



LEGISLATIVE FINANCE COMMITTEE

66th Montana Legislature

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June 23, 2020

Dear Sens. Daines and Tester, and Rep. Gianforte:

As state and local governments across the country respond to the COVID-19 pandemic, they are working hard each day to protect public health while beginning to reopen their economies. In Montana, because of the swift, decisive actions taken by state and local governments, citizens, the healthcare industry, first responders and the business community, we have seen fewer COVID-19 cases per capita than in almost any other state. These actions taken to contain the virus have inevitably impacted finances in both the public and private sectors, and we deeply appreciate the financial assistance the Congress has provided to impacted Montana businesses and workers to help them weather this storm. But in addition to that assistance, our state and local governments need relief as well.

As you are aware, the pandemic, and efforts to control it, have reduced, in many cases dramatically, the revenues of state and local governments, regardless of whether their officials are Democrats or Republicans. Faced with the imperative of balancing their budgets, these state and local governments, including Montana's, will eventually be required to reduce spending in line with revenue, unless there is Federal relief provided. But clearly, this is not the time for states and local governments to curtail programs, furlough public workers and reduce spending. The pandemic has increased, rather than reduced, the need for enhanced government services. And closing down state and local governments, which account for about 15 percent of all Montana and national personal income, at the same time that we are trying to re-open the economy, is necessarily counter-productive. State and local governments should not put even more workers out of a job, and their budgets should not be allowed to reinforce the economic downturn.

We are aware of multiple bills to provide such relief have been introduced by both Democrats and Republicans, including Senator Menendez (D-NJ) and Senator Cassidy (R-LA), by Senator Kennedy (R-LA) and Senator McSally (R-AZ) and by Senators Sullivan (R-AK), Murkowski (R-AK), Whitehouse (D-RI) and Capito (R-WV). While any of these bills likely have elements which provoke disagreement, we encourage you to work with your colleagues across party lines to find a solution that supports the state and local response to this pandemic and ameliorates the impacts that response has had on their budgets.

Broad bipartisan agreement that our states, cities, towns and counties need federal assistance to address budget shortfalls calls for a concerted, equally bipartisan response. The opportunity to provide much needed assistance should not be lost to partisan infighting. It is essential to remember that we are all in this together.

As we continue to gradually open up Montana's economy and proceed on a road to economic recovery, we can only do so with a healthy population confident that their government can respond quickly to outbreaks while also providing essential services that Montanans rely on. Without your support for federal relief to our cities, counties and the state, our ability to recover quickly will certainly be hindered. For the future of this great state and country, we implore you to work with and support the bipartisan efforts of your colleagues and bring home the fiscal relief that our state and local governments will ultimately need.

Sincerely,

Kimberly Dudik

Chair, Legislative Finance Committee