June 23, 2020

Municipal Clerks: Please forward to your Mayor, Governing Body and Department Heads.

To assist in providing guidance and information we have created a COVID-19 resource page. We will continue to update the page as we get pertinent information and include announcements in our Daily Updates.

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‘Main Street’ Joins ‘Wall Street’ in Call for Federal Aid to Local Governments

As we reported on Friday, more than 150 top financial experts and economists have signed a letter urging more Congressional action in response to the economic impact of the Pandemic. The letter, sent to Majority Leader McConnell, Minority Leader Schumer, Speaker Pelosi, and Minority Leader McCarthy, calls for "new assistance to states and localities" as part of new legislation. "An adequate response must be large, commensurate with the nearly $16 trillion nominal output gap our economy faces over the next decade,” The letter was endorsed by, among others, two former Chairs of the Federal Reserve Board, three former chairs of the Council of Economic Advisers, and two Nobel laureates.

We have since learned that the U.S. Chamber of Commerce agrees. The Chamber, whose primary job is to look out for big businesses, says if help doesn't come, states and cities will likely lay off more workers, cut services and raise taxes, deepening the economic crisis. As state and local governments struggle with how to plug pandemic-induced budget holes, businesses see a play in helping them get aid from Congress to avoid shouldering more of the burden. In a conversation reported by Politico, Neil Bradley, the U.S. Chamber’s Chief Policy Officer, said, "Part of our conversation with Republicans on Capitol Hill is that ironically, if your concern is big state government, then the last thing
you want to do is force states to replace one-time lost revenue with permanent tax increases.”

To date, Congress has passed four bills, responding to COVID-19. All of those bills addressed important priorities. But none of them prioritized the impact of the pandemic on municipalities. In fact, aid to state and local governments was ‘negotiated out’ of the most recent Federal COVID response act.

We expect to see another bill, during July. Please contact your District’s Representative and urge them to support direct aid to all municipalities, regardless of size, in the next legislation to advance.