, teachers and sanitation workers. Without a doubt, the Federal government must do everything in its power to ensure these funds are spent appropriately, but that cannot include burdening local governments already facing a crisis with unnecessary hoops to jump through as they try to stay afloat. I also believe Treasury shares our goal of maximizing the relief these funds provide, and to that end, I ask that you promote as much flexibility as allowable under statute to ensure communities can use these funds to plug budget gaps caused by COVID-19. Specifically, I believe replacing lost revenues as a result of COVID-19 should be considered a necessary expenditure.
- 2. Fairness:** I ask that Treasury make sure jurisdictions of all sizes receive their fair share of funds distributed from the Coronavirus Relief Fund. I understand the statute includes a population threshold of 500,000 for direct relief from the Coronavirus Relief Fund, but I also support any guidance Treasury can include that would help communities underneath that threshold receive the relief they need as well. Illinois includes jurisdictions of massive variances in size, and guaranteeing relief for large and small communities alike will be essential to ensuring our citizens have access to essential services during this pandemic.

3. **Clarity:** I appreciate any outreach Treasury has already conducted to obtain feedback and suggestions from governments of all sizes, including large cities and smaller municipalities. I hope that any final guidance released by Treasury will provide maximum clarity in helping jurisdictions understand how to appropriately distribute relief resources they receive from the Coronavirus Relief Fund. Put simply, these jurisdictions likely do not have time – during this crisis – to go back and forth on how specific expenditures fit within the context of Treasury’s guidance. They need to know what the guardrails are, so they may provide relief to their constituents without fear of running afoul of the rules and damaging their long-term budget outlook. I know this is a Herculean task, and so I stand ready to assist in any way possible, but I ask that Treasury be concrete, detailed and thorough in providing guidance to these jurisdictions on the appropriate use of funds distributed from Treasury to battle this pandemic.

As I said before, I believe a simple, substantial measure Congress can take to assist communities large and small is to include additional relief in any future Coronavirus-related legislation. I stand ready to work with you to deliver that ongoing relief. For the time being, however, I also believe Treasury must promote these three priorities in any final guidance.

Please do not hesitate to be in touch with me if I may provide any additional assistance in finalizing the guidance related to these funds. I appreciate your efforts in this regard.

Sincerely,



Tammy Duckworth
United States Senator