## Congress of the United States Washington, DC 20515

December 15, 2020

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

The Honorable Kevin McCarthy Minority Leader U.S. House of Representatives Washington, DC 20515 The Honorable Mitch McConnell Majority Leader U.S. Senate Washington, DC 20510

The Honorable Charles Schumer Minority Leader U.S. Senate Washington, DC 20510

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

As a government funding package is finalized in the coming days, we respectfully request that any such package include an extension of the deadline for state and local governments to spend Coronavirus Relief Fund (CRF) payments provided by the CARES Act and additional flexibility on how the payments may be spent. As you recall, the CARES Act required CRF recipients to spend any funds received by December 30, 2020, and restricted use of the funds to coronavirus-related expenses. With the pandemic surging and no additional relief passed since April, allowing state and local governments additional time and flexibility to spend their remaining CRF funds could provide much-needed relief without incurring new costs to the federal government.

Responding to the COVID-19 pandemic has been enormously expensive for every state in the nation, including our home state of Illinois. The Office of the Illinois Comptroller estimates that the state has already spent approximately \$2.3 billion directly on the crisis across all agencies for expenses that have included testing, contact tracing, ambulance services, medical assistance, and countless others. Many of these expenses are likely to persist into the new year as the virus continues to spread. Dr. Robert Redfield, Director of the Centers for Disease Control and Prevention, recently predicted that this winter will be among "the most difficult in the public health history of this nation." Asking cities and states to return CRF funds at what is likely to be the height of the entire pandemic would be counterproductive and undermine the progress that has already been made towards bringing the virus under control.

Furthermore, as state and local public health authorities prepare to administer millions of doses of vaccines in the early months of 2021, they face a severe lack of funding for this effort that is expected to cost in the billions of dollars.<sup>3</sup> If allowed to keep unspent CRF funds beyond December 30, the funds could be spent on the all-important task of vaccinating as many people as possible against COVID-19 in a safe and effective manner.

The financial impact of the pandemic reaches far beyond the direct costs of mounting an unprecedented public health response, however. High rates of unemployment, business closures, and economic inactivity

<sup>&</sup>lt;sup>1</sup> https://illinoiscomptroller.gov/covid19-information/

<sup>&</sup>lt;sup>2</sup> https://www.marketwatch.com/story/cdc-director-warns-the-next-three-months-will-be-the-most-difficult-in-public-health-history-2020-12-02

<sup>&</sup>lt;sup>3</sup> https://www.cnbc.com/2020/10/27/states-will-need-billions-to-distribute-the-covid-vaccine-as-federal-funding-falls-short.html

have slashed tax revenues, leaving states across the country – in red states and blue states alike – facing disastrous budget shortfalls. In September, Moody's Analytics warned of a potential double-dip recession, a national unemployment rate over 11% through the end of 2021, and total state budget shortfalls of \$650 billion without another relief package from Congress. If we do not provide state and local governments with an immediate infusion of additional, flexible aid, we must at least allow them to continue spending the money that they have already received and in such a way that allows them to avoid the most catastrophic economic scenarios.

While we remain hopeful that an agreement will be reached on an overall government funding bill before the December 18<sup>th</sup> deadline, as well as on another comprehensive COVID-19 relief bill by the year's end, we implore you to include these simple changes in the very next available legislative package. Thank you for your consideration of this important matter.

Sincerely,

Raja Krishnamoorthi Member of Congress

Bobby L. Rush Member of Congress

Danny K. Davis Member of Congress

Cheri Bustos Member of Congress

Robin L. Kelly Member of Congress

Bill Foster Member of Congress

 $<sup>^4\</sup> https://www.ncsl.org/Portals/1/Documents/fiscal/Moody\%\,27s\_09.21.20\_Shortfall-Update.pdf$