

U.S. House Financial Services Committee:
“More than a Shot in the Arm: The Need for Additional COVID-19 Stimulus”
Thursday, February 4th, 2021, 10:00 A.M.
[\[VIDEO\]](#)

Clarence E. Anthony, Executive Director and CEO of the National League of Cities (NLC):

“Today I am speaking on behalf of all those governments that have gone above and beyond to overcome the COVID-19 emergency.

“Local government employees are truly on the front lines enforcing measures that protect residents from catching and spreading COVID-19. Local community and economic development departments are stabilizing households and small businesses harmed by losses from the COVID-19 pandemic. Local elected officials are making painful budget cuts to preserve essential day-to-day operations that sustain cities as economic engines and places of opportunity. Residents are relying more than ever on the safety net programs that local governments are responsible for putting into action.

“The fact remains that local budget revenues are far below normal collections. Municipal governments are alone facing a \$90 billion shortfall on one-year revenues. NLC supports the \$350 billion for emergency intergovernmental relief.

“Local leaders in your district will tell you - this is not a bailout. Our local communities need a partnership, and we are fighting every day. Labor market data shows that local governments are still cutting jobs to offset revenue losses and unexpected costs related to COVID-19...Public sector employment is down by more than 1 million jobs compared to February 2020.

“Emergency funding has provided aid to the private sector, to residents harmed by COVID, SBA Treasury programs provided businesses with access to credit, HUD programs provided funding to help homeless residents and rentals, as well as small businesses. The role of local government in these programs is to connect emergency resources to those in need, and that required drawing up new programs, lifting up our residents by creating operations that help small and minority businesses overcome obstacles.

“There’s no question that additional housing stability is important...As a result, however, of these layoffs and operation declines, many local governments are less able to enact this kind of guidance that they are immediately responsible for after the CARES Act was passed.

“The new Emergency Rental Assistance program is a reasonable response to the emerging economy-killing eviction cliff. Roughly 1 out of every 5 people are a rental in America - 40 million people are at risk. Local governments are the ones that implement these initiatives. We need support.

“Local governments are running out of ways to paper over dramatic losses, and even when that happens, declines won’t stop the new programs from needing to be implemented.

“We are asking that these principles ensure that local governments are connected and engaged in the next bill:

“One - Emergency funding should be fair and appropriate for each and every local government, with no minimum population threshold for eligibility.

“Two - Allocations of aid should be built on familiar and proven government revenue sharing programs, like the Community Development Block Grants.

“Three - Funding should be separate for states, counties and municipalities.

“Four - Eligible expenditures should be targeted to the widespread health and economic consequences of COVID-19, including unavoidable revenue shortfalls.

“We’re asking for our shot as local governments.”