

March 20, 2020

Dear President Trump, Majority Leader McConnell, Minority Leader Schumer, Speaker Pelosi, and Minority Leader McCarthy:

As COVID-19 continues to spread throughout our region, the Governors of New Jersey, New York, Connecticut, and Pennsylvania – states that collectively represent 16 percent of the United States economy – are on the front lines on this effort. We have acted collectively to take the most aggressive approach possible to mitigate the spread of the virus. We have declared states of emergency and mobilized all available state resources. We have closed our schools, our restaurants, and our malls – and have significantly restricted or closed nonessential businesses. We have dramatically increased spending to protect our residents from this virus and to provide critical relief for individuals whose livelihoods are threatened or upended by our response. Because of the unprecedented challenge posed by this virus, most of this spending does not fit neatly into existing state or federal programs.

These measures are necessary steps in our ongoing effort to implement social distancing best practices and stem the spread of COVID-19. They will, however, also inevitably result in a staggering decline in economic activity and a destruction of our states' revenue bases – just as we need to significantly increase our spending to provide relief to our residents. Our response to this crisis must also address the impact on small businesses, Native American tribal casinos as well as state-run casinos and other tourist or recreation sectors, and other businesses that will face economic stress in specific sectors and particularly focus on businesses that may not be able to easily rebound. There is, quite simply, no historical analog for the challenges we will face in the coming weeks and months.

As you consider a third COVID-19 stimulus package, which is absolutely essential, we respectfully ask you to consider the fiscal impact on states that are on the front lines of the response. We already are forecasting billions of dollars in lost revenue – a month of mitigation effort corresponds to billions of dollars in foregone sales tax revenue, as an example.

Our transportation systems are seeing their ridership decimated, resulting in several billions of dollars of lost fare revenues. Our unemployment systems are flooded with new applicants. Our social services are providing life-saving support for thousands of unanticipated participants, and our childcare infrastructure needs to be intact to ensure frontline workers are available during this crisis. Our small businesses need additional support to rebound from the economic impact of temporary closures.

It is, therefore, critical that this fiscal stimulus include a direct cash assistance program that would provide a direct, and immediate, financial infusion to states to help cover our operations. We were grateful to hear President Trump say on a video conference with Governors yesterday afternoon that he was strongly considering including direct cash assistance for states in the next stimulus package. For our region alone, we believe this assistance must total at least \$100 billion – and likely more – in immediate relief to account for the devastating impact of COVID-19 on our four state budgets. Because we all have impending budget deadlines, we do not have the luxury of waiting for federal reimbursement — we need a cash infusion now.

Without this funding, we will be forced to make incredibly difficult choices in light of our new fiscal reality. We share your deep concern for the economic security of all of our residents. But make no mistake: if states do not receive immediate financial support with sufficient flexibility to address our unique fiscal challenges, the principal impact will be borne by the millions of Americans who reside in our state. Without flexible and immediately accessible resources, states may be left with no choice but to lay off thousands of employees, be unable to pay employees who are providing life-sustaining services, slash funding for education and transportation, and substantially reduce critical services — just as our residents need our support the most.

We owe an enormous debt to the relief efforts and resources that our federal partners have already provided. But our challenges are expanding daily and just beginning. Our states have all stepped up to take unprecedented action to mitigate the spread of COVID-19 and do all we can to flatten the curve. We implore you to consider the devastating impact these efforts will have on our states – and millions of our residents – both in the immediate term and the months to come.



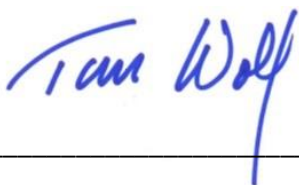
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Philip Murphy  
Governor, New Jersey



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Andrew Cuomo  
Governor, New York



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Tom Wolf  
Governor, Pennsylvania



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Ned Lamont  
Governor, Connecticut