

Testimony from Brian M. Daniels, Executive Director
H.Res. 6125 – Local Commissions for Federal COVID-19 Funding
House Committee on Municipal Government & Housing – March 25, 2021

Thank you, Mr. Chairman and members of the committee, for the opportunity to share our thoughts on this resolution.

The Rhode Island League of Cities and Towns worked closely with the Congressional delegation and the National League of Cities for nearly a year to demonstrate the impacts of COVID-19 on our local budgets, which have absorbed new compliance and safety costs while also experiencing declining tax revenues from the economic downturn. We are extremely grateful that the American Rescue Plan contains approximately \$540 million for Rhode Island municipal governments to offset new costs and lost revenues and to strengthen our communities in the coming three years.

We appreciate and share Representative Barros's interest in transparency and accountability to ensure that taxpayer dollars are invested well. At this point, we are still awaiting guidance from the U.S. Department of Treasury to understand how exactly these funds may be spent and must be accounted for. In preparation, the League has reached out to the RI Office of Management and Budget to ask that they assist cities and towns with Federal requirements, as well as coordinate state and local investments for maximum impact. We also convene regular meetings with municipal chief executives and finance directors to share information and best practices on possible spending ideas and compliance.

This resolution recommends that each municipal chief executive appoint a five-person commission to oversee how funds are spent in each community. Consistent with our belief in local self-governance, the League believes that each community must determine the oversight structure that works best for its own circumstances. One particular area of concern in many of our communities is how education funds would be spent – an issue that would not be addressed by the recommended commission. Between the December 2020 stimulus and the American Rescue Plan in March 2021, Rhode Island school districts are expected to receive as much as \$540 million in Federal aid. If school committees do not coordinate with municipal governments and the RI Department of Education on spending those funds and opt to establish permanent staffing or programs with one-time funds, they risk creating structural deficits that would require greater local funding once Federal funds have expired.

Rather than pass this resolution, we encourage members to work with their individual cities and towns and help provide support and guidance from state agencies so that these Federal funds strengthen our communities in a sustainable fashion. Thank you for your consideration of our views.