

The Honorable Tammy Baldwin United States Senator 709 Hart Senate Office Building Washington, D.C. 20510 The Honorable Ron Johnson United States Senator 328 Hart Senate Office Building Washington, D.C. 20510

March 4, 2021

Dear Senator Baldwin and Senator Johnson,

On behalf of the five most populous cities in Wisconsin and our 1.1 million residents, we write to convey our support for the American Rescue Plan, including \$350 billion worth of federal assistance for state and local governments as proposed by President Joseph R. Biden and passed by the U.S. House of Representatives. As mayors, we are proud of our emergency medical personnel, police officers, firefighters, teachers, sanitation workers, and other civil servants who have worked tirelessly throughout the pandemic to protect public health and deliver essential services to our communities. We ask the Senate to maintain this level of funding for state and local aid and to preserve the distribution formula that provides direct, flexible aid to all localities tasked with managing the emergency response and vaccination efforts on the ground, regardless of size.

For a year, localities have led the public health emergency response and efforts to prevent homelessness, support small businesses, ensure no family goes hungry, and continue providing other essential services. We have managed to undertake those efforts with fewer public employees on staff and without promise of future federal support. Moving forward in 2021, local governments are being tasked with vaccine distribution and spearheading an economic recovery.

Our communities are still reeling from the impact of the virus. There have been 565,000 confirmed cases of COVID-19 in Wisconsin and over 26,000 have been hospitalized since the onset of the pandemic.¹ Tragically, over 6,400 people in Wisconsin have succumbed to the virus, and we mourn those lives lost and grieve with those families and communities forever changed.

As local officials, we must also consider the economic burden of this pandemic, including the steep decrease in public sector employment since last spring. Between December 2019 and December 2020, Wisconsin experienced 33,900 public sector job losses – during this moment when our residents are counting on public employees and the services provided by our municipalities more than ever.² While there is modest recovery in employment in some industries, state and local governments will need to continue implementing cost-savings measures. Without federal relief, many jurisdictions will be forced to lay off and furlough workers to balance our budgets that will continue seeing revenue decreases this year and next.

The story is the same for communities across Wisconsin and the rest of the country. Public sector employment in the U.S. is down 1.3 million since last February. For the vast majority of municipal governments, according to a survey by the National League of Cities, local government expenses have increased by an average of 17 percent during the pandemic while revenues have declined by an average of 21 percent.

¹ "COVID-19 Summary Data," Wisconsin Department of Health Services, updated March 4, 2021, <u>https://www.dhs.wisconsin.gov/covid-19/data.htm#summary</u>.

² U.S. Bureau of Labor Statistics, "Employees on nonfarm payrolls by state and selected industry sector, seasonally adjusted," U.S. Department of Labor, updated January 26, 2021, <u>https://www.bls.gov/news.release/laus.t03.htm</u>.

We appreciate the relief that Congress provided by passing the *Coronavirus Aid, Relief, and Economic Security* (*CARES*) *Act* (P.L 116-136) last March; however, while that legislation established the Coronavirus Relief Fund (CRF) for state and local governments with populations of more than 500,000 residents, it left an overwhelming majority of city governments and our municipal employees behind. Of the 72 counties and 585 municipalities in Wisconsin, only two counties and one city were eligible to receive a direct allocation from the CRF because of the 500,000-population threshold.³ Only three local jurisdictions were afforded the opportunity to have total authority making spending decisions to determine the fates of their communities. We ask policymakers to reject that approach this time and instead empower all localities to determine the most effective use of federal funds without bureaucracy at the state or county level.

Here in Wisconsin, the State government received \$2 billion in CRF funds and made only \$200 million – or 10 percent – available to cities and counties through the "Routes to Recovery" grant program.⁴ This outcome was inequitable and unacceptable for the 70 counties and 584 local governments in Wisconsin that did not receive a direct allocation from the *CARES Act*. It was frustrating when our partners in State government then imposed additional restrictions on the use of these funds, thereby hindering our ability to be as dynamic as possible, as federal lawmakers intended within the statute.

Therefore, we respectfully ask you and your Senate colleagues to preserve the funding levels for state and local governments in the *American Rescue Plan Act of 2021* (H.R. 1319) and to protect the distribution formula that ensures cities of all sizes receive an adequate share of relief funds. We are confident that our city governments are the best positioned to protect public health and jumpstart our local economies with direct, flexible, and equitable federal support. We appreciate your consideration of these requests intended to help your intergovernmental partners to continue to protect our essential workers and provide essential services to our residents. Thank you for your leadership and your work on behalf of the American people.

Sincerely,

Mayor Tom Barrett City of Milwaukee, Wisconsin

Mayor Eric Genrich City of Green Bay, Wisconsin

Mayor Cory Mason City of Racine, Wisconsin

Mayor Satya Rhodes-Conway City of Madison, Wisconsin

Mayor John Antaramian City of Kenosha, Wisconsin

³ Payments to States and Eligible Units of Local Government," U.S. Department of the Treasury, updated May 11, 2020, <u>https://home.treasury.gov/system/files/136/Payments-to-States-and-Units-of-Local-Government.pdf</u>.

⁴ "Routes to Recovery: Program Guidance for Local Governments," State of Wisconsin Department of Administration, updated November 4, 2020, <u>https://doa.wi.gov/Secretary/RRG-ProgramGuidance.pdf</u>.