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The Tennessee Municipal League (TML) appreciates your leadership as we continue to navigate the impact of the COVID-19 pandemic. Cities and towns are on the front line fighting against the virus while simultaneously leading the state's recovery, and our partnership with the federal government is crucial to the success of these efforts. We urge you to support funding to local governments in the next stimulus package.

Municipalities in Tennessee are operating in a new fiscal year on budgets that reflect steep cuts, personnel layoffs, and capital project delays. It is clear that the COVID-19 crisis will be with us for the foreseeable future, as Governor Lee has extended the State of Emergency until the end of August. Local governments are facing unprecedented, ongoing, and uncertain economic challenges.

Cities and towns are the economic engines of our state. We generate 92 percent of the state's sales tax revenue, which has been greatly diminished as we recover due to the reduction in the capacity of business operation, limitations on social and recreational gatherings, and encouraging of citizens to stay home as a result of the COVID-19 pandemic. Municipalities in Tennessee have lost approximately \$21.5 million during the months of April and May, compared to last year's sales tax collections. We are in dire need of federal assistance in order to offset this loss of revenue and to provide economic stability to our communities and the state going forward.

We are asking for your support of legislation that includes:

1. Sufficient federal aid for local governments;
2. Fair and direct funding allocations to each and every local government with no exclusions based on population; and
3. Maximum flexibility in both new funds and CARES Act funds to address lost revenue and budget consequences of the pandemic.

Additional federal funding will enable cities to continue to provide essential critical services, move forward with planned capital expenditures, and keep our workforce employed. We need unprecedented local-federal cooperation to get Tennesseans back to a safe, healthy, and prosperous life.

Thank you for your time and attention to this matter. If I may be of any further assistance, please do not hesitate to contact me.

Sincerely,

Margaret Mahery

TML Executive Director

Email: mmahery@tml1.org

