



March 19, 2020

VIA Electronic Mail

**President Donald J. Trump**

President of the United States  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, D.C. 20500

**The Honorable Mitch McConnell**

Majority Leader  
U.S. Senate  
317 Russell Senate Office Building  
Washington, D.C. 20510

**The Honorable Charles Schumer**

Minority Leader  
U.S. Senate  
322 Hart Senate Office Building  
Washington, D.C. 20510

**The Honorable Nancy Pelosi**

Speaker  
U.S. House of Representatives  
235 Cannon House Office Building  
Washington, D.C. 20515

**The Honorable Kevin McCarthy**

Minority Leader  
U.S. House of Representatives  
326 Cannon House Office Building  
Washington, D.C. 20515

Dear Mr. President, Leader McConnell, Leader Schumer, Speaker Pelosi, and Leader McCarthy:

On behalf of the National Association of State Budget Officers (NASBO), representing the states' budget and finance officers, we write to express our appreciation for the congressional and administrative leadership in response to the public health, fiscal and budget emergencies unfolding from the COVID-19 pandemic.

As stewards of state budgets, we want to emphasize the importance of states being able to respond to this public health crisis. This entails having adequate fiscal resources to support our health care and educational systems, law enforcement community and the residents of our states who face economic challenges. Lessons learned by state budget officers in implementing the American Recovery and Reinvestment Act (ARRA) can help inform the current situation about the most effective ways to continue vital state services to our citizens during an evolving public health and fiscal emergency. Budget officers agree that flexibility and quick access to funds are the most important tools to help states mitigate the impacts of the pandemic. Specifically, we request the following assistance:

Enhanced Federal Medical Assistance Percentages (FMAP)

An increase in the FMAP for Medicaid to at least 12 percent for the duration of the emergency would be a crucial way to cover vital services that state governments will need to provide their citizens. Well documented studies from the Government Accountability Office<sup>1</sup> and the Kaiser Family Foundation<sup>2</sup> underscore the effectiveness of this approach. With Medicaid costs overwhelmingly going to the elderly and disabled, populations particularly affected by COVID-19, it is especially significant to ensure adequate Medicaid funding. Further, a trigger tied to unemployment levels that would maintain an enhanced FMAP would help avoid a fiscal cliff during a lengthy recovery period.

Direct Aid to States

Immediate direct aid to the states, with maximum flexibility, will ensure that we can meet the evolving needs of combatting the virus on the ground and continue to fund key services including law enforcement, health systems, infrastructure, and education. To the extent possible, limiting burdensome reporting requirements would increase states agility and flexibility to respond to changing conditions.

State Liquidity

During these turbulent times, to ensure state liquidity, we ask the U.S. Department of Treasury to suspend the provisions of the Cash Management Improvement Act of 1990 pertaining to the calculation of state interest liability.

Flexibility and quick access to funds, through the mechanisms highlighted above, can ensure the most efficient and effective federal, state and local partnership as we provide services to our citizens while maintaining state fiscal stability in this developing environment. Thank you for your consideration and please let us know if you have any questions. We look forward to working with you on this and other matters of mutual interest.

Sincerely,



Marc Nicole  
President, National Association of State Budget Officers

CC: The Honorable Richard Shelby, Chairman, Senate Appropriations Committee  
The Honorable Patrick Leahy, Vice Chairman, Senate Appropriations Committee  
Russell Vought, Acting Director, Office of Management & Budget  
Douglas Hoelscher, Deputy Assistant to the President & Director, White House Office of Intergovernmental Affairs

<sup>1</sup> Government Accountability Office, "Medicaid Strategies to Help States Address Increased Expenditures during Economic Downturns," GAO 07-97 (October 18, 2006; Government Accountability Office, "State and Local Governments: Knowledge of Past Recessions Can Inform Future Federal Fiscal Assistance," GAO-11-401 (March 31, 2011).

<sup>2</sup> Impact of the Medicaid Fiscal Relief Provisions in the American Recovery and Reinvestment Act (ARRA), Kaiser Family Foundation.