



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