

KEVIN LEMBO
STATE COMPTROLLER



MARTHA CARLSON
DEPUTY COMPTROLLER



STATE OF CONNECTICUT
OFFICE *of the* STATE COMPTROLLER
165 Capitol Ave.
Hartford, CT 06106

August 6, 2020

The Honorable Richard Blumenthal
The Honorable Chris Murphy
United States Senate

The Honorable John Larson
The Honorable Joe Courtney
The Honorable Rosa DeLauro
The Honorable Jim Himes
The Honorable Jahana Hayes
United States House of Representatives

Dear Members of the Connecticut Congressional Delegation,

I write today to urge passage of an aggressive and ambitious economic relief package to help Connecticut workers, families and small businesses. I am tremendously appreciative of the work you have been doing on our behalf in Congress and, as negotiations continue on further financial assistance legislation, I wanted you to be aware of what I am seeing in the economic data.

Connecticut has reached a turning point. Through smart public health policy and the heroic everyday contributions of our residents, we have for the time being slowed the spread of the virus and re-opened portions of our state economy. In the last two months, 100,000 Connecticut workers that had filed for unemployment returned to work. Unfortunately, another 170,000 remain without a job. Our state's Budget Reserve Fund has grown to over \$2.5 billion, providing a defense against possible revenue losses, but several models show that may still be insufficient to meet the needs of a severe recession.

Our state is in a strong position to recover, but without a significant financial commitment to protect our residents and small businesses, we could easily slip into a catastrophic downturn.

I urge you to be unrelenting in your negotiations to secure a renewal of the \$600 per-month supplemental unemployment benefit. I would also recommend a new, similar level of financial assistance to low-wage workers, many of whom have been deemed "essential" but have seen their work hours slashed. The federal government should also expand grants and forgivable loans to small businesses, as well as assistance to state and local governments to maintain core services in the face of revenue losses.

Our primary focus needs to remain combatting and containing the virus, but we must use comparable force to ensure the job losses we have experienced are temporary and that we do not slide into another prolonged recession.

Fortunately, the data shows that the previous legislation passed through Congress is helping. At odds with the Great Recession, we are now seeing a decline in personal bankruptcy filings. Families are managing

to stave off evictions and foreclosures. And, while imperfectly implemented, the Paycheck Protection Program has kept some small businesses afloat.

Reacting too slowly, or with a stimulus package too small to fuel the recovery, will only compound the economic damage we have experienced. Conversely, there is no downside to being aggressive. There is data that shows some families have utilized financial assistance to pay down personal debt or increase personal savings. Those are good outcomes that will also have a positive effect on the economy as a whole.

We are in unprecedented times and Connecticut families and small businesses are anxious, hurting, and imperiled. I ask that you continue to use all of the tools at your disposal to help them, and our state's economy, recover.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kevin Lembo". The signature is fluid and cursive, with a large initial "K" and a stylized "L".

Kevin Lembo
Connecticut State Comptroller