

Congress of the United States
House of Representatives
Washington, DC 20515

May 1, 2020

The Honorable Steven Mnuchin
United States Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Secretary Mnuchin:

We write to express our deep concerns regarding the guidance issued by the United States Department of the Treasury on April 22, 2020, as it relates to the types of approved usage of stabilization funds authorized by the CARES Act.

Congress made its intentions clear when it passed legislation to provide \$150 billion to State, Territorial, Local, and Tribal Governments that these funds were to be made available to meet the individual needs of those governments. As you know, the CARES Act stipulates that expenditures by subnational governments are authorized if they:

- Are necessary expenditures incurred due to the COVID-19 pandemic;
- Were not accounted for in the budget most recently approved as of enactment of the CARES Act (March 27, 2020); and
- Are incurred between March and December of 2020.

The intent of this program is to provide states with the flexibility to address the crisis as it best suits their needs. However, the recent guidance from your department establishes strict and unnecessary limits on what states can and cannot do. Of greatest concern, the guidance establishes a prohibition on expenditures to address budget shortfalls associated with COVID-19. States need to be able to replenish the accounts that were borrowed from when they adjusted existing budgets to fund COVID-19 response efforts. Without revisions, this guidance will almost certainly lead to many states being unable to spend the money they were provided, and instead compelled to return it to federal coffers. This is both unacceptable and preventable; you have the authority to let states use these funds as intended, instead of forcing them to make drastic, damaging, and unnecessary budget cuts.

States that have acted quickly to protect their residents from the spread of COVID-19 by immediately implementing programs funded by the CARES Act should be held up as an example, not penalized for their foresight. In the strongest possible terms, we urge you to amend this overly prescriptive guidance and allow states to use funds authorized by Congress as originally intended; to address key needs while maintaining essential services.

Sincerely,

Mikie Sherrill
Member of Congress

Peter King
Member of Congress

Joe Neguse
Member of Congress

Alexandria Ocasio-Cortez
Member of Congress

Ed Case
Member of Congress

David Scott
Member of Congress

Joe Courtney
Member of Congress

Doris Matsui
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Peter Welch
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Bill Foster
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Bonnie Watson Coleman
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Harley Rouda
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Daniel T. Kildee
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Sheila Jackson Lee
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Ed Perlmutter
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Jim Himes
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Suzanne Bonamici
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Suzan DelBene
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Lisa Blunt Rochester
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Bobby L. Rush
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TJ Cox
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Lee Zeldin
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