June 22, 2021

The Honorable Greg Abbott
Governor of Texas
P.O. Box 12428
Austin, TX 78711

Dear Governor Abbott,

First of all, thank you for your leadership and the assistance you have provided to communities across the state as we continue the push to revitalize local economies in the wake of the COVID-19 pandemic.

On March 11, 2021, the president signed into law the American Rescue Plan Act of 2021. Included within the Act is the Coronavirus Local Fiscal Recovery Fund (CLFRF), which provides funding to local governments across the country to support COVID-19 response efforts, provide funding for essential first responders, promote economic stabilization for families and businesses, and replace lost revenue to strengthen support for vital public services that are necessary for local economies to thrive. City funding under the CLFRF is divided into two parts: (1) direct federal funding to so-called Metropolitan Cities with populations of 50,000 and above; and (2) funding to non-entitlement cities (typically under 50,000 population), which is to be received and disbursed by the state government according to a specific population-based formula.

In Texas, the largest 75 cities in the state are already eligible for direct funding of about $3.4 billion from the federal government. It is our understanding that most of these cities have already received their funding. However, the remaining 1,145 non-entitlement cities in Texas have not received the nearly $1.4 billion in funding under the CLFRF. According to the U.S. Department of Treasury, as of the date of the writing of this letter, Texas is one of 19 states that has not yet requested the federal funds available to small cities.

The purpose of this letter is two-fold. First, to ask you to request these funds as soon as possible. And secondly, to extend our support to your office to help facilitate the expeditious disbursement of this funding to small cities across Texas, if needed.
As cities begin to dig into their proposed budget numbers in earnest and receive citizen input on local priorities, local officials and those they represent will benefit from as much budgetary certainty as possible. Having access to the federal funds that are specifically earmarked for smaller Texas cities will help tremendously with recovery efforts and the ability to maintain the high quality of life that so many Texans have come to count on in these communities. If local leaders have access to these funds in advance of the adoption of the budget and property tax rate, they have the ability to further minimize the property tax burden on local residents and businesses still reeling from the impact of the last year.

Texas cities should all have equal access to these federal dollars, regardless of size. Rural Texans and those living in smaller cities were no less impacted by the pandemic than those in our largest metro areas. It is our sincere hope that you will act as quickly as possible to pass through CLFRF revenue to the smaller communities spread all across our great state. We stand by ready to assist your office in any way we can.

Sincerely,

Bennett Sandlin
Executive Director