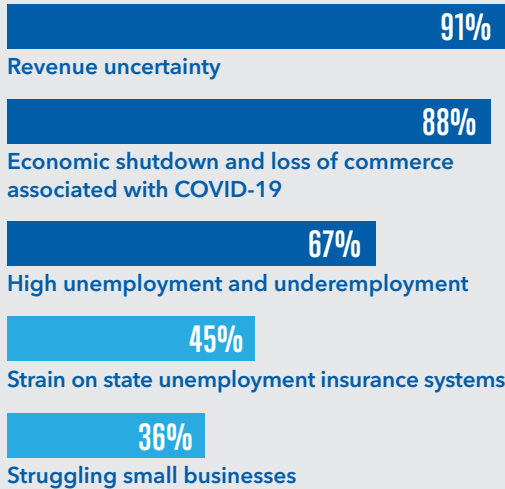




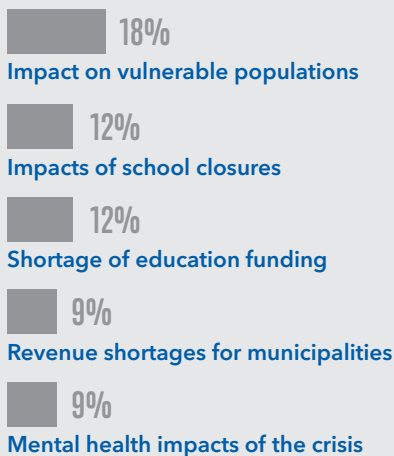
State Legislative Fiscal Chairs Report Challenges and Financial Impacts of COVID-19

The Council of State Governments (CSG) surveyed legislative fiscal chairs in April 2020 on fiscal issues and other impacts on the states related to COVID-19. Here are the findings.

According to legislators, the main challenges facing their states are:



Legislators report other challenges to be:



21% (ABOUT 1/5)
OF LEGISLATORS

reported issues with the federal government, which include:

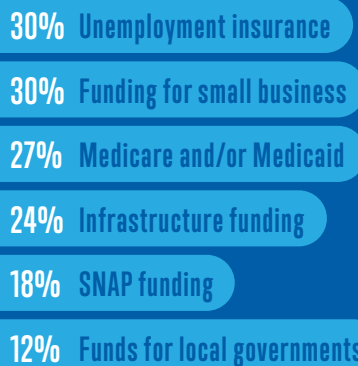
- Delays in deposits of funds -
- Inconvenient restrictions on the uses of federal funds
- Lack of coordination at the federal level

Raising taxes was presented as a potential fiscal/economic solution. Other suggestions included:

- 18% Exploring alternative uses for federal CARES Act funding
- 12% Reforming tax laws or pushing back tax deadlines
- 12% Drawing on state rainy-day funds
- 9% Providing rent and/or mortgage relief

The most frequently reported funding need for the states is **flexibility in the use of federal funds**, including the ability to use CARES Act funds to replace lost revenue. **67% of legislators said this flexibility was necessary.**

Legislators reported the following specific funding needs:



12%
OF LEGISLATORS

mentioned a need to renew and replenish the Small Business Administration's Paycheck Protection Program established in the CARES Act. Legislators report that the program was very popular but quickly ran out of funds.

HOW CAN CSG BEST SERVE THE STATES?

You asked and we listened! Here is how CSG will continue to serve our members.

Advocating for maximum flexibility in state usage of federal COVID funds, including removing the restrictive "COVID-related" language from the CARES Act (52% asked for this)

Providing guidance on using CARES Act funding creatively (36% asked for this)

Generally keeping leaders informed of happenings in other states and at the federal level