



# STATE OF MINNESOTA

## Office of Governor Tim Walz

75 Reverend Dr. Martin Luther King Jr. Blvd. ♦ Suite 130 ♦ Saint Paul, MN 55155-1611

November 18, 2020

The Honorable Nancy Pelosi  
Speaker of the House  
1236 Longworth House Office Building  
Washington, D.C. 20515

The Honorable Mitch McConnell  
Senate Majority Leader  
317 Russell Senate Office Building  
Washington, D.C. 20510

The Honorable Kevin McCarthy  
House Minority Leader  
2468 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Chuck Schumer  
Senate Minority Leader  
322 Hart Senate Office Building  
Washington, D.C. 20515

Dear Congressional Leaders,

Thank you for providing resources and assistance related to the COVID-19 response this spring. As I mentioned in my letter to you dated July 31, 2020, states have led in the pandemic response and the resources we received from the federal government have been critical.

In recent days and weeks, COVID-19 has continued to take a toll in Minnesota and across the country as case counts increase exponentially. In Minnesota, it took seven months to reach the first 100,000 COVID-19 positive cases, but it has taken just seven weeks to reach 200,000. To date, we have lost the lives of nearly 3,000 Minnesotans. Across the country, this exponential growth has required states to revert back to similar restrictions imposed in March and April to protect lives and public health, mitigate medical staffing shortages in long-term care facilities and other settings, and prevent our hospitals from becoming overwhelmed. In the spring, Congress provided critical assistance for workers, families, businesses, and states as the virus began to spread. Now, as states navigate unprecedented growth in cases, we are in desperate need of additional, flexible funding from the federal government to keep as many people as safe and healthy as possible in the pandemic response, and to help weather budgetary impacts due to the virus.

As I mentioned in my July letter, more support for states to help in leading the pandemic response is critical. Many of the funds provided to state and local governments must be used by December 30, and yet we know the virus is not going away by the end of the year. To the contrary, at the rate of increase we are seeing in the current surge, it is going to get much worse before it gets better. And yet states will be left with no additional federal resources to combat the rising tide of infections, unemployment, and human services needs that will continue long after the funds from the CARES Act expire.

To date, Minnesota has used CARES Act funding wisely, including to create a robust testing program that is free, accessible to all, and yields quick results; these operations will be key to keep people safe and healthy, and keep the economy going. We have also used our CARES Act funds to

Voice: (651) 201-3400 or (800) 657-3717

Fax: (651) 798-1850

Website: <http://mn.gov/governor/>

MN Relay (800) 627-3529

An Equal Opportunity Employer

procure Personal Protective Equipment, support childcare providers, small businesses, and our education system. Further, economic assistance from the federal government has been critical for workers, families, and small businesses to stay afloat, whether through supplementing state unemployment insurance programs, or through the Paycheck Protection Program which helped thousands of small businesses subsist through the early months of the pandemic.

More federal funding for all of these priorities is badly needed. And needed soon.

Additional, flexible funding is also critical for Minnesota to be able to weather this economic storm. For years, Minnesota's fiscal house has been in good order. After volatile financial times during the 2000s, Minnesota went from budget deficits to budget surpluses, and we invested in our budget reserves and rainy-day funds to the highest levels ever recorded. We have a AAA bond rating, and even as recently as our 2020 February Budget Forecast, we had a projected budget surplus of \$1.5 billion. But in a matter of weeks, we saw that surplus turn into a \$2.3 billion projected deficit for fiscal year (FY) 2021, and a \$4.7 billion shortfall in FY 22-23.

Across the country, COVID-19 has impacted every sector of our economy and every facet of normal daily life. The ramifications of COVID-19 will undoubtedly have lasting impacts as we await further treatments and a vaccine. At the same time, the pandemic has reached its most urgent and dire state yet, and the critical need for additional federal funding at this juncture to help states mitigate the impacts of the economic downturn and continue to respond to the pandemic cannot be overstated. I am grateful that the United States House of Representatives has taken steps toward providing much needed relief to states by passing the HEROES Act. I urge your quick collective action to provide significant, new, and flexible funding for states in an additional COVID relief package, as well as a renewed commitment to maintaining a strong Unemployment Insurance safety net by extending the fiscal supports passed in March and protections for small businesses, so that we can continue to provide needed support to our residents and address budgetary challenges caused by the virus.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "T. J. Walz".

Tim Walz  
Governor

cc: Minnesota Congressional Delegation