



April 13, 2020

The Honorable Chuck Schumer
Minority Leader
S-221, U.S. Capitol
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker of the House
H-232, U.S. Capitol
Washington, DC 20515

Dear Speaker Pelosi and Leader Schumer:

On behalf of America's 3,069 counties, thank you for your leadership efforts on the Interim Emergency COVID-19 Relief Act. This package would provide much-needed assistance by enhancing coronavirus relief assistance for state and local governments. We are extremely appreciative that you included "lost revenue" as an eligible use of funds, both as part of Sec. 601 of the CARES Act and as part of your new preliminary proposal for additional state and local aid.

Overall, we are very supportive of your efforts because counties are overwhelmingly the unit of local government responding to this crisis. Nationwide, counties operate nearly 1,000 public hospitals, 1,900 local public health departments, more than 800 long-term care facilities and 750 behavioral health departments. We are also responsible for emergency operations centers, human services, jail management, 911 services, veterans services and the "last of the first responders" with coroners and medical examiners, among many other essential county functions. Counties have already expended billions of dollars responding to this pandemic and will remain on the frontlines as we prepare for difficult weeks and months ahead.

We strongly urge Congress to allocate resources directly to counties as most states mandate the implementation of public health and emergency response responsibilities to county governments. Given the reality of the unprecedented resources counties need for COVID-19 response, **we respectfully ask you to modify your use of the traditional Community Development Block Grant (CDBG) formula in the Interim Emergency COVID-19 Relief Act.**

The CDBG formula was not designed to allocate funds in a public health emergency. While we agree that the HUD CDBG framework is among one of the best, most efficient ways to award federal aid directly and as a pass-through to local governments, ***the traditional formula is based on low-to-moderate housing and community development conditions.*** Under the context of the COVID-19 public health and overall economic crisis, we strongly urge you to develop a more balanced allocation method that takes into consideration both the skyrocketing costs and declining revenues for America's county governments.

Let us be clear that we understand and support the important roles and pressures facing both cities and counties. Our ultimate goal is to establish a fair and equitable formula that would create a "win-win" situation for all local governments. Unfortunately, the CDBG formula creates immense disparities and fails to take into consideration both the overall population served and the frontline responsibilities of counties.

To illustrate our concerns with the CDBG entitlement formula, please consider that:

- Cook County, Ill., with its population of 5.2 million residents, operates the local public health department and two major hospitals with 6,000 combined employees and expends nearly \$2 billion each year on the health of its residents. **Based on the CDBG formula currently stipulated in Section 602 of the Interim Emergency COVID-19 Relief Act, Cook County would receive less than 20 percent of the funding received by the major entitlement city, despite the county's leading role in providing community health services, and the fact that it serves nearly twice as many residents.** Overall, counties in Illinois would receive 47 percent less funding than cities in Illinois.
- Erie County, like other counties in New York, manages the local public health and emergency operations functions, would receive 22 percent of the city entitlement allocation. This is despite the county having more than triple the number of residents in the city. When adjusted for population, the allocation of the county is just six percent of the city's allocation. Elsewhere in the state, **Monroe County would receive an allocation that equals about 2 percent of its FY2020 budget, meanwhile the entitlement city, whose residents are also served by the county, would receive an allocation that equals nearly a quarter of its FY2020 budget.**
- Los Angeles County invests more than \$35 billion in local services for more than 10 million residents – almost double the population of the major entitlement city. **Under the CDBG formula, the County of Los Angeles would receive \$366 million compared to the almost \$856 million for the major entitlement city. Adjusted for population, the county's allocation is 17 percent of the city's allocation.**
- Outside of the largest jurisdictions, urban counties fair even worse in many states. **For certain states, like my home state of Nebraska, none of our urban counties receive CDBG entitlement funding, yet we operate long-term care facilities and play a key role in public health. Similarly, Bernalillo County, New Mexico receives no entitlement funding despite the fact it serves 679,121 residents.** The fiscal stability of these counties will play a significant part in shaping our nation's response and recovery from COVID-19.

Finally, as counties spend more and more responding to this public health crisis, we believe that more than \$150 billion will be required to protect our residents and continue administering public services. **Expanding the overall amount of relief to local governments to \$250 billion, as proposed now in the House and Senate, would help to ease the disparity between counties and cities and provide counties with the resources we need to fight against COVID-19 into the summer and beyond.**

Again, we are thankful for your incredible leadership and focus on the overwhelming needs and challenges facing state and local governments. We also appreciate your recognition of the challenges that we face with both mounting costs and declining revenues. We would welcome the opportunity to discuss this issue further with you team. We are committed to a solution that helps our nation mitigate, respond and recover from these historic times.

Sincerely,



Hon. Mary Ann Borgeson
Commissioner, Douglas County, Nebraska
President, National Association of Counties



Notes:

NACo analysis for **informational** purposes; not based on official Treasury or HUD guidance.

Populations are based on latest available U.S. Census data (2019 for counties; 2018 for cities)

Total available funding of \$53.55B is based on Section 602 of the proposed Interim Emergency COVID-19 Relief Act.

CDBG entitlement amounts are based on HUD formula used in CARES Act CDBG distributions at <https://www.hud.gov/sites/dfiles/CPD/documents/fy2020-CARES-allocations-AllGrantees.xlsx>

Column G lists the allocation received by each county as a proportion of the allocation received by its city counterpart when adjusted for population (per 100,000 residents)

State	Local Jurisdiction	Population	Entitlement Amount from \$53.55b total	County/City Variance	Entitlement Amount per 100,000 residents	County 100K Amt. as Part of City 100K Amt.
Alabama	Jefferson County	658,573	\$38,037,428	-56,016,717	\$5,775,735	13%
	Birmingham	209,880	\$94,054,145		\$44,813,296	
Arizona	Maricopa County	4,485,414	\$50,517,230	-212,485,937	\$1,126,256	7%
	Phoenix	1,660,272	\$263,003,166		\$15,840,969	
California	Alameda County	1,671,329	\$34,190,990	-87,198,492	\$2,045,737	7%
	Oakland	429,082	\$121,389,482		\$28,290,509	
	Los Angeles County	10,039,107	\$366,037,476	-489,941,680	\$3,646,116	17%
	Los Angeles	3,990,456	\$855,979,156		\$21,450,660	
Illinois	Cook County	5,150,233	\$171,932,474	-1,080,576,348	\$3,338,344	7%
	Chicago	2,705,994	\$1,252,508,821		\$46,286,460	
Minnesota	Hennepin County	1,265,843	\$46,232,858	-131,665,343	\$3,652,337	9%
	Minneapolis	425,403	\$177,898,201		\$41,818,746	
Nebraska	Douglas County	571,327	\$0	-74,574,721	\$0	0%
	Omaha	468,262	\$74,574,721		\$15,925,854	
New Mexico	Bernalillo County	679,121	\$0	-71,739,014	\$0	0%
	Albuquerque	560,218	\$71,739,014		\$12,805,553	
New York	Erie County	918,702	\$49,958,251	-171,275,132	\$5,437,917	6%
	Buffalo	256,304	\$221,233,383		\$86,316,789	

State	Local Jurisdiction	Population	Entitlement Amount from \$53.55b total	County/City Variance	Entitlement Amount per 100,000 residents	County 100K Amt. as Part of City 100K Amt.
	Monroe County	741,770	\$29,330,608	-101,383,590	\$3,954,138	6%
	Rochester	206,284	\$130,714,198		\$63,366,135	
North Carolina	Mecklenburg County	1,110,356	\$12,508,590	-81,621,048	\$1,126,539	10%
	Charlotte	872,498	\$94,129,638		\$10,788,522	
Ohio	Cuyahoga County	1,235,072	\$65,138,199	-277,036,770	\$5,274,041	6%
	Cleveland	383,793	\$342,174,969		\$89,156,126	
Oregon	Multnomah County	812,855	\$4,811,455	-132,818,490	\$591,921	3%
	Portland	653,115	\$137,629,945		\$21,072,850	
Tennessee	Shelby County	937,166	\$18,858,637	-87,509,301	\$2,012,305	12%
	Memphis	650,618	\$106,367,937		\$16,348,754	
Texas	Bexar County	2,003,554	\$37,703,482	-168,690,380	\$1,881,830	14%
	San Antonio	1,532,233	\$206,393,862		\$13,470,136	
	Travis County	1,273,954	\$18,764,291	-104,976,957	\$1,472,917	11%
	Austin	964,254	\$123,741,248		\$12,832,848	
	Dallas County	2,635,516	\$36,239,258	-202,097,439	\$1,375,035	8%
	Dallas	1,345,047	\$238,336,698		\$17,719,581	
	Tarrant County	2,102,515	\$66,698,268	-50,070,325	\$3,172,309	24%
	Fort Worth	895,008	\$116,768,593		\$13,046,654	
Washington	King County	2,252,782	\$89,545,116	-61,499,038	\$3,974,868	20%
	Seattle	744,955	\$151,044,154		\$20,275,608	
Wisconsin	Milwaukee County	945,726	\$26,572,107	-229,836,110	\$2,809,705	6%
	Milwaukee	592,025	\$256,408,216		\$43,310,370	

COUNTIES MATTER: COVID-19



America's counties are on the front lines of our nation's response to the coronavirus pandemic. During this unprecedented public health emergency and the aftermath of an economic crisis, counties are committed to strong intergovernmental cooperation to mitigate COVID-19 and its far-reaching impacts on America's people and places.

COMMUNITY HEALTH

- **Counties support 903 hospitals, 824 long-term care facilities and over 1,900 public health departments**
- In **26 states**, counties are required to provide health care for low-income, uninsured or underinsured residents
- Counties contribute to the non-federal share of Medicaid in **26 states**. Of these states, **18 mandate counties to contribute to the non-federal share of Medicaid costs** and/or administrative, program, physical health and behavioral health costs
- Local governments, mostly counties, contribute **\$28 billion to the non-federal share of Medicaid annually**
- Mandated county contributions are the highest in New York. Counties in New York and New York City send **over \$7 billion per year – or \$140 million per week** – to the state for Medicaid costs
- **75 percent** of federal funding used by counties in FY 2014-2016 was for health and human services

HUMAN SERVICES

- In at least 10 states that represent at least a third of the U.S. population, counties are responsible for administering federal human service programs, such as **Temporary Assistance for Needy Families, Supplemental Nutrition Assistance Program, the child welfare system and the Child Care and Development Block Grant**
- Counties invest **\$58 billion** annually in federal, state and local dollars on human services programs
- As **unemployment numbers skyrocket**, county residents will turn to human services agencies in unprecedented numbers to access safety net programs. At the same time, **general revenue funds** – which counties often use to supplement federal and state funding for human services programs – **are declining dramatically**

COUNTY MANAGEMENT

- **Led by 40,000 county elected officials, counties employ 3.6 million people, or 1 percent of the entire U.S. population**
- Every two years during elections, counties fund and oversee more than **100,000 polling places**

JUSTICE AND PUBLIC SAFETY

- Counties typically operate **911 call centers**, county **Emergency Operations Centers** and emergency planning and response functions
- Counties provide essential public safety services from **law enforcement to fire and rescue** to even **coroners and medical examiners**
- Counties operate **91 percent of all local jails**, with **11 million total admissions** nationally each year, and an average daily jail population of **750,000 inmates**
- Counties invest **\$35 billion annually in 3,041 police and sheriffs' departments**, mostly with local funds

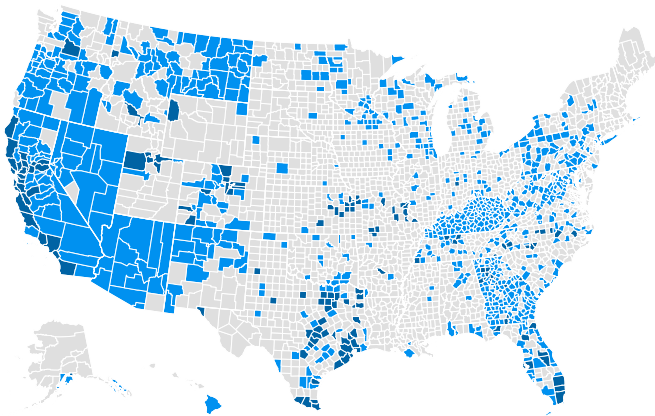
TRANSPORTATION

- Counties directly support **34 percent** of the nation's public airports
- Counties support **78 percent** of public transit systems that connect people, communities and economies
- Counties own **45 percent** of public road miles and **40 percent** of the nation's bridges
- Counties invest **\$134 billion** in the construction of infrastructure, maintenance and operation of public works, such as roads and bridges, wastewater and stormwater systems, county hospitals, courthouses, jails and other public facilities
- To fund and finance infrastructure, counties use a combination of **federal, state and local dollars, including user fees and tax-exempt municipal bonds**

Visit www.NACo.org/Coronavirus to find the latest **county-level data**

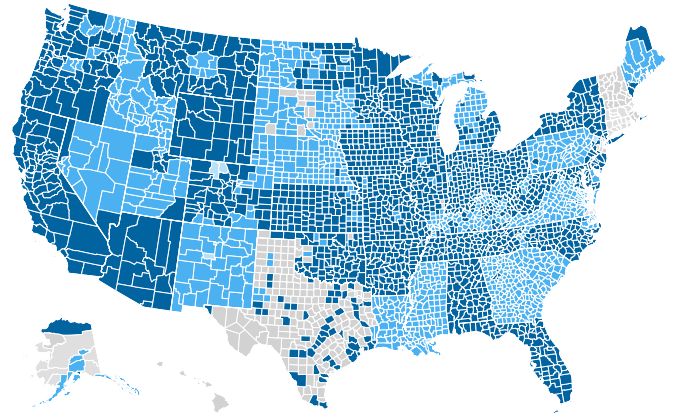
County Declarations and Policies in Response to COVID-19 Pandemic

- County with an emergency declaration
- County with a safer-at-home or business closure policy
- No known local policy



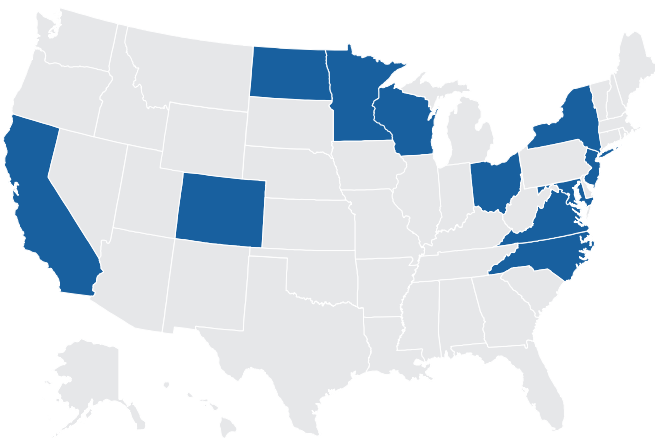
County Supported Local Health Departments (LHDs)

- County LHD
- Multi-county / city-county LHDs
- Multiple county supported LHDs
- No county supported LHD



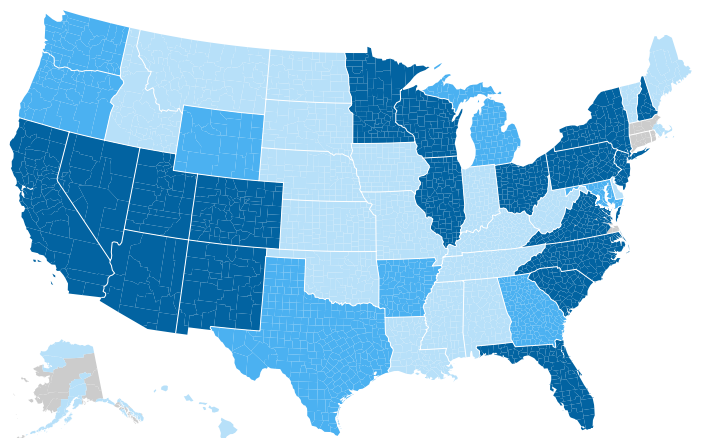
Counties administer TANF in 10 states

- County administered
- Non-County administered



Medicaid contribution mandates for counties

- State-mandated contribution
- Contribution, not state-mandated
- No contribution



NACo's County Explorer COVID-19 maps include:

- County declarations and policies
- Key demographic information
- Hospital numbers
- Local health departments
- Nursing homes
- ...and more.

