

For Immediate Release

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Texas Mayors: Our Communities Need Your Help A United Call to Action for More Federal Assistance

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Even as some states take steps to reopen businesses, our nation continues to simultaneously face public health, economic and fiscal crises that could endure for some time. These crises are neither “red” nor “blue”; they are red, white, and blue. The novel coronavirus (COVID-19) does not distinguish between Democrats or Republicans or between “blue” states and “red” states, nor do its economic and fiscal impacts.

There is no shortage of critiques of the relief bills Congress has enacted, including critiques made by mayors and other state and local elected officials. However, it is important to step back and note that Congress acted quickly and decisively to address this crisis in a bipartisan manner and on a scale commensurate with the challenge our nation faces. Nevertheless, Congress should continue to take bold action – including broad fiscal assistance to state and local governments – to ensure that the COVID-19 does not lead to a long recession.

Despite strong rainy day funds, high bond ratings and lean staff to resident ratios, Texas cities are far from immune from the fiscal pain inflicted by this virus. Through no fault of our own, we are facing dramatic shortfalls in revenue which continue to negatively affect city budgets. These shortfalls are projected at the same time that we are seeing increased demand for core local government services while also looking to help struggling small businesses and families. If the economy is slow to rebound, we could face additional sales tax shortfalls in the next fiscal year, along with reduced property tax

revenues. In addition, in these tough economic times we fear a possible decline in utility revenue therefore impacting municipally provided utilities.

These shortfalls are why we are united in respectfully requesting that Congress provide direct and flexible fiscal assistance to state and local governments. Absent such assistance, our balanced budget requirements set by state law will force cities to potentially reduce staff or cut important services necessary to reopening our economy. Beyond the adverse impact on our communities, these cuts will exacerbate the economic downturn our nation is experiencing. State and local government spending – on schools, police, firefighting, emergency medical services, and municipal utilities – accounts for approximately 20 million jobs across the nation and 15% of Gross Domestic Product. If state and local governments are forced to reduce staff and cut services, we will be undermining fiscal and monetary economic stabilization efforts at the federal level, lengthening and deepening any economic downturn.

Although each city is different and each city's response to COVID-19 is unique, many cities will be forced to cut or reduce services that Texans rely on every day – for example some cities may consider reducing the number of public health inspectors and building inspectors making it more difficult for businesses to reopen; freezing or furloughing public safety personnel at a time when crime is expected to increase; deferring infrastructure investment/reinvestment, traffic control and roadway improvements; or scaling back on quality of life programs like parks, libraries, and museums. These services are easily taken for granted, but our residents and businesses rely on them every day. These services are important to consider as we begin reopening the state.

We appreciate that Congress recognized the importance of fiscal assistance to state and local governments when they crafted the Coronavirus Aid, Relief, and Economic Security (CARES) Act in late March. The CARES Act and the three other relief bills Congress enacted have been critical to helping Americans. However, the state and local funding Congress included in the CARES Act leaves out the vast majority of American cities and the residents who live in them. In addition, it lacks the flexibility that cities will need to overcome this crisis. We fully agree that emergency fiscal assistance should not be used to cover pre-crisis fiscal gaps or to address long-term structural problems such as underfunded pensions. However, it should be easy for Congress to include safeguards to ensure that state and local governments use any fiscal assistance funds to address shortfalls due to the economic impact of the COVID-19 and response efforts.

Unfortunately, many state and local governments across the nation have already announced job cuts and service reductions and many more are on the horizon. It is imperative that Congress act quickly and forcefully. Recent history provides a good example of what otherwise awaits. In the wake of the Great Recession a decade ago, state and local governments shed over 600,000 jobs and slashed services. In addition to the streets not paved, water and sewer pipes not upgraded, and schools not modernized, economists broadly agree that these cuts exacerbated that economic downturn and lengthened the economic recovery. We hope that history does not repeat itself.

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About Plano

Plano, Texas, is the largest city in Collin County with a population of 284,070 as of January 2019. Incorporated in 1873, the city is located 20 miles north of Dallas. Niche and AreaVibes recently named Plano as one of the Best Cities to Live in America. Forbes designated Plano one of America's safest cities. The City offers a high quality of life that includes nationally recognized schools, award-winning parks, and sustainability initiatives and a wide variety of multi-cultural neighborhoods appealing to families, young singles and retirees. Plano is home to the headquarters or regional operations of major corporations such as Toyota, Liberty Mutual, JPMorgan Chase, Boeing Global Services, Fannie Mae, FedEx Office, JC Penney, Rent-A-Center, Cinemark Holdings, Denbury Resources and Alliance Data Systems. Our dynamic community features excellent restaurants, vibrant shopping and entertainment venues, a lively historic downtown district and active local arts scene. Easy access to DART light rail and major highways makes Plano a convenient place to live, work and visit. To learn more about Plano, go to our website at plano.gov.