



STATE OF ARIZONA
OFFICE OF THE GOVERNOR

DOUGLAS A. DUCEY
GOVERNOR

EXECUTIVE OFFICE

March 20, 2020

The Honorable Kyrsten Sinema
U.S. Senator
317 Hart Senate Office Building
Washington, DC 20510

The Honorable Senator Martha McSally
U.S. Senator
404 Russell Senate Office Building
Washington, DC 20510

The Honorable Tom O'Halleran
Member of Congress
324 Cannon House Office Building
Washington, DC 20515

The Honorable David Schweikert
Member of Congress
1526 Longworth House Office Building
Washington, DC 20515

The Honorable Ann Kirkpatrick
Member of Congress
309 Cannon House Office Building
Washington, DC 20515

The Honorable Ruben Gallego
Member of Congress
1131 Longworth House Office Building
Washington, DC 20515

The Honorable Raúl M. Grijalva
Member of Congress
1511 Longworth House Office Building
Washington, DC 20515

The Honorable Debbie Lesko
Member of Congress
1113 Longworth House Office Building
Washington, DC 20515

The Honorable Paul Gosar
Member of Congress
2057 Rayburn House Office Building
Washington, DC 20515

The Honorable Greg Stanton
Member of Congress
128 Cannon House Office Building
Washington, DC 20515

The Honorable Andy Biggs
Member of Congress
1318 Longworth House Office Building
Washington, DC 20515

Dear Members of Arizona's Congressional Delegation,

First, thank you for your public service during this unprecedented time. I know the decisions that we are all having to make are extremely difficult, and I am grateful for what you are doing to keep the health and well-being of Arizonans top of mind.

Five years ago, Arizona was broke, and still recovering from the Great Recession. We faced our fiscal problems head-on, rolled up our sleeves and worked in a bipartisan fashion to ensure our government lived within its means. We rapidly paid down debt and saved for the future by increasing our Rainy Day

Fund to its highest level ever. We made tough decisions, while making responsible investments that will benefit Arizonans now and for generations.

Today we are met with possibly an even greater challenge than the one we faced before. To get through it will require extraordinary measures from the federal and state government and we look forward to partnering with you to tackle the task at hand.

As you contemplate additional legislation related to COVID-19 and the needs of Americans and Arizonans, please consider some of the following suggestions of what would be most helpful to Arizona during this trying time.

First, I want to underscore the importance of focusing your reforms on individuals, families and small businesses, as they are being hit the hardest by this pandemic and will have the most difficult time recovering. State and local governments have an essential role in keeping people safe and secure. We provide important services everyday, and we are where people turn to for additional support in times of hardship.

As Governor, I am working on three key priorities simultaneously: 1) keeping Arizonans safe; 2) maintaining fiscal stability for our government; and 3) developing an economic support package in the short-term for individuals and businesses to keep our economy strong.

Below is an **initial** set of guidelines as circumstances change and packages are developing quickly. I will continue to be in ongoing communication with you and appreciate your leadership in shaping federal programs and aid that work best for Arizona. Our state has learned a lot since the Great Recession. We should minimize bureaucracy, commit to transparency and promote good stewardship of taxpayer dollars.

Enhance Federal Support of Essential Health and Welfare Programs

Any changes to federal programs must ensure that the states will not be required to pick up the costs, as state budgets are much more fragile at this time. We lack the flexibility to rely on borrowing and other short-term measures to meet immediate revenue and spending pressures, if not backed by sustainable federal dollars. We would also ask that enhanced federal support be tied to meaningful measures of economic improvement, like unemployment rates, not arbitrary timelines that could create a fiscal cliff for states not yet fully recovered.

The federal government should cover in whole or part of the increased costs resulting from higher enrollment in Medicaid, Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP) and unemployment benefits where the state must provide a match in order to promote fiscal flexibility for Arizona to manage other commitments necessary to avoiding a fiscal shock.

Make Any Federal Stimulus Immediate, Distributed Directly to the States, and Flexible in its Use

Any type of financial stimulus coming out of Washington, D.C. should be targeted toward relief for families and businesses, and the best way to do that is through streamlined distribution of direct aid to the states, giving maximum flexibility to administer, without cumbersome matching, reporting, or other bureaucratic requirements that add little value and distract states from executing plans to help our citizens quickly. Block grants are the easiest way to achieve this goal and we would appreciate your consideration of this type of funding for Arizona.

If any stimulus includes a Maintenance of Effort requirement, we would request maximum flexibility on topline spending, versus specifying specific areas of government that must be protected or funded in a certain way before this economic recession occurred.

Keep Our Southern Border Open for Trade

With the decision to close the southern border to non-essential travel in order to mitigate the risk of COVID-19 spread, Arizona and America's supply chain for vegetables could be uniquely affected. Thousands of workers from Mexico travel to Southern Arizona to harvest crops. We are requesting that the back-and-forth of essential goods and services, including our immigrant farm labor, be allowed to continue. Arizona stands ready to assist with the public health resourcing needed to ensure those workers are safe, healthy, and pose no risk of spreading the coronavirus to the rest of the nation.

Streamline Federal Program Applications and Approvals for Citizens

Arizona appreciates the use of federal programs, such as the Small Business Administration's Economic Injury Disaster Loans (EIDL), for COVID-19 related assistance. But these programs often have lengthy application requirements and approval processes that are not designed to provide the immediate relief that is necessary for the current emergency. It is important to give federal agencies that administer these programs the flexibility to temporarily amend and update application processes, review requirements, and other administrative measures with the directive to reduce the time that it takes to get this assistance to the people who need it most.

Flexibility and immediacy should be the keystone of any federal aid package. Our citizens need state, local and tribal governments to be agile and fiscally sound to ensure that the critical services we provide law enforcement, health services, infrastructure, and education will continue to be there for them, especially in this time of great need.

You have your work cut out for you and we consider you partners in this effort. Thank you for your consideration of these needs on behalf of all Arizonans.

Sincerely,

A handwritten signature in black ink that reads "Douglas R. Ducey". The signature is written in a cursive, flowing style.

Doug Ducey
Governor
State of Arizona