

United States Senate

WASHINGTON, DC 20510

August 20, 2020

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

Dear Secretary Mnuchin,

We appreciate the President's most recent Executive Orders (EOs) to combat both the economic and health threats posed by the coronavirus pandemic. These EOs will provide additional aid to renters and homeowners, student loan borrowers, American workers, and businesses. At a critical time in our fight against this virus, these EOs build on the CARES Act relief to deliver swift support to those most in need.

As you know, the CARES Act allocated \$150 billion for the Coronavirus Relief Fund (CRF) to provide support to states, local governments, and tribes. We respectfully request you issue further guidance to grant additional flexibility to states, local governments, and tribes under the CRF while instilling commonsense measures to protect taxpayers.

In our respective states, we have heard from mayors, governors, and tribal leaders about the harmful impact the pandemic has had on local communities throughout the country. Meanwhile, they must continue to provide necessary and basic services to their population during these trying times. These essential services range from law enforcement and first responders, to essential health providers, to education and core services, and infrastructure, such as running water. The \$150 billion authorized by Congress in the CARES Act has made a tremendous difference. However, the current restrictions on the allowable uses of funds combined with the impending deadlines will result in billions of unspent or misdirected dollars at a time when our communities need direct and immediate financial relief.

As schools begin to reopen across the country, the safety and well-being of students and faculty should be a priority, and allowing CRF funds to be allocated for purchase of personal protective equipment or other costs associated with instituting Center for Disease Control guidelines in our schools is necessary for a safe reopening. Additionally, critical public health infrastructure needs have been exposed by the pandemic, particularly in rural and tribal regions. For example, access to running water is vital for individuals and families to maintain proper hygiene and defend themselves against the virus. It is also important for a long term recovery that the timeline in which these funds can be expended is as generous as possible in order to give our local communities every opportunity for success moving forward. We encourage you to explore ways to allow CRF money to cover these important needs.

Congress has already appropriated this money, and we should trust our local leaders to make the best decisions for their communities. We share your concerns about states and cities taking advantage of these funds to bailout the budgets they have mismanaged for years. It is important, of course, to preserve Hyde amendment protections on CRF distributions, as greater flexibility is allowed, and further ensure that we do not reward state and local governments for reckless policies, such as defunding the police. We trust any new guidance will strike the appropriate balance while providing the flexibility communities need to spend on their most immediate needs during this crisis. The stakes are high, and we must work in a timely manner to address the COVID-19 public health crisis and the economic uncertainties that come with this challenge.

By providing maximum flexibility regarding the CRF, the Administration has the opportunity to build on the goals of your recent EOs and the CARES Act and help Americans across the country during this first-in-a-century pandemic.

Thank you for your consideration of this important and pressing matter.

Sincerely,



Martha McSally
United States Senator



Dan Sullivan
United States Senator



Kevin Cramer
United States Senator



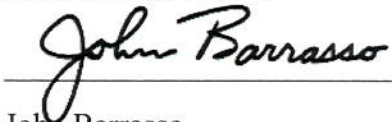
Mike Crapo
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Cindy Hyde-Smith
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James Risch
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John Barrasso
United States Senator



Marsha Blackburn
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