

BETTY MCCOLLUM  
4TH DISTRICT, MINNESOTA

2256 RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515  
(202) 225-6631  
FAX: (202) 225-1968

661 LASALLE STREET  
SUITE 110  
SAINT PAUL, MN 55114  
(651) 224-9191  
FAX: (651) 224-3056  
mccollum.house.gov



UNITED STATES  
HOUSE OF REPRESENTATIVES

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September 9, 2020

The Honorable Melvin Carter  
City of Saint Paul  
15 Kellogg Blvd. West  
Saint Paul, MN 55102

Dear Mayor Carter:

As families in St. Paul and across Minnesota continue to confront the Covid-19 health and economic crisis, I appreciate your hard work and the efforts of all City staff to meet this unprecedented challenge. Families are suffering, particularly low-income families and families of color, during this crisis. In Congress, House Democrats have been successful in helping to provide trillions of dollars of federal funds to support and sustain families in need. Still, the crisis persists, and millions of Americans are facing dire consequences, including the on-going threat of Covid-19 infection, unemployment, hunger, a lack of childcare, and homelessness.

Recent media reports have highlighted your actions to respond to the crisis and therefore I am writing to request additional detailed information regarding "Emergency Executive Order 2020-24" issued on September 3, 2020 directing the City of Saint Paul (City) to establish a guaranteed income demonstration project called the "People's Prosperity Pilot."

The executive order calls for providing 150 randomly selected families cash support of \$500 per month for eighteen months. This is an innovative and potentially transformative policy experiment you are leading. It will require careful design, implementation, and oversight by your administration. I know the City is aware that every precaution must be taken to avoid unintentionally violating federal law pertaining to the use of federal funds or making participants in the pilot ineligible for existing income-determined public programs.

While the City can use the property or sales tax revenues it collects to make cash payments to residents in any fashion it deems appropriate, Emergency Executive Order 2020-24 makes it clear that there is the intention to use federal monies provided to the State of Minnesota and granted to the City from the Coronavirus Relief Fund, established in P.L. 116-136, the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act). The use of these emergency federal funds comes with restrictions and limitations based in federal law, regulation, and rule

that are not always explicitly clear, but subject to interpretation by the Trump administration, particularly the Department of Treasury.

The unique and progressive approach your administration is taking to confront the economic devastation caused by the pandemic will garner national attention and likely enter into the congressional debate as my House colleagues and I work to provide additional hundreds of billions of dollars of direct federal aid to ailing state and local units of government, including Saint Paul. Since additional emergency response funding is a top congressional priority in the coming weeks, it is my hope that the following questions can be answered by the City and provided to me in writing as soon as possible:

1. Has the City sought and received a determination from the Treasury Department that CARES Act funding can be used for the People's Prosperity Pilot? Since the City has undoubtedly produced a legal opinion determining the pilot is in compliance with federal law, rules, and regulations, I would appreciate being provided a copy of the document.
2. The CARES Act requires all funding to be expended by December 30, 2020. How much CARES Act funding does the City intend to expend and how does the City intend to meet the December 30<sup>th</sup> deadline requirement as it pertains to the People's Prosperity Pilot?
3. P.L. 104-193, the *Personal Responsibility and Work Opportunity Reconciliation Act of 1996* (PRWORA), provides eligibility restrictions for federally funded programs in which "unauthorized immigrants" versus "authorized immigrants" may participate. Has the City sought guidance from the Treasury Department as to whether PRWORA applies to CARES Act funds to be used for the People's Prosperity Pilot?
4. Since immigration status often determines eligibility for federally-funded benefits, how will the City assess an applicant family's immigration status? Will the City establish eligibility criteria that will allow any qualified family, regardless of immigration status, to participate in the People's Prosperity Pilot?
5. My office has consulted with the Congressional Research Service (CRS) and legal experts believe that there is uncertainty about using CARES Act funding for a guaranteed income pilot project. Without explicit federal approval, is the City prepared to take on costly litigation should the Trump administration challenge the legality of the pilot program?
6. To ensure low-income families receive all the benefits they deserve, how will the City institute procedures and assessments to prevent a pilot family's additional income from making them ineligible to receive other income determined programs such as Supplemental Nutrition Assistance Program (SNAP), Minnesota Family Investment Program (MFIP), Childcare Assistance, Medical Assistance (MA), Special Supplemental Income Program for Women Infants and Children (WIC), housing, MinnesotaCare, or any other public assistance? Does the City intend to provide an income verification

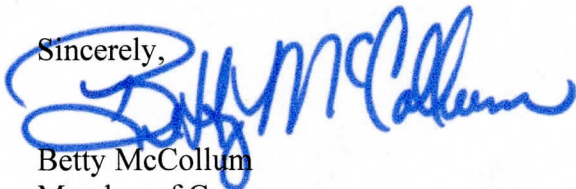


process and counselors to advise applicants of the potential implications of accepting the People's Prosperity Pilot dollars?

7. Considering that the Coronavirus Relief Funds flowed through the State of Minnesota and the State would likely be liable for any potential "claw-backs" or sanctions that the Treasury Department could place on them if these funds are used in a manner that does not comply with federal law or guidance, has the City consulted with the officials from the State of Minnesota in designing the People's Prosperity Pilot?

Mayor Carter, we both represent the residents of Saint Paul. Like you, I want our City to remain strong and successful as we respond to this multifaceted crisis. With so much at stake, we also have a shared duty to ensure that all public funds – federal, state, and local – are utilized in the most effective manner possible to improve lives and livelihoods during this extraordinarily difficult time. I look forward to continuing to work in partnership with you to meet the needs of all Saint Paul families.

Sincerely,



Betty McCollum  
Member of Congress

cc: Hon. Dai Thao, St. Paul City Council Member, Ward 1  
Hon. Rebecca Noecker, St. Paul City Council Member, Ward 2  
Hon. Chris Tolbert, St. Paul City Council Member, Ward 3  
Hon. Mitra Jalali, St. Paul City Council Member, Ward 4  
Hon. Amy Brendmoen, St. Paul City Council President, Ward 5  
Hon. Nelsie Yang, St. Paul City Council Member, Ward 6  
Hon. Jane Prince, St. Paul City Council Member, Ward 7  
Governor Timothy Walz  
U.S. Senator Amy Klobuchar  
U.S. Senator Tina Smith  
Hon. Toni Carter, Chair, Ramsey County Board  
Minnesota Senator Richard Cohen  
Minnesota Senator Sandy Pappas  
Minnesota Senator John Marty  
Minnesota Senator Fong Hawj  
Minnesota Representative Kaohly Her  
Minnesota Representative Dave Pinto  
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Minnesota Representative John Lesch  
Minnesota Representative Tim Mahoney  
Minnesota Representative Jay Xiong