



April 13, 2020

The Honorable Nancy Pelosi
Speaker of the House
Washington, DC 20515

The Honorable Mitch McConnell
Senate Majority Leader
Washington, DC 20510

The Honorable Kevin McCarthy
House Minority Leader
Washington, DC 20515

The Honorable Charles Schumer
Senate Minority Leader
Washington, DC 20510

Dear Leader McConnell, Leader Schumer, Speaker Pelosi and Leader McCarthy,

On behalf of America's 3,069 counties, thank you for your leadership efforts on the Interim Emergency COVID-19 Relief Act. This package would provide much-needed assistance by enhancing coronavirus relief assistance for state and local governments. We are extremely appreciative that you included "lost revenue" as an eligible use of funds, both as part of Sec. 601 of the CARES Act and as part of your new preliminary proposal for additional state and local aid.

Overall, we are very supportive of your efforts because counties are overwhelmingly the unit of local government responding to this crisis. Nationwide, counties operate nearly 1,000 public hospitals, 1,900 local public health departments, more than 800 long-term care facilities and 750 behavioral health departments. We are also responsible for emergency operations centers, human services, jail management, 911 services, veterans services and the "last of the first responders" with coroners and medical examiners, among many other essential county functions. Counties have already expended billions of dollars responding to this pandemic and will remain on the frontlines as we prepare for difficult weeks and months ahead.

We strongly urge Congress to allocate resources directly to counties as most states mandate the implementation of public health and emergency response responsibilities to county governments. Given the reality of the unprecedented resources counties need for COVID-19 response, **we respectfully ask you to modify your use of the traditional Community Development Block Grant (CDBG) formula in the Interim Emergency COVID-19 Relief Act.**

The CDBG formula was not designed to allocate funds in a public health emergency. While we agree that the HUD CDBG framework is among one of the best, most efficient ways to award federal aid directly and as a pass-through to local governments, ***the traditional formula is based on low-to-moderate housing and community development conditions.*** Under the context of the COVID-19 public health and overall economic crisis, we strongly urge you to develop a more balanced allocation method that takes into consideration both the skyrocketing costs and declining revenues for America's county governments.

Let us be clear that we understand and support the important roles and pressures facing both cities and counties. Our ultimate goal is to establish a fair and equitable formula that would create a "win-win" situation for all local governments. Unfortunately, the CDBG formula creates immense disparities and fails to take into consideration both the overall population served and the frontline responsibilities of counties.

To illustrate our concerns with the CDBG entitlement formula, please consider that:

- Cook County, Ill., with its population of 5.2 million residents, operates the local public healthcare department with two major hospitals and a network of community clinics, with 6,000 combined employees and expends nearly \$2 billion each year on the health of its residents. **Based on the CDBG formula currently stipulated in Section 602 of the Interim Emergency COVID-19 Relief Act, Cook County would receive less than 20 percent of the funding received by the major entitlement city, despite the county's leading role in providing community health services, and the fact that it serves nearly twice as many residents.** Overall, counties in Illinois would receive 47 percent less funding than cities in Illinois.
- Erie County, like other counties in New York, manages the local public health and emergency operations functions, would receive 22 percent of the city entitlement allocation. This is despite the county having more than triple the number of residents in the city. When adjusted for population, the allocation of the county is just six percent of the city's allocation. Elsewhere in the state, **Monroe County would receive an allocation that equals about 2 percent of its FY2020 budget, meanwhile the entitlement city, whose residents are also served by the county, would receive an allocation that equals nearly a quarter of its FY2020 budget.**
- Los Angeles County invests more than \$35 billion in local services for more than 10 million residents – almost double the population of the major entitlement city. **Under the CDBG formula, the County of Los Angeles would receive \$366 million compared to the almost \$856 million for the major entitlement city. Adjusted for population, the county's allocation is 17 percent of the city's allocation.**
- Outside of the largest jurisdictions, urban counties fare even worse in many states. **For certain states, like my home state of Nebraska, none of our urban counties receive CDBG entitlement funding, yet we operate long-term care facilities and play a key role in public health. Similarly, Bernalillo County, New Mexico receives no entitlement funding despite the fact it serves 679,121 residents.** The fiscal stability of these counties will play a significant part in shaping our nation's response and recovery from COVID-19.

Finally, as counties spend more and more responding to this public health crisis, we believe that more than \$150 billion will be required to protect our residents and continue administering public services. **Expanding the overall amount of relief to local governments to \$250 billion, as proposed now in the House and Senate, would help to ease the disparity between counties and cities and provide counties with the resources we need to fight against COVID-19 into the summer and beyond.**

Again, we are thankful for your incredible leadership and focus on the overwhelming needs and challenges facing state and local governments. We also appreciate your recognition of the challenges that we face with both mounting costs and declining revenues. We would welcome the opportunity to discuss this issue further with your teams. We are committed to a solution that helps our nation mitigate, respond and recover from these historic times.

Sincerely,



Hon. Mary Ann Borgeson
Commissioner, Douglas County, Nebraska
President, National Association of Counties