



NEW YORK STATE SENATOR

Michael Gianaris

Local and State Elected Officials call on Congress to Provide Financial Assistance

MICHAEL GIANARIS April 9, 2020

| ISSUE: **CORONAVIRUS, CONGRESS, FEDERAL RESERVE, SALES TAX, PUBLIC FINANCE**



Dear Members of Congress,

We write to you as elected representatives of states and municipalities across the country.

The Coronavirus pandemic is an unprecedented global crisis. In cities and states across the country, families are facing a double threat: hundreds of thousands are sick or performing essential services that elevate their exposure to the virus; millions more have been laid off or

forced to close non-essential businesses, cutting off cash flow needed to cover basic expenses. Just as our front-line healthcare workers are uniquely vulnerable to contracting COVID-19 at a time when their work is needed most, so are our local and state municipalities most vulnerable to financial hardship from lost tax revenue just as our residents most need our support.

In this critical moment, the federal government's unique constitutional power of the purse, which includes the power to coin money, is essential for ensuring our communities are able to survive and thrive. We, the undersigned, call on the federal government to take necessary action (described in [greater detail here](#)) to address these deficiencies, and ensure that state and local governments have the financial confidence and support they need in this time of crisis. These include but are not limited to providing direct fiscal grants to state and local governments, strengthening the next relief bill to instruct the Federal Reserve to directly purchase state and local debt, directing the Federal Reserve to refinance existing state and local debt to alleviate the burden of financing costs, and directing the Fed to support state or municipal governments that issue their own currencies or other tax-receivable obligations via currency swap lines, similar to those [currently being provided](#) to over a dozen foreign countries.

Experts agree that this is both possible and necessary. Federal Reserve Chairman Jerome Powell [recently committed](#) the Federal Reserve to "step in" to provide loans "wherever ... credit is not flowing," and clarified that the Fed was "not going to run out of ammunition. That doesn't happen." Additionally, on March 22, fourteen state treasurers signed a joint letter to Chairman Powell and Treasury Secretary Mnuchin, in which [they argued](#) that in order for "state governments to do their part in mitigating the associated economic and social costs" in the current crisis, "they need to have confidence that they will continue to have access to financing." Similarly, on March 27th, President Trump noted that the federal

government could “handle...easily” the \$6.2 trillion dollar price tag of the recent relief package, because it was “our money, our currency.”

The Federal Reserve has provided over \$1.5 trillion of financing at 0% interest to the private finance sector due to the impending recession with a commitment to finance further if needed. It is unjust that the Federal Reserve has yet to make such a commitment to the public sector though it has the means to do so. State and local budgets deserve at least the same access to Federal Reserve financing as the private sector, our peoples lives in our cities and states depend upon it.

This is a moment for action, and not to be timid. We implore the federal government to use its unique constitutional powers and financial capacity to provide support to state and local governments, who serve as the front line responders to the very worst of this crisis, in our hour of need.

Signed,

Alderman Rossana Rodríguez (Chicago, IL),

Alderman Jeannette Taylor (Chicago, IL),

Alderman Byron Sigcho-Lopez (Chicago, IL),

Alderman Carlos Ramirez-Rosa (Chicago, IL),

Alderman Daniel LaSpata (Chicago, IL),

Alderman Andre Vazquez (Chicago, IL),

Alderman Matthew Martin (Chicago, IL),

Aldерwoman Susan Sadlowski Garza (Chicago, IL),

Alderman Ariel Reboyras (Chicago, IL),

Alderman Roberto Maldonado (Chicago, IL),

Alderman Michael D. Rodriguez (Chicago, IL),

Alderman Scott Waguespack (Chicago, IL),

State Senator Robert Peters (Illinois),

State Representative Delia Ramirez (Illinois),

State Representative Will Guzzardi (Illinois),

Councilmember Kat Kerwin (Providence, RI),

Councilmember Rachel Miller (Providence, RI),

State Senator Sam Bell (Rhode Island),

Councilmember Jonathan Grieder (Waterloo, IA),

State Senator, Deputy Majority Leader Michael Gianaris (New York),

State Senator Julia Salazar (New York),

Councilmember Robin Wilt (Monroe County, NY),

Councilmember Jamie Gauthier (Philadelphia, PA),

Councilmember Helen Gym (Philadelphia, PA),

Councilmember Katherine Gilmore Richardson (Philadelphia, PA),

Councilmember Kendra Brooks (Philadelphia, PA),

Council President Jesse L. Barlow (Borough of State College, PA),

Alderwoman Megan Ellyia Green (St. Louis, MO),

Alderwoman Annie Rice (Saint Louis, MO),

Alderwoman Heather Navarro (St. Louis, MO),

City Treasurer Tishaura O. Jones (St. Louis, MO),

Councilmember Ann Kitchen (Austin, TX),

Councilwoman Wildaliz Bermudez (Hartford, CT),

Mayor Jesse Arreguin (Berkeley, CA)

Councilmember Ben Bartlett (Berkeley, CA),

Commissioner James Chang Rent Stabilization Board (Berkeley, CA),

Councilmember Kate Harrison (Berkeley, CA),

Councilmember Rigel Robinson (Berkeley, CA),

Councilmember Daniel Lee (Culver City, CA),

Neighborhood Councilmember Andrew Lewis (Northwestwood, Los Angeles, CA),

Councilmember Devon T. Reese (Reno, NV),

Vice Mayor Lauren Kub (Tempe, AZ),

Councilmember Ben Ewen-Campen (Somerville, MA),

Justice of the Peace Harrie Farrow (Carroll County, AR),

Councilmember Teresa Mosqueda (Seattle, WA),

Councilmember Tammy J. Morales (Seattle, WA),

Councilmember Lindsey Schromen-Wawrin (City of Port Angeles, WA),

Commissioner James Harnett (District of Columbia),

Councilmember Elissa Silverman (District of Columbia),

Delegate Kaye Kory (Virginia),

Mayor Lamar Tidwell (Ecorse, MI),

Mayor Wheeler T. Marsee, Jr. (Melvindale, MI),

Mayor Patrick Wimberly (Inkster, MI),

Mayor John P. Rhaesa (Wayne, MI),

Councilman Patrick S. Frederick (Melvindale, MI),

Mayor LeRoy D. Burcroff (Romulus, MI)

Councilmember Amelia Parker (Knoxville, TN),

State Representative Steven Woodrow (Colorado),

Councilwoman Robin Kniech (Denver, CO),

City Commissioner Chloe Eudaly (Portland, OR),

Councilmember Celina Benitez (Mount Rainier, MD),

Councilmember JoBeth Hamon (Oklahoma City, OK)