The Council of State Governments (CSG) surveyed legislative fiscal chairs in April 2020 on fiscal issues and other impacts on the states related to COVID-19. Here are the findings.

According to legislators, the main challenges facing their states are:

- **Revenue uncertainty**: 91%
- **Economic shutdown and loss of commerce associated with COVID-19**: 88%
- **High unemployment and underemployment**: 67%
- **Strain on state unemployment insurance systems**: 45%
- **Struggling small businesses**: 36%

Legislators report other challenges to be:

- **Impact on vulnerable populations**: 18%
- **Impacts of school closures**: 12%
- **Shortage of education funding**: 12%
- **Revenue shortages for municipalities**: 9%
- **Mental health impacts of the crisis**: 9%

The most frequently reported funding need for the states is **flexibility in the use of federal funds**, including the ability to use CARES Act funds to replace lost revenue. **67% of legislators said this flexibility was necessary.**

Legislators reported the following specific funding needs:

- **Unemployment insurance**: 30%
- **Funding for small business**: 30%
- **Medicare and/or Medicaid**: 27%
- **Infrastructure funding**: 24%
- **SNAP funding**: 18%
- **Funds for local governments**: 12%

12% of legislators mentioned a need to renew and replenish the Small Business Administration’s Paycheck Protection Program established in the CARES Act. Legislators report that the program was very popular but quickly ran out of funds.

**HOW CAN CSG BEST SERVE THE STATES?**

You asked and we listened! Here is how CSG will continue to serve our members.

- Advocating for maximum flexibility in state usage of federal COVID funds, including removing the restrictive “COVID-related” language from the CARES Act (52% asked for this)
- Providing guidance on using CARES Act funding creatively (36% asked for this)
- Generally keeping leaders informed of happenings in other states and at the federal level

For the most up-to-date resources and analysis, visit the CSG COVID-19 website: web.csg.org/COVID19