

Statement by David Adkins, Executive Director/CEO of The Council of State Governments on Federal Action in Response to COVID-19 Outbreak

Congress is now crafting the third phase of a federal stimulus package, and it is expected to have a cost of nearly \$1 trillion. To achieve maximum results with this money, I urge Congress to immediately do the following:

1. Get cash into the hands of the states with no strings attached.

The COVID-19 crisis is unprecedented because it simultaneously impacts all 50 states and the U.S. territories. To date, COVID-19 cases have now been recorded in every U.S. jurisdiction which, in turn, designates each as an area in great need. Additionally, state leaders cannot quickly address the needs of their cities, counties and citizens if they are required to navigate around roadblocks imposed at the federal level. State budgets will be hit hard by increased spending and precipitous decreases in revenues. For example, research suggests that for every 1% increase in unemployment, states lose \$240 billion in revenue. In New York, the only state with a fiscal year beginning April 1, New York Comptroller Thomas DiNapoli estimates the crisis could cost the state up to \$7 billion in lost revenues for FY2021. While most states have rainy day funds to address unexpected needs, the scope and duration of this crisis will quickly deplete those reserves in many states. States, cities and counties are spending money right now to address the urgent needs of citizens, and they need their federal partners to be there to support them. I urge members of Congress to draft a relief package that puts states at the top of the list when determining where resources can be sent to have the most impact.

2. Congress should give states maximum flexibility as they work to maintain safety net programs.

Due to the stream of layoffs caused by the COVID-19 crisis, states are already seeing increasing caseloads for vital safety net programs. TANF, SNAP and Medicaid expenditures will only grow in the weeks ahead as demand balloons. Congress should give states maximum flexibility and the resources necessary to respond to these essential needs.

3. The federal government needs to act swiftly to provide necessary resources.

Federal officials often say that the responses to emergencies are "federally assisted, state managed and locally executed." While that is the way it has successfully worked in previous disasters and emergencies, the COVID-19 pandemic is without precedent. We need to flip that script. **All** states are in immediate need of vital health supplies. **All** states are also in immediate need of substantially more coronavirus test kits. Personal protective gear for health care workers, prison workers, law enforcement and other first responders is in very short supply. We



can also expect that the number of ventilators available will be woefully inadequate to meet caseloads. The federal government cannot leave it to the states to solve these supply chain issues. In the case of COVID-19, the states need to assist but the federal government needs to manage. We need direct and immediate action to get all the necessary, life-saving supplies to the frontlines of each and every single state and territory. The number of lives lost to this pandemic will largely be determined by the extent to which this supply chain challenge can be immediately addressed.

I commend Congress for acting quickly to address the pressing needs of the nation at this challenging time. Public health measures to mitigate the growth of COVID-19 cases has resulted in bringing many parts of the global economy to a standstill, and many families are confronting catastrophic financial consequences. Experience tells me the legislation now under consideration is very likely to be the best, last chance to shape how the federal government will allocate limited resources to address the COVID-19 crisis. In the wake of the financial meltdown of 2008, Congress took swift action to enact a sweeping relief package. The after-action reports concluded that opportunities were lost because resources weren't placed in the right hands. I understand the need to act swiftly in response to a health emergency, and I hope Congress will agree with me that money allocated to the states now is the fastest and most efficient way to achieve immediate results. I would urge the president to appoint a high-level official in his administration to be available to help reduce roadblocks and delays in administering the funds allocated. When this crisis is over and we ask ourselves what we could have done better, I know we will have few regrets if resources were directed to the states where the most good could be done. Looking back months from now, I would like to know lives were saved and the health of the American people was protected or restored because the federal government provided the states adequate resources when they were most needed. The time to make those resources available is now.

In the days ahead we can expect all states to seek a presidential disaster declaration related to COVID-19, a step necessary for states to access federal disaster assistance. Following most natural disasters, FEMA has coordinated the federal government response. Currently, HHS and FEMA are doing a dance to determine who can and should take the lead in the current crisis. HHS has little experience in coordinating such large-scale emergencies, and FEMA has little experience responding to pandemics. Frankly, the states don't care who takes the lead at the federal level, but they do expect rapid response, informed leadership, clear communication and active collaboration from their federal partners. The full force of the federal government should be focused on solving supply chain problems and shoring up the states financially as they address front line challenges. I commend the president for exercising powers reserved to the federal government to ramp up production of essential supplies in time of war and for his



recognition that the states are essential partners in responding to this emergency. Successfully addressing this supply chain problem and getting test kits, personal protective gear and ventilators distributed to the states will save many lives.

The governors have emerged as the trusted leaders in responding to the COVID-19 crisis. They have worked diligently, pragmatically and forcefully to protect the health and safety of their citizens. The Council of State Governments supports their mitigation efforts and encourages all citizens to comply with their guidance and directives. Governors and state health leaders are looked to as a much-needed source of fact-based information in a time of uncertainty. I am proud of the way they have consistently and collectively put the needs of people before politics. It is their levelheaded and informed leadership that has helped their citizens prepare for and navigate the crisis. They will continue to assess conditions in their state and determine what additional steps are necessary to mitigate the spread of the virus and provide medical care to those infected. Their legacy of leadership in a time of crisis will reflect well on the capacity and ability of state government to serve the people well when they need government the most.

The Council of State Governments advocates for the states because we know that strong states are the building blocks of a strong nation. Together, the states, in partnership with the federal government, can achieve victory over this virus. But the time for bold, smart and compassionate action is now.

<u>Please click here to visit the CSG special website</u> for COVID-19 resources for state leaders. It is updated daily to provide our members with the help they need to secure their communities.

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