



WRITTEN STATEMENT FOR THE RECORD

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ON BEHALF OF THE NATIONAL ASSOCIATION OF COUNTIES

**HEARING TITLED, "RECOVERY OVER RECESSION: EXAMINING THE IMPACT OF THE AMERICAN RESCUE
PLAN'S STATE AND LOCAL FISCAL RECOVERY FUNDS"
BEFORE THE COMMITTEE ON OVERSIGHT AND REFORM
UNITED STATES HOUSE OF REPRESENTATIVES**

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Chairwoman Maloney, Ranking Member Comer, and distinguished members of the Committee on Oversight and Reform, thank you for the opportunity to testify today on the impact of the American Rescue Plan Act's (ARPA) Coronavirus State and Local Fiscal Recovery Fund (Recovery Fund), and the critical importance of this program, which is needed to help support federal, state and local recovery.

My name is Gary Moore, and I serve as the county Judge-Executive in Boone County, Kentucky, where I was first elected in 1998. I am also the immediate past president of the National Association of Counties.

Boone County is home to 133,581 residents, and we provide a wide range of services to our constituents, including public works, public safety, emergency services, solid waste removal, human services and child welfare programs, and more. While we are strong partners with our state and the federal government, we predominantly rely on local property taxes to develop a healthy, safe and vibrant community. Counties are highly diverse, not only in my state of Kentucky but also across the nation, and vary immensely in natural resources, social and political systems, cultural, economic and structural circumstances, public health, and environmental responsibilities. Of the nation's 3,069 counties, approximately 70 percent are considered "rural," with populations of less than 50,000, and 50 percent of these counties have populations below 25,000. At the same time, there are more than 120 major urban counties, which provide essential services – including education and public safety – to more than 130 million people every day.

Collectively, county governments own 45 percent of America's roads, nearly 40 percent of bridges, nearly 1000 hospitals, more than 2,500 jails, more than 650 nursing homes and a third of the nation's airports. We also own and maintain a wide variety of public safety infrastructure, and we are the first responders when a disaster hits or an emergency occurs.

America's counties are also on the front lines in the fight against COVID-19, with vast responsibilities to care for our most vulnerable residents – our sick, unemployed, elderly, and youth. Across the nation, county governments support over 1,900 local public health departments, more than 800 long-term care facilities and 750 behavioral health centers.

Additionally, county governments are responsible for emergency operations centers and 911 services, court and jail management, public safety and emergency response, protective services for children, seniors and veterans, and the "last of the first responders"; coroners and medical examiners.

We are tremendously thankful for the passage of the American Rescue Plan Act, which provided \$65.1 billion in direct, flexible aid to every county, parish and borough in the country. This support is not only historic in nature because of the size of the relief they provided but because Congress recognized and empowered local leaders to invest in their communities in a flexible, locally-centered way.

As the implementation of the ARPA Recovery Fund and other federal efforts are ongoing, and counties continue to serve on the frontlines of the ongoing coronavirus pandemic, the county officials I talk to all agree that:

- **Counties are steadfastly committed at the local level to good financial stewardship, investing Recovery Funds quickly and effectively to support the health and safety of our residents and strengthen the economy.**
- **The American Rescue Plan is offering vital relief in the form of direct fiscal aid to local governments. However, there are additional tools that our federal partners can leverage to**

further help local governments address local budget challenges, stagnant revenue pools and unfunded state and federal mandates.

- **Given our unique position to support our nation's recovery, counties support coordinating a stronger federal-state-local framework that ensures federal resources are invested appropriately, with a strategic focus on COVID-19 impacts and future community resiliency.**

Counties are steadfastly committed at the local level to good financial stewardship, investing Recovery Funds quickly and effectively to support the health and safety of our residents and strengthen the economy

In every way, counties are on the front lines of the nation's pandemic response. We provide many essential services, especially for our most vulnerable residents, and support small businesses that are our communities and economy's lifeblood.

Along with supporting our nation's residents and economy, counties play a critical role as intergovernmental partners in implementing COVID-19 vaccination programs. Several elements that the federal government has identified as crucial to the execution of vaccine deployment are county-owned or operated — including emergency management agencies, local health departments, hospitals and health systems, community health centers, rural health clinics and long-term care facilities.

As directed by the ARPA and U.S. Department of Treasury (Treasury), counties can invest Recovery Funds into a broad range of programs, services and projects under five categories; to support the public health response; address negative economic impacts caused by COVID-19; replace lost revenue; provide premium pay to essential workers; and invest in water, sewer and broadband infrastructure. Since the enactment of the ARPA, America's counties have been working hard to develop Recovery Fund implementation plans that will help spur an equitable economic recovery across the nation.

As part of the program, counties with populations of 250,000 and above are required to submit an annual Recovery Plan Performance Report. After the first report was due on August 31, 2021, NACo analyzed 200 county ARPA Recovery Fund plans, revealing county-designed community investments across key areas of need.

For example, in my home county, we are investing Recovery Funds to address a critical area of need for our residents and businesses – access to reliable and affordable broadband. When the pandemic hit and workers and students alike were sent home and online, the true extent of the digital divide became clear. In 2021, Boone County formed a partnership with Cincinnati Bell Inc. to expand broadband access and improve the connectivity of over 40,000 households in the county. In addition to expanding high-speed internet access, Boone County utilized our Recovery Funds to make significant investments in our school systems and implemented projects to deliver clean drinking water and improve sewer and water systems for our residents.

In addition to our major broadband project, Boone County along with the state of Kentucky's ARPA Water Fund has announced nearly \$9 million in water and sewer expansions. One of these projects will provide clean potable water to an elementary school in rural Boone County. The school has been using bottled water for the last eight months due to the contaminated well that currently supplies the school with water. The project will also add fire suppression to the school improving the health and safety of teachers and students.

Boone County wasn't alone in utilizing Recovery Funds to address critical infrastructure issues. In Hillsborough County, Florida, \$35 million in Recovery Funds were allocated to establish a Roadway Pavement Treatment Capital Improvement Project to resurface eight major roadway corridors, 89 neighborhood roads and repair 32 roadways throughout the county. In addition, the county also allocated \$3.6 million in funds to implement a new station alerting system in the county's 44 fire stations.

Beyond critical infrastructure investments, counties have worked to enhance support for children, families and households with the support of Recovery Funds. Los Angeles County, Calif. was able to implement a comprehensive homeless strategy to provide 24-hour emergency shelter services to homeless youth while administering an annual homeless census and launching several affordable housing projects to help the county's most vulnerable populations over the course of the pandemic.

Similarly, Buncombe County, N.C. established a new and permanent supportive housing expansion program – the Homeward Bound Permanent Supportive Housing Program – with a \$3 million investment made possible by the Recovery Fund. The program serves the community's most vulnerable individuals experiencing chronic homelessness and provides support, including rental assistance and case management, both of which are explicitly encouraged by Treasury.

In a state where 10% of its residents are veterans, Chandler County, Ariz. will allocate a significant portion of their funds to provide educational, social, emotional, and mental health services tailored to the community's high veteran population along with their families.

Beyond the fiscal impact and increased costs due to COVID-19, local governments continue to experience staggering workforce challenges. Despite some recovery seen at the local level, public sector staff shortages have resulted in a decreased ability to respond to the pandemic and provide many essential services to our residents. This workforce issue was real for Howard County, Md., which invested \$8 million in Recovery Funds to address staffing challenges from the pandemic and recognize the important work of our public educators by sending bonuses to over 8,400 Howard County Public School System employees.

These stories are being replicated across the country as counties of all stripes are eagerly investing Recovery Funds. To date, over 99 percent of 3,069 counties have accessed their Recovery Funds. This bipartisan demand for access to the funds demonstrates the critical need for the program.

Now, with the American Rescue Plan Act's Fiscal Recovery Funds, counties can strengthen our communities by investing in small businesses and nonprofits, vaccine distribution, public health and safety, human services, especially for those suffering from domestic violence, mental illnesses and substance use disorders, and much-needed infrastructure, including broadband.

The American Rescue Plan is offering vital relief in the form of direct fiscal aid to local governments. However, there are additional tools that our federal partners can leverage to further help local governments address local budget challenges, stagnant revenue pools and unfunded state and federal mandates.

Beyond delivering essential public health and human services, counties also provide critical infrastructure and services to support, respond to, and care for our citizens. While the ARPA Recovery Fund is an important and critical step towards supporting our nation's recovery from the pandemic, counties also urge Congress to pass the bipartisan State, Local, Tribal, and Territorial Fiscal Recovery, Infrastructure, and Disaster Relief Flexibility Act (S. 3011/H.R. 5735).

The State, Local, Tribal, and Territorial Fiscal Recovery, Infrastructure, and Disaster Relief Flexibility Act will build on the Infrastructure Investments and Jobs Act (IIJA) by giving state and local governments the flexibility to use ARPA funds to invest in infrastructure immediately while the IIJA is implemented over the next several years.

This legislation would ensure that state and local governments, which collectively own nearly 100 percent of the nation's transportation infrastructure, can meet their responsibilities to the nation as intergovernmental partners. These responsibilities include significant public infrastructure leadership, including owning, operating and maintaining public roads, bridges and our nation's public transit systems, and providing government services such as public health, justice, human services, and safety.

Passage of this legislation – a bipartisan compromise that unanimously passed the U.S. Senate – is key to successfully achieving our shared goals of helping our residents thrive. This new legislation would provide much-needed flexibility in state and local ARPA funds and would neither mandate funds be used in any particular way nor increase overall federal appropriations. This bill would also cap infrastructure investments to ensure funds are not diverted from the ongoing public health emergency.

We believe that providing state and local leaders with flexible resources is the surest way to see our nation's preparedness and responsivity continue. Passage of this bipartisan legislation will accomplish the true intent of the ARPA – assisting states, cities, counties, tribes and territories in their recovery from the disastrous impacts of the global pandemic.

Given our unique position to support our nation's recovery, counties support coordinating a stronger federal-state-local framework that ensures federal resources are invested appropriately, with a strategic focus on COVID-19 impacts and future community resiliency.

County leaders are serious, prudent stewards of public dollars. We remain very concerned about mounting federal debt. Yet, we also understand that we must overcome this devastating pandemic together, now, so we can make the smart investments needed to pursue a brighter, more resilient future for all our residents and communities.

The additional flexibility granted to local governments through Treasury's Final Rule was greatly appreciated. The State and Local Fiscal Recovery Funds are an example of perfectly balanced federalism, and through this additional flexibility, counties across the country have been granted the power to make additional investments tailored to their communities' specific needs.

Counties are uniquely positioned to support U.S. job growth, GDP expansion and economic recovery. Each year, county governments annually invest \$263 billion into the economy and employ 1.5 million health and public safety workers and a total of 3.5 million individuals nationwide.

Over the last year, counties have saved small businesses and served residents left behind in the pandemic-era economy through strategic investments of both the CARES Act dollars and now the ARPA Recovery Funds. Local government investments like this, and many others, will drive COVID-19 recovery with GDP and U.S. job growth, help retain the county workforce as one of the nation's largest employers, and restore local economies through vital infrastructure, health, safety and resiliency investments. Every dollar in local government aid is at least a dollar in GDP growth.

As important ground-level partners in our nation's intergovernmental system, county leaders are not looking for an unlimited federal handout. We support coordinating a stronger federal-state-local

framework that ensures federal resources are invested appropriately, with a strategic focus on COVID-19 impacts and future community resiliency. We embrace robust public accountability and transparency standards, and we welcome the opportunity to discuss any necessary safeguards.

Conclusion

Chairwoman Maloney, Ranking Member Comer, and distinguished members of the Committee, thank you again for inviting me to testify here today.

With these additional federal resources, counties across America will be able to strengthen our communities by investing in small businesses and nonprofits, vaccine distribution, public health and much-needed infrastructure.

We appreciate bipartisan efforts to ease the burden of this unprecedented global health pandemic. As you consider further federal relief, we hope that you will give us the tools we need to preserve the health and safety of our residents and local communities.