

Resolution 2020-12

CORONAVIRUS GLOBAL PANDEMIC

BACKGROUND

In December 2019, the World Health Organization warned that a new unknown virus appeared to be spreading from a live animal market in Wuhan, China. In early January 2020, scientists identify the virus as a novel coronavirus that causes severe acute respiratory syndrome, naming it SARS-CoV-2. This coronavirus causes a disease named COVID-19.

While much is still unknown about SARS-CoV-2 and COVID-19, the coronavirus is thought to spread mainly from person to person through respiratory droplets produced when an infected person coughs, sneezes, or talks. These droplets can land in the mouths or noses of people who are nearby or possibly be inhaled into the lungs. Spread is more likely when people are in close contact with one another (within about 6 feet). Once infected, a person's symptoms may range from mild symptoms – or even no symptoms - to severe illness. Older adults and people with underlying medical conditions such as obesity, heart disease, cancer, and weakened immune systems are at higher risk for severe illness from COVID-19. The mortality rate for COVID-19 appears to be around 3.4%.

Since it surfaced, over 29 million people worldwide have been infected with the coronavirus and nearly 1 million have died. The first confirmed case of COVID-19 in the United States was January 21, 2020 in Washington state. Nine months later, the United States has the highest number of COVID-19 cases globally, with almost 7 million cases and 200,000 deaths.

Montana's first case of coronavirus was confirmed on March 13, the day after Governor Bullock declared a state of emergency. On March 26, the Governor issued a stay-at-home order that lasted through May 4, when the Governor issued an order for a phase reopening. Phase Two began June 1. The Governor issued a mask mandate on July 15, 2020 that is still in effect. Montana has remained one of lowest in terms of COVID-19, with a total of 9,107 cases and 138 deaths.

Major economic upheaval has resulted from actions taken to protect public health across the United States and globally. In March, as the coronavirus spread rapidly across the world, stock markets took a major hit, with the Dow Jones Industrial Average falling more than 2,000 points in one day after a circuit breaker halted trading for 15 minutes. The coronavirus pandemic triggered the sharpest economic contraction in modern American history, with GDP falling 33% in the spring of 2020. Consumer spending has tumbled and the national debt has surged as a result of congressional attempts to alleviate the immediate impacts of the pandemic. Unemployment rose to over 15% in the spring of 2020, with all but 3 states recording their highest rate ever in 2020.

The long-term impacts of the pandemic on Montana have yet to be seen. In May 2020, the Bureau of Business and Economic Research at the University of Montana (BBER) estimated:

- A loss of 75,000 jobs, on average, over the year 2020 for the Montana economy, reflecting worsening prospects for health care, transportation and agriculture industries. Jobs include payroll jobs as well as self-employed, business proprietors, and non-employee contractor jobs;
- A shortfall in state personal income of \$6.4 billion, or 11.7 percent, in 2020 compared to the original, pre-Covid-19 projection;

- A slower recovery in the state economy, with under performance in both employment and personal income – relative to pre-Covid-19 projections – extending beyond the year 2022.

These economic impacts could result in a precipitous drop in local government revenues. These revenues fund and sustain ongoing public safety and critical services in our local communities, including police, fire, emergency response, and education. Montana’s local governments will still be expected to provide basic services as well as respond to the historic public safety challenges resulting from the coronavirus pandemic.

Further, Montana’s cities and towns serve as the engine of Montana’s economy. Without direct assistance to cover lost revenues, they will either be forced to significantly cut workforce and reduce services, exacerbating the current economic and public health crises, or shift the loss of revenues onto the remaining property taxpayers. Both options are unacceptable. Major cuts to municipal jobs and services would hinder the ability to safely reopen the economy. Local governments are also capable of stimulating the economy by financing needed infrastructure projects, immediately putting Montanans back to work and investing in long overdue public facility upgrades.

ACTIONS

The MLCT will support bills or policies that:

1. Help local governments continue to provide critical public safety services in our local communities, including increased revenues, direct federal support, and flexible financial regulations.
2. Invest in improving and maintaining Montana’s infrastructure. Montana’s cities, towns, and counties have millions in road, water, wastewater, and other infrastructure projects that can jump start the COVID-19-impacted economy and increase long-term business productivity in every corner of Montana.
3. Provide maximum local authority and flexibility to make emergency decisions to protect the public health and safety of our residents.
4. Expand and improve technology that allows municipalities to better respond to future similar emergency situations, including tools that ensure the public can access government services, the municipality can continue to conduct business, and staff can provide critical public services.

The MLCT will oppose bills or policies that:

1. Undermine or restrict local governments’ ability to provide critical public safety services or make local decisions to protect public health and safety.