



CONCERNED  
VETERANS  
FOR AMERICA



April 30, 2020

The Honorable Nancy Pelosi  
Speaker of the House  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Mitch McConnell  
Majority Leader  
U.S. Senate  
Washington, DC 20510

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Charles E. Schumer  
Minority Leader  
U.S. Senate  
Washington, DC 20510

Dear Speaker Pelosi, Leader McConnell, Leader McCarthy, and Leader Schumer,

We write regarding proposals for Congress and the federal government to provide hundreds of billions in funds to states and localities to backstop their spending during the time of coronavirus. We encourage you to reject these requests.

We should be helping the people who are hurting, not bailing out politicians for irresponsible decisions they made prior to this crisis. But as we've seen before, lawmakers are using this crisis to jockey for handouts to pay for their past mistakes in the name of helping those who have been hit hardest.

Prior to the pandemic, many states had chronic structural fiscal problems not related to COVID-19. States that have spent lavishly, borrowed excessively, and ignored looming pension debt should not use the current crisis to shift the cost of those bad policy decisions onto taxpayers in other states.

Nor should they exploit firefighters, teachers, and other state workers to justify these bailouts. Public servants should not be treated as pawns in these negotiations. States should honor their obligations to those workers by making them priorities for the funds they have and have already received. They should not be exploiting them as bargaining chips to seek massive federal bailouts.

Illinois is case in point. Illinois has requested more than \$41 billion in additional funding from the federal government on top of the \$4.9 billion already provided by the CARES Act. Most of this would go to purposes not related to direct COVID-19 response, such as bailing out the state's failing pension system. Or take New York, which has a population smaller than that of Florida, yet through years of fiscal mismanagement has a budget double the size of Florida's. Taxpayers in one state should not be on the hook for politicians' inability to make responsible decisions in another state prior to the COVID crisis.

Our system of government reserves certain authority and accountability to each of the states. Bailouts are a clear example of the federal government overstepping its authority. It is incumbent on states to govern wisely and independently, both reaping the rewards of smart policy, and addressing the consequences of bad.

It's important to note Washington is already providing at least \$1.8 trillion in assistance to state governments this year alone, including funds previously allocated and support specifically related to COVID-19. But there must be a limit. Washington cannot take on the financial cost of all state decisions, nor remove incentives for them to balance costs and benefits.

Congress has already provided hundreds of billions in relief funding and loans to individuals and businesses experiencing economic hardship as a result of pandemic response policy, and again when it boosted funding for first responders and health care providers—including true heroes on the frontlines.

But massive federal bailouts too often go to line the pockets of special interests, rather than to those in need. Indeed, we are already learning of instances of waste, fraud, and abuse with the most recent federal spending bills. This has to stop.

Policymaking by crisis is the wrong way to approach addressing the challenges in the states. Another massive federal spending bill will almost certainly guarantee that federal funds will be used for non COVID-related state expenses at a time when we can least afford it.

Federal debt has already climbed above \$24.5 trillion, including more than \$1 trillion in debt taken on in just the last month. Not only is this spending unsustainable and a threat to the future prosperity of our country, but it makes it very difficult to respond to whatever might come next—whether with COVID-19 or another crisis.

Another rushed and sweeping bailout bill isn't the answer.

We stand ready to work with you to develop sound policies to help our nation through the current pandemic.

**Brent Gardner**

*Chief Government Affairs Officer, Americans for Prosperity*

**Nate Anderson**

*Executive Director, Concerned Veterans for America*

**Daniel Garza**

*President, The LIBRE Initiative*

CC: All members of Congress