

Dear Speaker Pelosi and Minority Leader McCarthy:

The COVID-19 pandemic has caused widespread economic hardship in New Hampshire. In addition to the loss of jobs and shuttering of small businesses, the sharp economic downturn brought on by the virus is expected to produce a significant reduction in state and local tax revenue. Unfortunately, this shortfall could force cities and towns across our state to drastically curtail essential services and lay off workers at the worst possible time for our communities. For the sake of the citizens we serve, we therefore respectfully request that you provide robust funding for local governments in the next COVID-19 response package and take action to ensure that small to mid-sized municipalities and counties can access direct federal assistance.

The increased costs and severe decline in revenue stemming from the pandemic are already forcing local governments in our state to grapple with tough choices. A recent survey of 127 towns and cities in New Hampshire (54%) estimated that COVID-19 related expenses have collectively exceeded \$7.6 million over the past five weeks, with that number expected to rise to \$27.2 million by the end of this year. These costs cover everything from overtime pay for police officers and firefighters to increased demand for social services. Absent a dramatic increase in aid from the federal government, we will be forced to contemplate deep budget cuts that will undermine the safety, security and well-being of the communities we serve.

Unfortunately, our ability to meet the challenges posed by COVID-19 is significantly hindered by a provision of the CARES Act that bars communities with populations below 500,000 from accessing direct federal aid. No unit of local government in our state currently exceeds this arbitrary threshold – Hillsborough County, the largest county in New Hampshire, has a population of only 406,000. Because of this unfair and unnecessary limitation, all of New Hampshire has effectively been cut off from direct federal support for local communities at a time when our budgets have come under unprecedented strain.

But even more troubling is the loss in revenue that towns and cities are experiencing and will continue to experience. Although CARES Act funding and other funds like FEMA can be used for expense directly related to COVID-19, no current funding source addresses revenue replacement for local government. According to the survey, 58% of New Hampshire municipalities are already experiencing revenue declines—and the worst is yet to come, as property tax payment delinquencies are expected to increase significantly, further straining municipal budgets. The effects will be long-term and significant, leading to further cuts in public services and public sector employment in the months to come. Borrowing is an option for some towns and cities, but borrowing brings with it new costs for municipalities and their taxpayers as well.

For these reasons, we strongly urge you to provide direct relief to struggling local governments of all sizes commensurate with the scale of the dire fiscal, economic, and public health challenges we face. Indeed, without generous assistance from the federal government, counties and municipalities across our state will find it increasingly difficult to provide the services that keep our residents healthy and safe. Simply put, it would be completely unacceptable for the federal government to stand idly by as local governments across our state and our nation are

forced to lay off first responders, health care professionals, sanitation workers, educators, and other critical public employees in the midst of a pandemic and a crushing economic downturn.

Thank you for your urgent attention to this request and for your leadership during this difficult time.

Sincerely,