



May 4, 2020

Dear Colleague,

State and local governments are in desperate need of federal assistance to address lost revenue as a result of the coronavirus pandemic. Failure to act could lead to mass layoffs of teachers, public health officials, first responders, and other workers who keep us safe and provide services on which our constituents depend.

In the coming days, House Democrats will release our full proposal for the next phase of relief. In advance of that, there has been great interest in the formula for providing assistance to county and municipal governments. In working in close coordination with the Speaker and Senate Democratic Leader, the bill will include two separate and equal funds for counties and cities as follows:

- The County fund would be awarded directly to counties on the basis of population, with all counties receiving an award.
- The Municipality fund would be awarded to cities using a modified Community Development Block Grant (CDBG) formula. 70% would be awarded directly to cities with a population of 50,000 or more using the CDBG formula. The remaining 30% would be awarded to municipalities with populations less than 50,000 on the basis of population so that all municipalities benefit.

This is in addition to what we would provide for states. Unlike the initial CARES Act, I think it is vital we have separate programs for state and local governments, so there is less competition between governors, municipal leaders, and county executives.

Prior to introducing the bill, I will provide estimated awards for all municipalities and counties in the country, in addition to details on funds for states, the District of Columbia, territories, and tribes.

Sincerely,

A handwritten signature in black ink that reads "Nita M. Lowey".

Nita M. Lowey
Chairwoman
House Committee on Appropriations