

National Assembly of State Arts Agencies

KNOWLEDGE ★ REPRESENTATION ★ COMMUNITY

NASAA Requests More Federal Aid to States and Jurisdictions **May 14, 2020**

In recent weeks, Congress and the federal government have taken important policy actions relating to COVID-19. Support for health care systems, small businesses and unemployed workers have made meaningful progress in addressing the near-term needs surrounding our national public health emergency.

The federal resources allocated to date, however, are not sufficient to mitigate the growing financial strain that is falling on the 50 states and six U.S. jurisdictions. **To meet this urgent need, the National Assembly of State Arts Agencies (NASAA) calls on Congress and the President to enact new legislation providing flexible financial assistance for state governments.**

Governors and state legislatures face unprecedented spending demands—and unprecedented revenue shortfalls—due to COVID-19. Analysts predict that states will face an aggregate [\\$650 billion](#) in revenue shortfalls in fiscal year 2021. [Expenses](#) for public health and economic assistance are skyrocketing, revenue [receipts](#) are plummeting, and rainy-day [reserves](#) are being depleted. Congress and the President have the power to help states address the [problems](#) caused by COVID-19. Because FY2021 begins on July 1, 2020, for most states—and because most states are constitutionally required to enact balanced budgets by then—substantial relief is needed soon.

State budget shortfalls represent more than a ledger problem; they will further compromise prosperity and well-being at a time where our nation can ill afford more losses. State government leads the way in supporting health care, public safety, education, infrastructure, social services and other functions that form the building blocks of America's economy and our quality of life. **Healthy state budgets in 2021 will be an engine of economic recovery that can help to put our nation back to work and back on track.**

To attain this goal, NASAA joins the [National Governors Association](#), the [National Conference of State Legislatures](#) and [other policy leaders](#) in calling for large-scale federal funding relief for states and jurisdictions. NASAA asks that this aid be structured to provide governors and legislatures maximum flexibility in addressing state and jurisdictional budget shortfalls.