

Tell the Senate: No Bad Deals

Our country's response to the unprecedented COVID-19 crisis will weigh heavily on our future and how it is shaped. We will recover from this crisis, and though we may have a long way to go, we can take steps to make our country stronger.

As communities, businesses, and other vital institutions begin to safely reopen, and as the economy gets moving again, the last thing lawmakers should do is jeopardize our recovery by enacting bad policies, such as bailouts for state and local governments for spending that had nothing to do with a COVID-19 response.

Instead, Congress and the administration should work together to advance policies that focus on people and spur real growth by creating an environment that fosters innovation and empowers everyone. We can start with the recommendations outlined in our [Recover Stronger roadmap](#). The goal should be to not just recover, but to recover stronger by avoiding the big spending approach of the past that has consistently failed to live up to its promise of helping all Americans.

As Congress considers additional COVID-19 responses, it should keep the criteria below in mind and commit to no bailouts and No Bad Deals.

NO BAILOUTS OR CRONYISM

- No new funding in the name of economic stimulus for projects that have nothing to do with public health. Unrelated spending on arts organizations, infrastructure, rural broadband, subsidies for wind and solar energy, and more have no place in a bill that should be focused on relief in this crisis. These issues should be considered separately, on their own merit, not inserted into emergency legislation.
- No cronyism and corporate welfare. Bailouts and giveaways to politically favored special interests had no place in federal legislation. This includes billions of dollars to select industries at the expense of others. While some industries have been hurt more than others, the virus has impacted virtually every aspect of our economy and no industry should be singled out for special treatment.
- No bailouts for states or local governments for non-virus response spending. Congress has already provided \$1.9 trillion for state and local governments in 2020, including funding for things impacted by the virus and the response. Funding to bail out years of mismanagement and excessive state and local spending has no place in COVID-19 funding legislation.
- No federal encroachment on state or local government responsibilities or functions.
- No special privileges to private or government sector unions through subsidies, special organizing assistance, or new and strengthened powers that undermine economic recovery and strain government budgets.

AVOID ADDITIONAL GOVERNMENT BARRIERS TO RECOVERY

- No unprecedented, misguided government intervention into financial and housing markets. This includes prohibitions on mergers and acquisitions, cancellation of rent, or widespread moratoria on debt collection, consumer credit reporting, evictions, or foreclosures.

- No expansion of command-and-control regulatory authority. COVID-19 has demonstrated that the accumulation of red tape can prevent nimble responses to future crises. Deals should focus on removing barriers to COVID-19 and economic recovery, and heavy-handed, crisis-driven edicts from Washington are likely to result in unintended consequences.
- No restrictions that undermine independent contracting, cooperative workplace partnerships like the franchising model, or others that undermine flexible work and freedom of contract broadly.
- No incentives to unemployment. Phase out the additional \$600 in unemployment compensation included in the CARES Act. Do not try to nudge the economy or people returning to work through competing federal incentive programs like new hiring bonuses for employees or tax credits for employers.

DON'T WORSEN THE FISCAL CONDITION OF THE BUDGET

- No irresponsible massive spending that will threaten the country's ability to respond to another crisis and potentially hurt the wellbeing of countless Americans. Recent COVID-19 response legislation has been unprecedented in its size and scope. While some spending was warranted to provide relief to those who have experienced severe economic hardship as a result of COVID-19 and governments' responses to it, the fiscal implications of this legislation, combined with unchecked spending before this crisis, put the country on an unsustainable path and further at risk of a future crisis, including a financial crisis. The additional spending on corporate welfare and pet projects exacerbates that risk.
- Maintain existing spending caps. COVID-19 and the recession should not be used as an excuse to break existing 2020 spending caps, add new categories of exempt spending, or move discretionary spending to mandatory spending.

Our goal should be to not just to recover, but to recover stronger. View AFP's Roadmap to Recover Stronger [here](#).