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**Federal Reserve Support for Local Governments Doesn't Go Far Enough**  
State and Local Leaders Call on the Fed, Congress to Enact a "Local Bailout for the Many"

Yesterday, the Federal Reserve announced plans to shore up state and municipal finances with a \$500 billion lending program. This is a welcome first step, and the first of its kind in more than 80 years.

But a growing coalition of approximately seventy-five progressive state and local elected officials nationwide is calling on the Fed and Congress to enact broader relief measures, including those proposed through the Emergency Relief for State, Territorial and Local Governments Act introduced by U.S. Reps. Tlaib, Pressley and Ocasio-Cortez.

"We need action to meet the scale of the crisis," said Chicago Alderwoman Rossana Rodriguez Sanchez about the announcement. "This will still deny thousands of the most needy cities, counties, and territories the relief they so desperately need."

Under the terms announced today, only about 10 large cities and 15 counties would be eligible for direct assistance from the newly established Municipal Liquidity Facility. Small cities and counties must go through their state governments, creating additional hurdles and delays. U.S. territories, including Puerto Rico, are ineligible.

Large corporations and financial institutions are set to receive far more liquidity support, even though state and local governments are on the frontlines of responding to the COVID-19 pandemic.

"Even before the Coronavirus outbreak, more than a-fifth of our residents lived in poverty," said Tempe Vice Mayor Lauren Kuby. "The COVID-19 crisis translates into a tsunami of human-service needs. The Federal Reserve's package brings delays and barriers for 'small cities' when we need swift and decisive action."

State and local elected officials are calling on the Fed to expand this facility immediately to ensure it provides universal, equitable relief to state and local governments. A letter titled, "[Local Bailout For the Many](#)," outlines additional measures and has been signed by about seventy-five state and local elected officials at the time of this release.

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