



April 10, 2020

The Honorable Mitch McConnell
Majority Leader, U.S. Senate
317 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Charles Schumer
Minority Leader, U.S. Senate
322 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Nancy Pelosi
Speaker, U.S. House of Representatives
1236 Longworth House Office Building
Washington, D.C. 20515

The Honorable Kevin McCarthy
Minority Leader, U.S. House of Representatives
2468 Rayburn House Office Building
Washington, D.C. 20515

Robin Vos
Assembly Speaker
Wisconsin
President, NCSL

Martha R. Wigton
Director
House Budget & Research
Office
Georgia
Staff Chair, NCSL

Tim Storey
Executive Director

Re: Flexibility For States in the Coronavirus Aid, Relief, and Economic Security (CARES) Act

Dear Leader McConnell, Leader Schumer, Speaker Pelosi and Leader McCarthy:

On behalf of the legislatures of the nation's 50 states and territories, the National Conference of State Legislatures (NCSL) thanks you for your leadership in providing important economic and public health resources to states as they combat the effects of the Coronavirus (COVID-19) pandemic. As part of the larger Coronavirus Aid, Relief, and Economic Security (CARES) Act, the \$150 billion direct aid in the Coronavirus Relief Fund (CRF) will help states pay a portion of the immediate costs associated with battling the virus on the frontlines, while providing some economic security to citizens. We are equally grateful for the CARES Act aid funds for disaster relief, education, health efforts and small business through various federal programs.

It is evident that the global health emergency will have devastating effects on state budgets used to provide vital support and services to individuals and businesses across the nation. Based on preliminary estimates by many states, NCSL projects revenue losses will be between 15-20%, nearly \$350 billion in lost funding. As states continue to spend funds on curtailing COVID-19 and "flattening the curve," they are experiencing unprecedented, sharp budget declines. States need more flexibility to use already appropriated CRF funding; however, under the language in the CARES Act, states are prohibited from doing so. This must be corrected in any future assistance to states. As you amend the CARES Act, we urge you to provide states with the flexibility to use CRF resources to offset state revenue losses. To this end, we ask that the CARES Act language be revised to read:

Title VI, Sec 601 (d):

(1) are necessary expenditures **or lost revenue** incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19).

In the 45 years our bipartisan organization has represented states and territories, there has never been a crisis with more potential to devastate state budgets and economies than the current pandemic. We genuinely appreciate your leadership in ensuring that states not bear the entire cost of fighting COVID-19. State legislators are deeply concerned about revenue losses and economic recovery and continue to call on you for assistance. By March 1, 2020—prior to the national emergency declaration—22 states had already passed budgets that did not contemplate the steep economic losses caused by COVID-19. The impacts of extension of the federal tax filing deadline to July 15—to which many states conformed their own deadlines—have already begun to cause serious disruption in state revenue calculations.

Providing economic and public health relief as you have done through the first three response phases have been critical to ensuring states have the necessary resources to keep Americans safe and able to care for their families. As you consider the next phase of response, please consider the recovery that will be necessary to stabilize state economies and prevent further shutdown of vital sectors. The negative impact of lost state revenue and complete halting of our economy could have effects unlike any recession we've ever endured.

If you have any further questions, please contact me or Erlinda A. Doherty, director of the NCSL Budgets and Revenue Committee, at 202-624-8698 or erlinda.doherty@ncsl.org. In addition, please visit our own [COVID-19 webpage](#), which contains a compendium of real-time resources about how states are acting to address our national emergency.

Sincerely,

A handwritten signature in blue ink that reads "Tim Storey". The signature is written in a cursive style with a long horizontal flourish at the top.

Tim Storey,
Executive Director, NCSL