

U.S. Senator Susan Collins
Floor Remarks
SMART Act
August 4, 2020

I've listened to the presentations of my two colleagues—Senator Cassidy and Senator Menendez—and I could not agree with them more. We have an opportunity to solve a problem that is affecting each and every community in our country. With the COVID-19 pandemic continuing to devastate our public health and our economy, towns and cities across our country are facing increasingly significant new challenges and plummeting revenues at the exact same time. I urge my colleagues to be problem-solvers, to address this crisis as part of the relief package that is now being negotiated. We cannot wait.

I've joined with Senators Menendez and Cassidy and others in this chamber in introducing the SMART Act. It would provide much needed financial assistance to state and local governments, while providing safeguards to prevent wasteful spending. It is a lifeline to our communities, just as the Paycheck Protection Program has been a lifeline to our small businesses and their employees.

The consequences of local government shortfalls are dire. Without our providing them relief, communities face having to lay off essential employees and reduce services at the worst possible time for working families. What is their alternative? They cannot raise taxes—that would be the worst thing for them to do. Municipalities are already scaling back their budgets, furloughing workers, and postponing needed purchases and projects.

These cuts threaten the jobs of our police officers, our firefighters, our EMS personnel, our dispatchers, our sanitation crews, our public works employees, at the time when their services are vitally needed. They are the people that make our communities operate, that make them livable. We need them. And we already know about the stresses that our schools are undergoing, do we really want school budgets to be cut and educators laid off at this important time?

The CARES Act did provide \$150 billion to our states and to very large communities, but those funds came with restrictions and they did not require direct distributions to municipalities with under 500,000. There is not a single county in Maine, much less a city or town, that has a population of that level. The National Governors Association has called for \$500 billion in assistance to aid our nation's recovery. Organizations supporting our towns and our cities and our counties have all endorsed the SMART Act. Moody's Analytics warns that failing to act could shave three percentage points from real GDP from our economic growth and result in the loss of four million jobs. That is the worst thing to happen at this time.

This week, the Maine Municipal Association released projections anticipating a combined \$146 million in lost revenue from Maine's cities and towns by the end of this year alone. We know that the revenues are going to take a while to recover and are going to affect next year as well. This builds on Maine's Revenue Forecasting Committee, which expects a \$1.4 billion state budget shortfall from lost sales and income tax revenues over the next three years. As people are driving less, we are also seeing our gas tax revenues plummet.

I have talked with town managers, with mayors, and members of town councils of selectmen and women all across the State of Maine about the difficult decisions that they are facing as they attempt to balance their budgets.

These cuts are not theoretical, the harm is not just possible, it is occurring today. Let's look briefly at what some Maine communities are already having to do. The City of Westbrook has announced a hiring freeze affecting all city departments, including the Police Department. Well, that Police Department has five open positions that it needs to fill and cannot do so.

Auburn, a city in Androscoggin County, has had to freeze six vacant positions because of expected revenue losses. Again, vital positions—two firefighters, a police officer, and three public works employees. These cuts come as the City of Auburn has spent \$200,000 in new expenses to respond to the virus.

The Town of Falmouth has eliminated four open positions, including a police officer, and can no longer go ahead with the much needed new firetruck.

The Town of Windham has kept seven needed positions open. These are not large communities, but this is a large number of positions. Half of these are public works positions, without which, how is the plowing going to be done this winter to keep the roads safe and clear? The town has also postponed \$1.6 million in capital projects, which has a ripple effect on the local economy. It means the contractors are not buying supplies, nor hiring employees at this time.

In the northern Maine city of Madawaska, the Town Manager has shared with my office that the town has had to scrap a \$3 million road paving project and will have to keep at least three positions vacant. This is what they're doing already; it is only going to get worse for these towns and cities as revenues continue to plummet.

Senator Menendez made a very important point that I want to reiterate, and that is the way that our bill is structured. Every city, every town, will receive direct assistance, every county will receive direct assistance. They will not be dependent on the state; the money will go to them to meet these essential needs. It is common sense to provide the relief needed to avoid these widespread layoffs and cuts to essential services at the local level where they are most often needed.

These are the public servants who keep our communities and our citizens safe. They are the public servants who keep our communities and citizens healthy. They are the public servants who keep our communities and citizens educated. They are the ones who are plowing our roads and repairing our bridges. They are the ones who make our towns, our cities, our neighborhoods, livable.

Congress must act to provide assistance to every community. This is a problem we can solve. Let's enact the SMART Act as part of the next coronavirus package.

Thank you, Mr. President.