![Future MAJORITY]

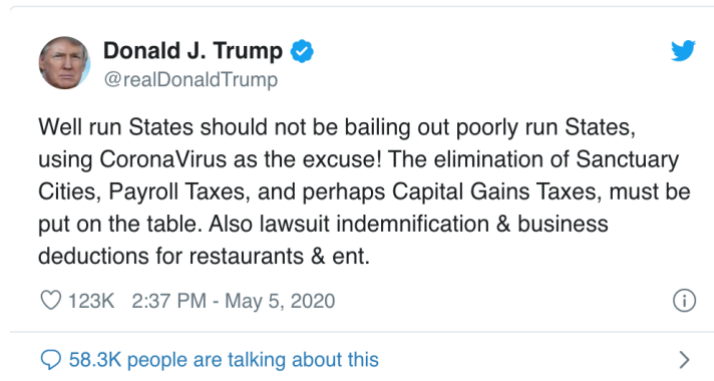**Let's Build: Freedom. Fairness. Future**

To: Interested Parties
From: Future Majority
Re: State funding for the COVID-19 crisis has become political
Date: May 12, 2020

Like all aspects of the Trump administration's response to the COVID-19 crisis, necessary funding to aid states' public health and economic relief efforts has been made political.

But with Donald Trump in the White House, there is no need to shroud the politics in a typical thin veil. Instead, he said recently that federal funding to help states is unfair to Republicans "because all the states that need help — they're run by Democrats in every case." He added, "You look at Illinois, you look at New York, look at California, you know, those three, there's tremendous debt there, and many others … Florida is doing phenomenal, Texas is doing phenomenal, the Midwest is, you know, fantastic — very little debt."

Trump also suggested what would amount to a pandemic quid pro quo — that he receive "sanctuary city adjustments" from blue states in exchange for federal financial relief. He made the point again on Twitter:
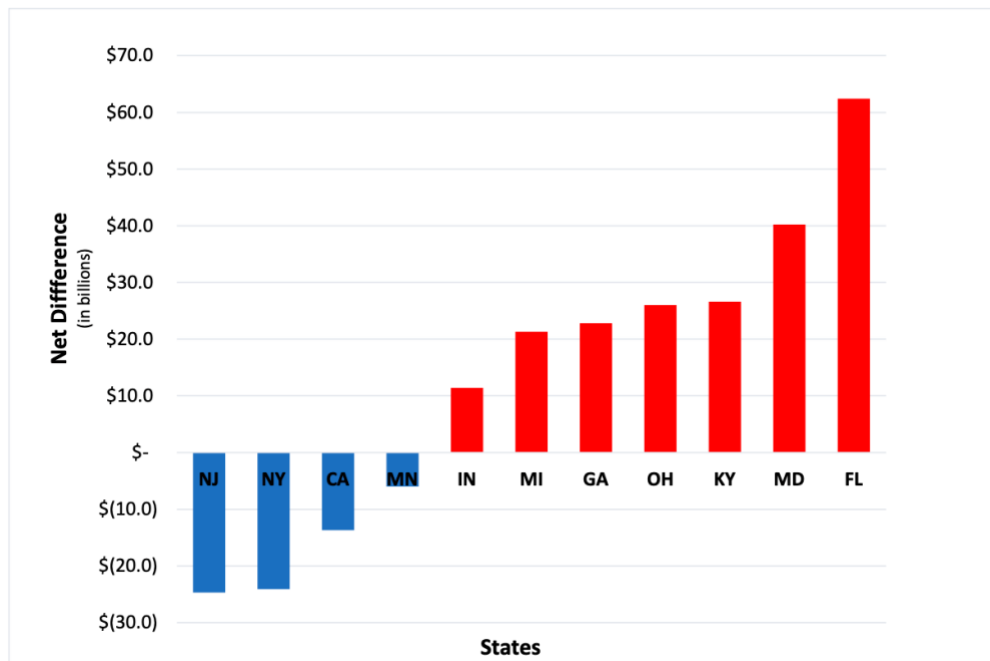

Unlike the federal government, which can borrow money to run programs, states must balance their budgets. As the COVID-19 crisis takes a massive economic toll, states will have no choice but to cut the budget of programs and services to make up for the lost tax revenue. The usual victims to such budget cuts are social services, education, and public safety, like frontline firefighters and police.
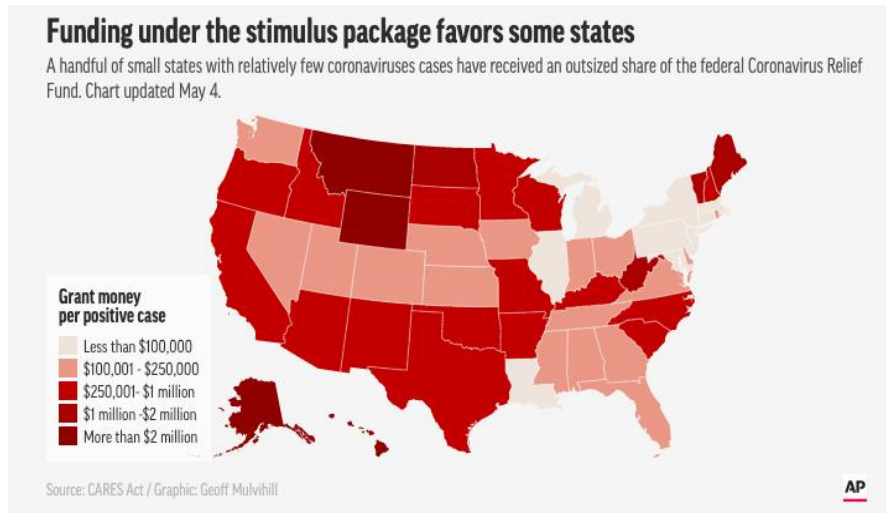
Senate Majority Leader Mitch McConnell has made no secret his disdain for helping states patch up their budget shortfalls: "We're not interested in solving their pension problems for them, we're not interested in rescuing them from bad decisions they've made in the past."

So, in a crisis in which highly populated, Democratic-led blue states are hit the hardest, federal funding will become a political tool the Trump administration and Senate Republicans wield to get their desired policy outcomes. We're already seeing McConnell and other Republicans hammer the drumbeat on liability protections for businesses, demanding that any future COVID-19 relief protects business owners from lawsuits related to coronavirus exposure (a wish list item from companies like Koch Industries).

But what is lost on Trump is that it is actually blue states that put more into the federal pot than smaller red states. As Governor Andrew Cuomo noted, "[New York] has given $116 billion more to the federal government than we received since 2015. … Kentucky *took* $148 billion more from the federal government than it gave." Here's what that discrepancy looks like:

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During the COVID-19 crisis, this pattern has played out again. While every state has been impacted by the virus, the large states most hurt are getting a proportionally smaller share of relief aid from the federal CARES Act:

Funding under the stimulus package favors some states
A handful of small states with relatively few coronaviruses cases have received an outsized share of the federal Coronavirus Relief Fund. Chart updated May 4.

Grant money per positive case
Less than $100,000
$100,001 - $250,000
$250,001- $1 million
$1 million -$2 million
More than $2 million

Source: CARES Act / Graphic: Geoff Mulvihill

AP

Source: Associated Press

For instance, Wyoming received $2.1 million in grant money per positive COVID case, while New York received less than $24,000 per case. Wyoming is a state with only 600 cases. New York's case count has toppled over 300,000. And in Alabama, the Republican-led state senate is looking to use $200 million of its federal relief funds toward building a new state house in the capital.

In times of crisis, funding to help the millions of Americans hurting get on their feet again, or for states to ramp up testing so they can safely reopen their economies should not be made political. It's time the Trump administration starts focusing less on money with strings attached and focuses more on mitigating this pandemic for all Americans.

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