



May 13, 2020

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

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
Washington, DC 20510

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

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

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

On behalf of our respective organizations, and the millions of members and activists around the country we represent, we ask that you reject proposals for the federal government to bail out state and local governments, including the one included in H.R. 6800, the HEROES Act. The bill would send even more funding to state and local governments, including \$915 billion in aid meant to backfill revenue losses, including those not specifically related to coronavirus spending.

In short, federal taxpayers should not be asked to pay for irresponsible policy decisions made by state politicians.

While many states have budgeted responsibly, other states have ignored or even exacerbated problems by spending excessively, borrowing unaccountably, and shirking responsibility for their public sector pension systems.

Illinois is a prime example. State leaders have demanded more than \$40 billion in additional funding from the federal government, on top of the billions already provided to the state. Illinois was even upfront in that they were requesting a bailout of their failing pension system.

It is important to note Washington is already providing nearly \$2 trillion in assistance to state and local governments this year, including funds previously allocated and support specifically related to COVID-19. But Washington cannot take on the financial cost of all state choices. Nor should it, as the burden of such a cost would inevitably be shouldered by the citizens and lawmakers of the states who have made the hard decisions for many years.

Decisions, for example, to work over the course of many years to lower pension liabilities, as did Tennessee, Indiana, and Wisconsin. Similarly



difficult decisions are being made now, as New Mexico's governor vetoed certain transportation funding to preserve fiscal flexibility, and Ohio's governor has started cutting spending across the state budget.

The national debt is another consequence which must be considered: it has now eclipsed \$25 trillion, amounting to \$75,000 per American. At a projected \$3.7 trillion (assuming Congress does not further add to it), this year's federal budget deficit will be the largest in the history of our nation, in excess of the cumulative deficits for the first 200 years of our country. While some response to the outbreak of COVID-19 was reasonable, this level of spending is unsustainable.

Even if it were sustainable, policymaking by crisis is the wrong way to approach addressing the challenges in the states. Another massive federal spending bill will almost certainly guarantee that federal funds will be used for non COVID-related state expenses at a time when we can least afford it. State and local leaders must make difficult budgeting decisions, and many leaders across America have proved that it is possible.

For the sake of the many millions of Americans who sit at kitchen tables and year after year make the similarly hard spending decisions for their families and small businesses, we urge you to reject further bailouts for state and local government.

Sincerely,

Americans for Prosperity

Brent Wm. Gardner, Chief Government Affairs Officer

Heritage Action for America

Jessica Anderson, Executive Director

ALEC Action

Lisa B. Nelson, CEO

American Commitment

Phil Kerpen, President

Americans for Tax Reform

Grover Norquist, President

Campaign for Liberty

Norm Singleton, President

Center for a Free Economy

Ryan Ellis, President

Center for Freedom and Prosperity

Andrew F. Quinlan, President

Center for Individual Freedom

Jeffrey Mazzella, President

Club for Growth

David McIntosh, President

Competitive Enterprise Institute

Myron Ebell, Director, Center for Energy and Environment

Council for Citizens Against Government Waste

Tom Schatz, President

FreedomWorks

Adam Brandon, President

Foundation for Government Accountability

Tarren Bragdon, President and CEO

The Heartland Institute

James Taylor, President

Institute for Liberty

Andrew Langer, President

Less Government

Seton Motley, President

Secure America's Future Economy

William Whipple III, President

Taxpayers Protection Alliance

David Williams, President

60 Plus Association

James L. Martin, Founder and Chairman