

Congress of the United States
Washington, DC 20515

February 9, 2021

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Steny Hoyer
Majority Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Jim Clyburn
Majority Whip
U.S. House of Representatives
Washington, DC 20515

Dear Speaker Pelosi, Leader Hoyer, and Whip Clyburn,

Thank you for your leadership in advancing a relief package that provides both direct and indirect support to our constituents. In order to stabilize the economy and prevent further harm to individuals, we must provide support to our state and local governments. I urge you to include \$350 billion in the reconciliation package for state and local governments.

State and local governments are on the front lines, providing direct services to Americans during the pandemic. But state and local revenue from income tax, sales tax, and user fees have declined as Americans have lost their jobs and made fewer purchases in this unreliable economy. At the same time, costs have risen as health care systems are overrun, more residents require support, and services have dried up as the world shifted online. A December survey of municipal officials conducted by the National League of Cities found that 90% of municipal governments have experienced a revenue decrease of 21%, and 76% have experienced an expenditure increase of 17% on average.

Because states and localities must balance their operating budgets and cannot carry deficits, they enacted cuts to try to bring budgets into alignment. These cuts have had a tangible impact on direct services provided to constituents, hindering their pandemic response. With fewer staff to help administer programs like Community Development Block Grants or Homeless Assistance Grants, localities lack the manpower needed to support residents. Routine city functions, such as

waste collection, emergency response, permitting, inspections and licensing, or capital projects, have also suffered under budget cuts.

State and local governments are fixtures in the economy, accounting for 13% of total employment in the United States and require funding to maintain the engine of economic growth. Unfortunately, a Bureau of Labor study from December 2020 found that local governments had shed 32,000 jobs (excluding education); overall government employment is down by 1.3 million jobs since February 2020. Beyond direct employment, the lack of funding also impacts the businesses that contract with state and local government. A National League of Cities survey found that 65% of cities have delayed or canceled infrastructure projects to address revenue losses hurting the local small businesses contracted for that work.

The CARES Act provided a critical influx of \$150 billion for state and local governments to address the pandemic. While this was crucial assistance, we need to look ahead and offset shortfalls faced in 2021 and beyond. The Brookings Institute projected that state and local revenues would decline \$167 billion in 2021 and \$145 billion in 2022. We know that these losses will be sustained for years to come and need a strong influx of funding now.

We urge you to work in tandem with the appropriate committees of jurisdiction to provide the full \$350 billion in relief for state and local governments to truly address the concerns of local leaders nationwide. The funding should be allocated under the structure outlined in the HEROES Act, with specific amounts provided for states, cities, and counties.

Thank you for your attention and consideration of this request. We stand ready to assist as you continue your work on behalf of our constituents.

Sincerely,



Marilyn Strickland
Member of Congress

Adam Smith
Member of Congress

Filemon Vela
Member of Congress

Ed Case
Member of Congress

Gwen Moore
Member of Congress

Derek Kilmer
Member of Congress

Donald M. Payne, Jr.
Member of Congress

Alcee L. Hastings
Member of Congress

Andre Carson
Member of Congress

Val Demings
Member of Congress

Tony Cárdenas
Member of Congress

Dina Titus
Member of Congress

Raúl M. Grijalva
Member of Congress

Marcy Kaptur
Member of Congress

Andy Levin
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Ted W. Lieu
Member of Congress

Madeleine Dean
Member of Congress

Diana DeGette
Member of Congress

Sheila Jackson Lee
Member of Congress

Joyce Beatty
Member of Congress

Chris Pappas
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James P. McGovern
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Mike Doyle
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Matt Cartwright
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Vicente Gonzalez
Member of Congress

Susan Wild
Member of Congress

Earl Blumenauer
Member of Congress

Barbara Lee
Member of Congress

Tom O'Halleran
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David Cicilline
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Bill Foster
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Ann Kirkpatrick
Member of Congress

Anthony G. Brown
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Jan Schakowsky
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Grace F. Napolitano
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Marie Newman
Member of Congress

Daniel T. Kildee
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Cindy Axne
Member of Congress

Cori Bush
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Tom Malinowski
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Henry Cuellar
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Darren Soto
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Rick Larsen
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Nikema Williams
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Danny K. Davis
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Deborah Ross
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Mike Levin
Member of Congress