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Congress of the United States

House of Representatives Washington, DC 20515

July 15, 2020

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

Dear Governor Wolf:

I am writing regarding your Administration's decision to withhold funding entitled to Lebanon County under the COVID-19 County Relief Block Grant program as administered by the Pennsylvania Department of Community and Economic Development (DCED).

As you know, the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law on March 27, 2020. This legislation provided direct funding for states and some localities to be distributed by the U.S. Department of the Treasury, including roughly \$4.9 billion in direct funding for Pennsylvania. The sole purpose of these funds was to help assist in covering necessary expenditures incurred due to the public health emergency caused by COVID-19 not previously budgeted for.

<u>PA House Bill 2510</u>, as signed by you on May 29 as Act 24 of 2020, allocated portions of this funding to various programs at the state level and created the COVID-19 County Relief Block Grant program at an appropriation level of \$625 million. Section 130-C of Act 24 lays out the requirements and formula for a determination of a county's eligibility for funding, and your Administration has exceeded its authority as related to this legislation.

While Act 24 outlines that all counties shall receive formulaic funding based upon population, DCED added additional requirements requiring counties to follow all state-issued closure orders to guarantee eligibility. This is in direct conflict with the legislative intent of the parameters of the County Relief Block Grant program. While Act 24 directs various executive departments and agencies to create additional guidelines to determine funding eligibility, such a directive is noticeably absent from Section 130-C. For example, Section 190-C of Act 24 directs the Pennsylvania Housing Finance Agency to craft additional guidelines while creating the Mortgage and Rental Assistance Program. Had the General Assembly intended for additional requirements to be added to Section 130-C directives for DCED would have been included.

Further, the U.S. Department of the Treasury has issued a <u>frequently asked question (FAQ)</u> document related to the state funding distributed under CARES. Treasury's FAQ document directs that "States should transfer funds to local governments with populations of 500,000 or less, using as a benchmark the per capita allocation formula that governs payments to larger local governments. This approach will ensure equitable treatment among local governments of all sizes."

The COVID-19 County Relief Block Grant is a smart program that has led to county governments across the Commonwealth using funds to set up similar block grants for small businesses and economic development organizations, treat substance abuse disorders, purchase needed personal protective equipment (PPE), and work to increase broadband internet access in underserved areas. Every Pennsylvanian deserves access to these federally provided funds including my constituents in Lebanon County.

For these reasons, I urge you to please follow the General Assembly's legislative intent and the guidance of U.S. Department of the Treasury related to the COVID-19 County Relief Block Grant program. Lives and livelihoods are at stake.

I welcome the opportunity to discuss this matter with you further at any time.

Sincerely,

Dan Meuser

Member of Congress