



April 13, 2020

The Honorable Mitch McConnell  
Majority Leader  
U.S. Senate  
Washington, DC 20515

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

The Honorable Charles Schumer  
Minority Leader  
U.S. Senate  
Washington, DC 20515

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives  
Washington, DC 20515

The CARES Act established a \$150 billion Coronavirus Relief Fund to assist state and local governments combat the Coronavirus Disease 2019 pandemic. Under the Act, each state will receive at least \$1.25 billion plus an additional amount based on population, with a portion of the money allocated to local governments within the state.

As written, however, the fund provides little actual relief for state budgets but instead all but compels them to devise new spending that can be attributed to the Coronavirus Disease 2019 (COVID-19).

Congress needs to address this unintended outcome quickly by providing states and local governments the flexibility to use money from the Coronavirus Relief Fund 1) to offset lost tax and fee revenue that would otherwise have paid for ordinary operating expenses between March 1 and December 30, or 2) to provide one-time tax relief to individuals and businesses to revive the local economy.

Unlike the federal government, most states and local governments must balance their budgets. New costs associated with the Coronavirus outside of Medicaid (covered by the Families First Act) and education (covered in the Education Stabilization Fund) would not come close to the full amount appropriated except through budgetary gluttony. Billions of dollars in tax and fee revenue, however, have been lost and cannot be recovered. We ask Congress to allow states the ability to use their Relief assistance in the most prudent and least disruptive way possible.

Amy Cooke, CEO  
John Locke Foundation, North Carolina

Jim Vokal, CEO  
Platte Institute, Nebraska

Daniel Erspamer, CEO  
Pelican Institute, Louisiana

Jonathan Small, President  
Oklahoma Council of Public Affairs, Oklahoma

Donald Bryson, President  
Civitas Institute, North Carolina

Christian Braunlich, President  
Thomas Jefferson Institute for Public Policy, Virginia

Matthew Gagnon, CEO  
Maine Policy Institute, Maine

Jon Pritchett, President and CEO  
Mississippi Center for Public Policy, Mississippi

Charles Mitchell, President and CEO  
Commonwealth Foundation, Pennsylvania

Chris Ingstad, President  
Iowans for Tax Relief, Iowa

Annette Meeks, CEO  
Freedom Foundation, Minnesota

John Tsarpalas, President  
Nevada Policy Research Institute, Nevada

Lynn Taylor, President  
Virginia Institute for Public Policy, Virginia

Drew Cline, President  
Josiah Bartlett Center for Public Policy, New Hampshire

Justin Owen, President and CEO  
Beacon Center of Tennessee, Tennessee

Rick Larsen, President and CEO  
Sutherland Institute, Utah

Bethany Marcum, Executive Director  
Alaska Policy Forum, Alaska

Joe Lehman, President  
Mackinac Center for Public Policy, Michigan

Robert Alt, President and CEO  
The Buckeye Institute, Ohio

Bob McClure, CEO  
The James Madison Institute, Florida

Jason Mercier, Director, Center for Government Reform  
Washington Policy Center, Washington

Carol Platt Liebau, President  
Yankee Institute, Connecticut

Garrett Ballengee, Executive Director  
Cardinal Institute for West Virginia Policy, West Virginia

Bette Grande, CEO  
Roughrider Policy Center, North Dakota

Ron Williamson, President  
Great Plains Public Policy, South Dakota

Ellen E. Weaver, President & CEO  
Palmetto Promise Institute, South Carolina

Paul J. Gessing, President  
Rio Grande Foundation, New Mexico

Randy Hicks, President & CEO  
Georgia Center for Opportunity, Georgia

Kyle Wingfield, CEO  
Georgia Public Policy Foundation, Georgia