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Biden Calls for More Federal Aid For Cash-Strapped Governments.

Joe Biden said Congress should increase aid to state and local governments to preserve the jobs of first responders and other government workers and to make sure Americans can return to work safely.

Biden, the presumptive Democratic presidential nominee, emphasized the need for aid to state and local governments on a conference call with members of the American Federation of State, County and Municipal Employees, a trade union. The economic shutdown triggered by the coronavirus pandemic has devastated municipal budgets across the country, forcing governments to ask for additional federal aid.

"I've called on Congress to increase the funding states have," Biden said on the call. "This isn't an exercise in mathematics. The Republican Senate needs to do its job."

States alone could see \$765 billion in budget shortfalls over the next three years, according to projections made by the Center on Budget and Policy Priorities. Cities are expected to see another \$360 billion in revenue losses through 2022, according to the National League of Cities. Because states and cities are almost always required to balance their budgets, the shortfalls could result in jobs cuts or reductions in public services.

House Democrats led by Nancy Pelosi passed a \$3 trillion package that devoted about one third of that as direct aid to states and localities. The bill has stalled in the Senate. So far, no direct money has been provided to localities aside from an allocation in the first stimulus package that gave them funds to spend only on virus-related expenses.

Public sector job cuts are already happening. The number of workers on state and local government payrolls fell by 571,000 to 18.3 million in May, pushing the number of job losses to about 1.5 million over the past two months, roughly twice as many as were ushered in after the last economic contraction over a decade ago.

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