



May 11, 2020

The Honorable Angie Craig  
The Honorable Tom Emmer  
The Honorable Jim Hagedorn  
The Honorable Amy Klobuchar  
The Honorable Betty McCollum

The Honorable Ilhan Omar  
The Honorable Collin Peterson  
The Honorable Dean Phillips  
The Honorable Tina Smith  
The Honorable Pete Stauber

Dear Minnesota Congressional Leaders,

We appreciate that the federal government, in partnership with states, local governments, tribal nations, and nonprofits, is taking action to address the public health crisis and severe economic downturn affecting our state and our communities due to the COVID-19 pandemic.

However, for these efforts to meet the challenges of this moment, we respectfully ask you to take further action to provide additional funding to states to meet Minnesotans' health, safety, and financial needs. We ask this be provided through two mechanisms:

1. Additional flexible funds to states, and additional flexibility on use of the Coronavirus Relief Fund provided in the CARES Act, and
2. Further increases in the Medicaid matching rate (FMAP) for the duration of the economic downturn.

The 252 undersigned organizations represent a range of interests and activity areas; we come together on this request because of the important role of state funding for essential services in our communities.

### **Why this action is needed**

The pressures on state finances from the COVID-19 pandemic and associated economic fallout are mounting and quickly becoming severe. State revenue projections are plummeting as businesses have had to shutter and individuals have faced layoffs: current estimates show a \$3.6 billion reduction in estimated state revenues during the current two-year budget cycle. At the same time, these economic conditions are forcing more people to seek support to stay healthy and afford the basics.

Because **states must balance their operating budgets**, in a recession they are caught in a bind: revenues fall at the same time that the needs of their residents grow. When states did not receive sufficient federal assistance in past crises, they responded by laying off teachers and other public employees and cutting other critical public services. These actions can worsen the economy's downward spiral and, in some cases, cause irreversible harm to families and communities.

#### Regional chapters in:

- Central Minnesota
- Northeast Minnesota
- Northwest Minnesota
- Southeast Minnesota
- South Central/Southwest Minnesota
- West Central Minnesota

### **Additional flexible funding for states**

The Coronavirus Relief Fund, part of the CARES Act, provides \$150 billion for states, territories, and localities, \$1.9 billion of which will go to the State of Minnesota. But this is nowhere near enough to address the coming storm. **Current estimates are that Minnesota faces a \$2.4 billion state budget shortfall for the current biennium**, which ends June 30, 2021. And this only reflects the shortfalls for the two-year state budget passed last year; it doesn't reflect the costs of responding to the pandemic and economic fallout. Our state will be able to draw on a healthy budget reserve, built responsibly over time, but that reserve will vanish quickly in the face of ongoing revenue shortfalls. Additional fiscal relief for states is needed to prevent these shortfalls from building to a catastrophe.

The need to scale up assistance to states is clear: The Center on Budget and Policy Priorities estimates that the size of state budget shortfalls could [total more than \\$650 billion over three years](#), with the expected shortfall in 2021 being much larger than seen in any year of the Great Recession. That's just the pressure on existing budgets; those numbers don't include the additional costs to address the coronavirus.

We respectfully ask that the next round of covid stimulus legislation include substantial additional aid to states, such as through the Coronavirus Relief Fund. In addition, we ask that you reverse current restrictions on existing Coronavirus Relief Fund dollars so that states can use these funds to replace lost funding for essential state services.

### **Additional Medicaid (FMAP)**

Medicaid funding is also a crucial element of state fiscal relief. As you know, states and the federal government share responsibility for funding Medicaid through FMAP, the Federal Medical Assistance Percentage. Because of the significant role that Medicaid plays in state budgets, the federal government has boosted FMAP in past economic downturns to provide fiscal aid to states. **Increasing the FMAP will help ensure Minnesotans have the health care coverage that's so needed in this pandemic, and also has the additional benefit of protecting other essential state services that Minnesotans count on.**

Medicaid makes up approximately 20 percent of the State of Minnesota's general fund spending. Increasing the FMAP allows the state to balance health care with other important priorities, including schools, public safety, and other services that strengthen our communities.

Recent Congressional action expanded the FMAP by 6.2 percent through the end of the public health emergency. We thank you for taking this important step, and ask you to build on further. This first step is well below what was provided during the Great Recession, and much less than the 12 percent [requested by the bipartisan National Governors Association](#).

Several recent measures, including the FMAP increase, provide some important relief to people and states, but only for the duration of the public health emergency. While the need is acute, **the impacts of the pandemic will continue to reverberate in the economy long after the public health emergency declaration ends.** It is essential that state fiscal relief, including an FMAP boost, continue until the economy has recovered. Otherwise, we risk plunging deeper into an economic crisis.

## Our Ask

These are extraordinary times that call on collective action. Thank you for your leadership — **we are counting on you and your colleagues to ensure that the next economic stimulus package includes additional aid to states.**

If you have any questions, or there is other information we can provide, please contact Betsy Hammer at [bhammer@mnbudgetproject.org](mailto:bhammer@mnbudgetproject.org) or 651-757-3065.

Sincerely,



Jon Pratt  
Executive Director  
Minnesota Council of Nonprofits



Nan Madden  
Director  
Minnesota Budget Project

on behalf of the following organizations:

180 Degrees	Aurora St. Anthony Neighborhood Development Corporation
A Chance To Grow, Inc.	BBBS Twin Cities
Ability Building Community	BENKOMA FOOD
Access North Center for Independent Living of Northeastern Minnesota	PROTECTION&SAFETY.org
Access Philanthropy	C.A.R.E. Clinic
Accessible Space, Inc.	Cancer Legal Care
Accord	Caponi Art park
Achieve Services, Inc	CarlsonSV
AchieveMpls	Casa de Esperanza
AdoptAClassroom.org	Catholic Charities of St. Paul and Minneapolis
Alexandra House, Inc.	Cecily Harris & Associated
Aliveness Project	Center for Energy and Environment
Alpha Human Services	Central Minnesota Community
Alpha Service Industries	Empowermet Organization
AMAZEworks	Chicago Avenue Fire Arts Center
American Nursing & Technical Institute	Children's Health Ministries
Amherst H. Wilder Foundation	Children's Minnesota
ANGELS	Choral Arts Ensemble of Rochester
Animal Allies Humane Society	ClearWay Minnesota
Animal Folks	Coalition of Asian American Leaders
Arc Northland	CoLab St Paul, LLC
Arrowhead Economic Opportunity Agency	Commonweal Theatre Company
Articulture	Community Emergency Assistance Programs
ArtStart	Community Pathways of Steele County
Asian Media Access	Como Community Council
AspireMN	

Conflict Resolution Center  
Cook County Council on Aging  
Creative Fundraising Advisors  
Dads Make a Difference  
Diversity Foundation of Minnesota Inc  
Duluth Community School Collaborative  
East Side Neighborhood Services  
Ecumen  
Ely Folk School  
Ely Winter Festival  
Employment Enterprises, Inc.  
Engage Winona  
Epic Enterprise, Inc.  
Epilepsy Foundation of Minnesota  
Faith In Action In Red Wing  
Family & Children's Center  
Family Safety Network  
Five Wings Arts Council  
Forecast Public Art  
Frank Theatre  
Friends of the Finland Community  
Frozen River Film Festival  
Germanic-American Institute  
Gifts for Seniors  
Girl Scouts River Valleys  
GiveMN  
Goldstein Museum of Design, UMN  
Goodwill Industries Vocational Enterprise,  
Ine.  
Grand Marais Art Colony  
Great River Children's Museum  
Great River Shakespeare Festival  
Growth & Justice  
Habitat for Humanity of Douglas County  
Habitat for Humanity of Minnesota  
Habitat for Humanity Winona-Fillmore  
Counties  
HACER  
Hair,Head & Heart  
Hammer Residences  
Headwaters Animal Shelter  
Headwaters Music & Arts  
Headway Emotional Health Services  
Heart and Hands

HECUA (Higher Education Consortium for  
Urban Affairs)  
Helping Hands Outreach  
Highpoint Center for Printmaking  
Hmong American Partnership  
HOME Line  
Hope Chest for Breast Cancer Foundation  
House of Charity Inc  
House of Hope, Inc  
HRx, Inc.  
ICA Food Shelf  
In the Heart of The Beast Theatre  
Interact Center for the Visual and  
Performing Arts  
ISIAAH  
Jeremiah Program  
Jewish Community Center of the Greater  
St. Paul Area  
Jewish Family and Children's Service of  
Minneapolis  
JustUs Health  
KMOJ FM  
KOOTASCA Community Action  
Land Stewardship Project  
LeadingAge MN  
Liberty Community Church, PCUSA  
Lifeworks Services, Inc.  
Literacy Minnesota  
Little Falls Summer Musical  
Local Initiatives Support Corporation (LISC)  
Longfellow/Seward Healthy Seniors  
Lutheran Social Service of Minnesota  
Lyric Opera of the North  
Main Street Industries and Training Center  
Metropolitan Area Agency on Aging  
Metropolitan Consortium of Community  
Developers  
Midwest Food Connection  
Minnesota Academy of Science  
Minnesota Alliance of YMCAs  
Minnesota Alliance on Crime  
Minnesota Association of Community  
Health Centers (MNACHC)  
Minnesota Center for Book Arts  
Minnesota Coalition for the Homeless

Minnesota Communities Caring for  
Children, home of  
Minnesota Council on Foundations  
Minnesota Guitar Society  
Minnesota Music Educators Association  
Minnesota PTA  
Minnesota Social Service Association  
Minnesota Women of Today  
Minnesota Youth Soccer  
Minnetonka Center for the Arts  
Missions Inc. Programs  
MN Association of Area Agencies on Aging  
MN Museum of American Art  
Morrison County Historical Society  
Move Minnesota  
MSS  
Mt Olivet Rolling Acres  
myHealth for Teens & Young Adults  
NAMI Minnesota  
National Association of Social Workers,  
MN Chapter  
Neighbors Inc  
Newtrax, Inc.  
Nexus Community Partners  
Nokomis Healthy Seniors  
North Shore Health Care Foundation  
Northeast Contemporary Services, Inc.  
Northern Starz Theatre Company  
Northfield Union of Youth  
Northside Economic Opportunity Network  
Northstar Problem Gambling Alliance  
Open Access Connections  
Open Your Heart to the Hungry and  
Homeless  
Osprey Wilds Environmental Learning  
Center  
Our Saviour's Housing  
OutFront Minnesota  
Paramount Center for the Arts  
Parenting Resource Center  
Partners for Affordable Housing  
Partnership Resources, Inc.  
Pawsitive Perspectives Assistance Dogs  
(PawPADs)  
Peace House Community

Peacemaker Resources  
People Incorporated  
Pinewood-Cloquet, Inc.  
Pollen  
Pollinate Minnesota  
Prepare + Prosper  
Proof Alliance  
Propel Nonprofits  
Proud Foundation  
Radical Health Alliance  
Rakhma Homes  
Range Transitional Housing  
Reach for Resources, Inc.  
Reach Out and Read Minnesota  
RECLAIM  
Red Wing Arts  
Redwood Campaign Advisors  
RETHOS: Places Reimagined  
Reviving the Islamic Sisterhood for  
Empowerment  
Rivers of Hope  
Rochesterfest  
ROCKchester  
Sabes Jewish Community Center  
Samaritan Bethany Foundation  
Science Museum of Minnesota  
Second Harvest Northern Lakes Food Bank  
SELF International  
Senior Community Services  
Senior Services Consortium of Ramsey  
County  
Servant Hearts  
Shakespearean Youth Theatre Company  
Share-A-Home, Inc.  
Sherburne County Area United Way  
SOAR Career Solutions  
Southeast Community Organization  
Southeast Seniors  
Southside Family Nurturing Center  
Southwest Initiative Foundation  
Species360  
St. Croix Valley Foundation  
Stillpoint Engage  
Success Beyond the Classroom  
TakeAction Minnesota

Tamarack Wordsmiths  
Teamsters Service Bureau | Minnesota Job  
Partners  
The Aliveness Project  
The Arc Minnesota  
The Bridge for Youth  
The Center for Victims of Torture  
THE DIAL GROUP  
The Ely Community Resource, Inc.  
The Food Group  
The Hills Youth and Family Services -  
Neighborhood Youth Services  
The Loft Literary Center  
The Mercy Foundation  
The Sheridan Story  
The Women's Drum Center  
The Works Museum  
This is Medicaid Coalition  
Tickets for Kids Charities  
Tri-Valley Opportunity Council, Inc.  
Triangle Park Creative

Twin Cities Community Gospel Choir  
Two Harbors Area Food Shelf  
Upstream Arts, Inc.  
Vietnamese Social Services of Minnesota  
Violence Intervention Project  
Voices for Racial Justice  
Volunteers of America of MN & WI  
Washburn Center for Children  
Wild Rivers Habitat for Humanity, Inc.  
Wilder Center for Communities  
Will Work For Recovery  
Wingspan Life Resources, Inc.  
Winona Community Foundation  
Winona County Developmental  
Achievement Center, Inc.  
Winona County Historical Society  
Winona ORC Industries, Inc.  
WoMen's Rural Advocacy Programs, Inc  
(WRAP)  
YMCA Camp Olson  
Youth Performance Company