



May 5, 2020

The Honorable Tom Wolf
Governor
Commonwealth of Pennsylvania
225 Main Capitol Building
Harrisburg, PA 17120

Dear Governor Wolf:

On behalf of the more than 2,500 local governments in Pennsylvania, we would like to thank you for your willingness to work with us and for your leadership during this period. We appreciate your recognizing local governments as partners in the delivery of key services as well as responding to events like Covid-19.

Your demonstration of this partnership by recognizing the autonomy of local governments through the mitigation closure phase has been reassuring to the citizens of Pennsylvania who often turn to local governments first as a matter of ease of access. Our collective commitment and response to protect the health and safety of Pennsylvania residents is required and expected and we are pleased to partner in Pennsylvania's response and recovery from this pandemic as well as its economic fallout.

As you are facing at the state level, our members are anticipating substantial revenue declines and increased expenses due to the Covid-19 crisis. Counties, cities, boroughs and townships are seeing their operating revenues plummet and are being forced to curtail critical public services and protections. Some local governments are seeing immediate budget shortfalls with the delayed payments and obviously reduced projected revenues resulting from income losses.

Local officials and employees are on the front lines responding to this pandemic. Public safety like fire, police and EMS, child protection, elections, as well as critical infrastructure like water, sewer and transportation infrastructure are all necessary to keep life sustaining goods and services flowing. We are confident that recognition was reflected in the provisions of the CARES Act to support state and local governments. However, there was a disconnect in the federal act's provisions to equitably distribute the funding to any local government with less than half a million in population. This is virtually all of Pennsylvania! In fact, 60 of 67 counties, as well as all but 1 municipality, were not specifically included, which is inconsistent with the concept of a Commonwealth.

The CARES Act relies upon the states to allocate distributions and reimbursements to the vast majority of local entities. While the CARES Act assigned \$4.9 billion to PA, there was only \$3.9 billion left after the direct large group share. We urge the state to allocate an equitable portion of the state's remaining \$3.9 billion CARES Act allocation to municipalities that will not receive direct federal payments. We stand ready to participate in a local government work group to define overall allocations, what qualifies and what does not, as well as timing of distributions to assist local governments in the mitigation phase.

We are asking for your assistance and leadership to aid these local governments as they are experiencing cash flow issues and unbudgeted expenses due to this emergency. We would also note that the federal rules prohibit the re-allocation by a municipality so it will be insufficient to "block grant" these funds to counties. As an aside, these remaining communities are not receiving direct payments and are not eligible for tax credits or for federal loan programs.

We look forward to a favorable outcome to our request and we are happy to assist your office with any questions you may have on this or any other local government issue.

Sincerely,



Chris Cap
Executive Director
Pennsylvania Association of Boroughs



David Sanko
Executive Director
Pennsylvania Association of Township
Supervisors



Lisa Schaefer
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County Commissioners Association of
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