EDITORIAL / OPINION

**Op-ed: Congress should fix aid, provide block grants**

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STATE HOUSE NEWS SERVICE

The Massachusetts State House is closed during the coronavirus pandemic.

While passage of the $2.2 trillion [Coronavirus Aid, Relief, and Economic Security Act](https://newsletters.usdbriefs.com/2020/Tax/TNV/200324_1_suppA.pdf) is surely good news, it will come nowhere near fully addressing the pandemic’s impact on the commonwealth’s finances. Large block grants would be the best way to provide states with much needed relief.

Thanks to the virus, state revenue sources from sales taxes to pension fund receipts are plummeting. At the same time, expenses connected to the outbreak are rising sharply.

Just look at unemployment insurance. Weekly state unemployment claims rose from [4,712](https://oui.doleta.gov/unemploy/page8/2020/030720.html) to [147,995](https://www.dol.gov/ui/data.pdf) in just two weeks. And while the new stimulus bill will add $600 to each unemployment check for up to four months and extend benefits to several previously ineligible categories of workers, it does nothing to mitigate the cost of benefits for the 30-week period during which Massachusetts recipients can normally collect.

We’re fortunate that state legislators and the Baker administration had the foresight to restock the commonwealth’s rainy-day Fund. Over the past four years, the fund’s balance jumped by about 150 percent, [from around $2.67 billion to $3.3 billion](https://higherlogicdownload.s3.amazonaws.com/NASBO/9d2d2db1-c943-4f1b-b750-0fca152d64c2/UploadedImages/Fiscal%20Survey/NASBO_Fall_2019_Fiscal_Survey_of_States_S.pdf).

But the picture is decidedly less rosy when it comes to unemployment insurance. As Massachusetts girds for the massive jump in claims, the state’s unemployment insurance trust fund ranks 47th among the states and Washington, D.C.  As of Jan. 1, the fund held just 42 percent of the minimum adequate solvency level recommended by the Advisory Council on Unemployment Insurance. [We are one of 22 states with UI trust funds that were already running low](https://oui.doleta.gov/unemploy/docs/trustFundSolvReport2020.pdf) before the virus began cutting its path of destruction through the U.S. economy.

Compounding the challenge: Massachusetts provides [the highest maximum weekly benefits in the nation,](https://www.savingtoinvest.com/maximum-weekly-unemployment-benefits-by-state/)[covers](https://nam03.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.savingtoinvest.com%2Fmaximum-weekly-unemployment-benefits-by-state%2F&data=02%7C01%7Cdbanks%40bizjournals.com%7Cd96a773e5b384e4050c108d7d253b867%7Cc8f302bab2fe4389b720e285f4fe1b2a%7C0%7C0%7C637209129334588162&sdata=hjhNjgk6%2FMp8531Gbv%2FKr2Jst3s%2FUfKT1X5RyBOZlL0%3D&reserved=0)[the nation’s highest percentage of unemployed workers, and offers the longest benefit period](https://www.savingtoinvest.com/maximum-weekly-unemployment-benefits-by-state/). As previously mentioned, the commonwealth pays for a maximum of 30 weeks of unemployment benefits, while no other state pays for more than 26. These generous policies may make Massachusetts a reassuring place for private sector workers when the economy is thriving, but they pose a serious challenge with the onset of a sudden recession.

The bottom line is that states like Massachusetts are the big losers under the federal relief act because Congress failed to address the urgent COVID 19-related financial crisis it faces. State governments are required to balance the budget each year and cannot deficit-spend like the federal government can. Congress should return and finish the task by providing the large block grants states so desperately need.

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