

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: July 2, 2020

TO: The Hon. Marcelia Nicholson, Chairwoman,
Milwaukee County Board of Supervisors

FROM: Nicole W. Stickler, Legislative Liaison

SUBJECT: Update on Status of Issues Related to Government Affairs

Federal Coronavirus Relief Updates

A coalition of state and local organizations, business groups, labor unions and others made a [unified appeal](#) to the U.S. Senate to immediately act on aid for state and local governments as public services and jobs are threatened by the COVID-19 pandemic.

Their letter to Senate Majority Leader Mitch McConnell and Minority Leader Chuck Schumer noted that nearly 15 million Americans are employed by state and local governments, whose purchases account for 11 percent of the gross domestic product. The pandemic, which has decimated major revenue sources, threatens jobs and services in education, public safety, health care, transportation and other vital functions of county and state governments.

The National Governors Association, The Council of State Governments, National Conference of State Legislatures, National Association of Counties, National League of Cities, U.S. Conference of Mayors and the International City/County Management Association were joined by local municipal associations, trade associations, major corporations, labor unions and others in signing the letter. In all, more than 170 businesses and organizations signed.

“Leaders in Washington have expressed support for flexible fiscal aid to states and localities of all sizes,” the letter notes. “Yet months have gone by and our communities continue to suffer. Americans have a history of standing together in times of crisis and must do so now.”

Forty-five state governments and thousands of local governments passed a June 30 deadline to adopt budgets. Unlike the federal government, which can borrow at exceptionally low interest rates, the state and local governments must begin their fiscal years on time and with balanced budgets.

Congress and the Administration are expected to take up legislation to address the next economic relief package to respond to the ongoing global pandemic in the next several weeks. Majority Leader McConnell’s office has indicated that it is preparing the framework for a majority proposal that is expected to be revealed after the Independence Day break. It is very likely that legislation will be negotiated in the last two weeks of July or possibly the first week of August.

The House of Representatives passed the HEROES Act in May containing \$3 trillion in relief in a number of sectors including \$875 billion for Treasury-directed aid to state and local governments. The legislation is not expected to be taken up in the Senate. The U.S. Senate has also seen interest among its members to consider an additional relief package with the introduction of the bipartisan State and Municipal Assistance for Recovery and Transition

(SMART) Act. The legislation proposes to direct \$500 billion in direct aid to state and local governments through appropriations to state governments.

Additionally, the House of Representatives Committee on Financial Services met this week to take testimony from and explore both the US Treasury's and the Federal Reserve's response to the CARES Act implementation. Members of the committee from all political spectrums had pointed questions and suggestions for the US Treasury Secretary about ways to improve the distribution of funds to local governments like counties so that taxpayer dollars are returned for the highest utility in communities most hard hit by the pandemic's ongoing health and economic impacts. Federal Reserve Chairman Jerome Powell reiterated his call for additional relief to states and local governments from Congress. A [recording](#) of the meeting is available.

Closing

I will report monthly through this file to provide the timely information on developments to public policy discussions impacting Milwaukee County at the federal, state and local level. If you have any questions or wish to have additional staff support for discussions with Milwaukee County's government partners, please don't hesitate to reach out. I am available by email at - nicole.stickler@milwaukeecountywi.gov or via telephone at: 414-278-4992.