

Congress of the United States
Washington, DC 20515

May 14, 2021

The Honorable Charlie Baker
Massachusetts Statehouse
24 Beacon St.
Boston, MA 02108

Dear Governor Baker:

We are writing to reiterate our continued support for the Commonwealth of Massachusetts to equitably distribute federal aid to communities that have been hardest hit by the COVID-19 pandemic. The American Rescue Plan (ARP) includes \$350 billion for state and local governments to respond to economic and health effects of the pandemic and the recession.¹ We not only fought to secure this critical funding for Massachusetts, but also worked with the Department of Treasury after ARP's passage to ensure that there was maximum flexibility in the allowable use of funds. Now that the U.S. Department of the Treasury ("Treasury") has issued guidance we ask that you take appropriate steps to direct these federal dollars to communities within the Commonwealth that need it the most.

Earlier this week, Treasury released allocation details for states and the interim final rule for use of these funds.² As you know, Massachusetts will receive approximately \$5.28 billion in federal aid³ – this is in addition to funding that will go directly to municipalities and functioning counties. We are acutely aware of how significant these resources are to the Commonwealth and we are glad that Massachusetts will receive this federal funding at such a crucial time. However, there are many Massachusetts communities – particularly communities of color – that have been hardest hit by the COVID-19 pandemic and may not qualify for the same resources due to existing formulas that determine allocations. These formulas cannot factor the disproportionate impact of the pandemic on a community nor the fact that many frontline and communities of color may require additional assistance beyond their direct federal allocations.

¹ Massachusetts Municipal Association, "MMA provides an analysis of municipal aid expected from American Rescue Plan," press release, March 12, 2021, <https://www.mma.org/mma-provides-analysis-of-municipal-aid-expected-from-american-rescue-plan/>.

² U.S. Department of the Treasury, "Coronavirus State and Local Fiscal Recovery Funds," <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>.

³ U.S. Department of the Treasury, "Allocation for States," <https://home.treasury.gov/system/files/136/fiscalrecoveryfunds-statefunding1-508A.pdf>.

The pandemic exacerbated many economic disparities that existed prior to the pandemic. Treasury cited in its interim rule that the negative economic impacts of the pandemic are particularly pronounced in certain communities and families and that low- and moderate- income jobs make up a substantial portion of pandemic job losses. Furthermore, Treasury stated that many of the jobs in these communities require in-person frontline work, which exposed workers to greater risk of contracting COVID-19, which again further exacerbated the virus' impact in these cities and towns.⁴

To address these inequities, Treasury's interim final rule provides states with maximum flexibility to utilize ARP funding allocations. According to Treasury, states and municipalities can spend these federal dollars to: (1) support public health expenditures; (2) address negative economic impacts caused by the pandemic; (3) replace lost public sector revenue; (4) provide premium pay for essential workers; (5) invest in water, sewer, and broadband infrastructure. Prior to the release of these criteria, the Massachusetts congressional delegation and 24 members of Congress sent a bicameral letter to Treasury Secretary Yellen expressing strong support for the department to provide maximum flexibility in the distribution of federal relief so that states can target ARP funding at our most vulnerable communities.⁵ We are pleased that Treasury has provided this flexibility and we urge you to take this opportunity to target the \$5.28 billion in relief to communities disproportionately impacted by the pandemic.

As we noted in our previous letter⁶, we believe that your administration's initiative to designate 20 Massachusetts communities for targeted support from this public health emergency provides a blueprint to equitably distribute federal resources. These communities have been on the frontlines of the pandemic and deserve additional relief to support their full recovery from the pandemic and the recession. We respectfully request that you use these federal funds and the discretion provided by the ARP and Treasury to equitably direct the Commonwealth's allocation of ARP funds to our hardest hit communities. Thank you for your attention to this matter.

Sincerely,



Elizabeth Warren
United States Senator



Edward J. Markey
United States Senator

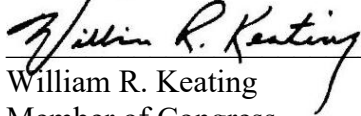
⁴ U.S. Department of the Treasury, "Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule," May 10, 2021, <https://home.treasury.gov/system/files/136/FRF-Interim-Final-Rule.pdf>.

⁵ Letter from Senator Elizabeth Warren, Congresswomen Pressley, and 26 members of Congress to Treasury Secretary Yellen, March 24, 2021, [https://www.warren.senate.gov/imo/media/doc/2021.03.24%20Letter%20to%20Treasury%20on%20ARP%20relief%20flexibility%20\(1\).pdf](https://www.warren.senate.gov/imo/media/doc/2021.03.24%20Letter%20to%20Treasury%20on%20ARP%20relief%20flexibility%20(1).pdf).

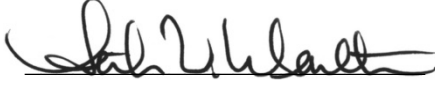
⁶ Letter from members of the Massachusetts congressional delegation to Governor Charlie Baker, March 18, 2021, <https://www.warren.senate.gov/imo/media/doc/3.18.21%20-%20Member%20letter%20to%20Governor%20Baker%20on%20ARP%20funding%20discretion.pdf>.



James P. McGovern
Member of Congress



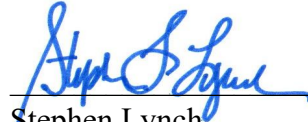
William R. Keating
Member of Congress



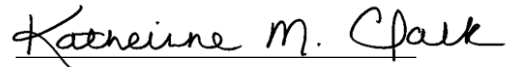
Seth Moulton
Member of Congress



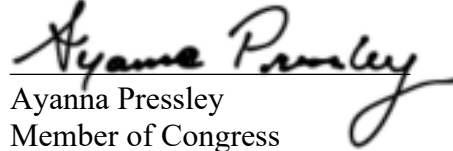
Jake Auchincloss
Member of Congress



Stephen Lynch
Member of Congress



Katherine M. Clark
Member of Congress



Ayanna Pressley
Member of Congress