



CITY OF HOUSTON

Sylvester Turner

Mayor

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December 9, 2020

The Honorable John Cornyn
517 Hart Senate Office Bldg.
Washington, D.C. 20510

The Honorable Ted Cruz
404 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Cornyn and Senator Cruz:

During the pandemic, state and local governments have been directly responsible for providing essential services, especially public health operations like testing and contact tracing. They are an important source of jobs, employing about one in eight workers. But those services and jobs are threatened without immediate federal assistance.

The City of Houston, for example, is dependent on sales taxes to support our budget. We do not have the option to redeploy police officers, fireman, public health workers, public works employees to work on water and sewer services, or solid waste to simply stop operations. The everyday lives and businesses of Houstonians depend on the services provided by local government.

Millions of jobs, small businesses and essential government services are at risk if Congress fails to pass another COVID economic relief package. This slowdown will be compounded in Houston and other Texas communities as the economic slowdown will undoubtedly drive down energy demand.

A new survey of public and private sector groups by the COVID RELIEF NOW coalition, a partnership of nearly 300 major public and private sector groups, forecasts small businesses, cities and counties will experience devastating impacts of the coronavirus pandemic without additional relief.

The survey finds that direct aid to local governments and small businesses is a critical part of any relief package. Seventy-two percent of local government respondents indicate that their financial health has been negatively impacted by COVID-19, and most will face challenges in providing essential services without additional aid.

Another recent survey by the National League of Cities (NLC) quantifies the damage COVID-19 has done to municipal budgets across the country. The new survey found that cities have seen revenues decline by 21% since the beginning of the pandemic, while additional expenditures – including PPE, remote work technology and overtime pay for essential employees – have increased 17% over the same time period.

- This adds up to a budget gap of about \$90 billion for 2020 alone. Importantly, an overwhelming 71% of cities indicated that their local governments' financial strains would worsen if Congress does not pass another stimulus package.

The CARES Act included \$150 billion in aid to state and local governments, but with the stipulation that it could only be used for pandemic-related expenses. Only 7% of cities that received CRF funds indicated that the funds adequately addressed their revenue shortfalls and unforeseen expenses.

This data is another indication that cities are continuing to suffer from the ongoing effects of the COVID-19 pandemic, and the financial difficulties our local communities are experiencing will continue well into 2021. These devastating impacts are being felt across the country in municipalities of all sizes.

While you consider an economic stimulus, please keep in mind that any stimulus at the federal level would be undermined and offset by austerity at the state and local level. I urge you to include federal assistance for municipal governments in your federal aid legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "Sylvester Turner". The signature is fluid and cursive, with a large initial "S" and "T".

Sylvester Turner
Mayor