



August 4, 2020

Honorable Senate President Courtney, Honorable Speaker Kotek, and Members of the Joint Emergency Board,

Thank you for the work that the Joint Emergency Board is doing to respond to the COVID-19 pandemic, and specifically on the difficult work of allocating the \$1.39 billion in Coronavirus Relief Fund (CRF) dollars entrusted to the state for distribution. We are writing today as partners in that work to share our concerns with how local government's \$400 million share is being administered.

At this time the Department of Administrative Services has distributed roughly \$46 million to cities, counties, and special districts. An additional \$154 million is allocated to individual jurisdictions with the first reimbursement requests due last Friday. As you are aware U.S. Treasury guidance indicates that 45 percent of the state share of CRF money, or almost \$625 million, should be distributed directly to local governments. Additionally, that same guidance indicates that restrictions on how locals spend their 45 percent share beyond what is laid out in the CARES Act and associated Treasury guidance "are not permissible."¹

We know the state has committed to spending on PPE, contact tracing, testing, quarantine and farmworker housing, but local government was given no input in how that money will be spent and we believe it is properly categorized as a portion of the state's 55 percent share. Local governments have already spent money towards those uses and will continue to do so. Many of those costs should be reimbursable through the Stafford Act and FEMA public assistance, and local governments may seek to use their share of CRF funds for the required local match.

Our request is very straightforward. We ask that the additional \$200 million in local share be distributed to local governments and that those local governments be able to spend those funds based on the particular needs in their individual communities for the full range of uses allowed under U.S. Treasury guidance. Specifically, we ask that any items on the August 5 Emergency Board agenda that take from the remaining \$200 million in local share be tabled, and a process for allocation of that \$200 million to local communities be undertaken. This would include item number three and possibly number one (though the recommendation is unclear which grouping item one is pulled from).

Thank you for considering our request, and for the work you are doing. Local governments want to be your partner in this effort, but without allowing us to spend our share of funds based on the specific needs in our individual communities this partnership is not be possible.

¹ <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf>, July 8, 2020 version, page 7.