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House Budget Bill Provides Needed Fiscal Aid for States, Localities, Tribal Nations, and Territories.

The sizeable revenue shortfalls and added costs that many states, localities, tribal nations, and territories face due to COVID-19 call for added federal aid that's temporary but significant. The bill that the House Committee on Oversight and Reform will consider this week to meet its reconciliation instructions under the House budget resolution would provide this essential aid and help ensure a strong recovery. Congress should act quickly to provide this aid or risk more public-sector layoffs and cuts in services for families and businesses as states and localities balance their budgets.

Forty-three states plus the District of Columbia and Puerto Rico are now holding their first full legislative sessions since COVID-19 struck. Lawmakers' primary jobs will be to balance their budget for this fiscal year (which runs through June in most states) and write next year's budget. Without more federal aid, lawmakers facing hard budget choices due to the pandemic will impose another round of cuts — the last thing the country needs right now.

States and localities have shed 1.3 million jobs since last February — far more than the 750,000 lost in the aftermath of the Great Recession — as social distancing measures have temporarily reduced the need for some jobs (like bus drivers) and as state and local spending cuts have forced layoffs. Most of these jobs were lost last spring, but states and localities lost 100,000 employees in just the last four months.

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