



April 17, 2020

The Honorable Gretchen Whitmer
Governor of Michigan
111 S. Capitol Ave.
Lansing, MI 48933

Dear Gov. Whitmer,

On behalf of the more than 1,800 local governments across the state, we would like to thank you for your leadership and for your dedication to seeking and providing financial relief for both the state and local governments. The joint letter sent by you and other governors to President Trump asking for additional resources to help us recover from this unprecedented downturn in our economy is greatly appreciated.

We also thank you for your partnership with local government during this period. Your administration has been responsive to the needs and concerns of communities and local officials across the state. We appreciate those efforts and your work to protect the health and safety of Michigan residents.

Your letter to the White House correctly identifies a major concern that local governments around Michigan are preparing to face. As you are aware, Michigan's local governments bore the brunt of the last recession and many are ill-positioned to face another economic downturn without significant support from the state and federal government. With that fact in mind, our three organizations respectfully request that you designate a significant portion of the current CARES Act funding the state is set to receive to cover local government reimbursements and recovery expenses resulting from the current pandemic.

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, townships, and villages are seeing their operating revenues shrink drastically and are being forced to curtail critical public services and protections. Some local governments are anticipating immediate budget shortfalls of up to 30 percent in their current budget year and experiencing increased costs to their public safety, public health, and other essential services responsible for providing clean water, wastewater, and solid waste removal.

Local officials and their employees are on the front lines responding to this pandemic — a fact reflected in the provisions of the CARES Act to support state and local governments. However, there is a disconnect in the federal stimulus act's provisions between our largest members and all other local units. The federal legislation relies upon the states to distribute reimbursements to

smaller local entities, which the state of Michigan can do from its remaining \$2.9 billion allocation.

We urge the state to set aside an equitable amount of money for local units of government to draw down upon to reimburse their eligible, COVID-related expenses. Based on the amount the CARES Act made available to our largest members, we ask that an equitable per capita amount, equal to approximately \$1.1 billion, be made available to all other local units of government in Michigan to cover these expenses.

Once federal guidance is issued for the Coronavirus Relief Fund and Michigan's \$3.87 billion total allocation, we stand ready to participate in defining what local expenses will qualify for reimbursement and the timeframe for drawing down those funds.

Again, we appreciate your leadership as we all work to respond to the economic fallout from this pandemic.

Sincerely,



Daniel Gilmartin
Executive Director
Michigan Municipal League



Neil Sheridan
Executive Director
Michigan Townships Association



Stephan Currie
Executive Director
Michigan Association of Counties