

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5051
MINORITY (202) 225-5074
<https://oversight.house.gov>

Opening Statement of Chairwoman Carolyn B. Maloney Hearing on “From Recession to Recovery: Examining the Impact of the American Rescue Plan’s State and Local Fiscal Recovery Funds” March 1, 2022

Before we begin, I just want to say that our hearts go out to the Ukrainian people. Russian President Putin personally provoked this conflict with a peaceful neighbor, and he alone bears full responsibility for the tragic and bloody consequences that are unfolding. I am grateful to President Biden for rallying the world to support the brave people of Ukraine. **As we begin our work today, I want to make clear that this Committee stands with Ukraine as well.**

Two years ago, global attention was seized by a different crisis as the coronavirus pandemic disrupted life across the world. Under the last Administration, the American economy experienced its worst contraction since 1946. And in April 2020, the unemployment rate skyrocketed to almost 15 percent—the highest rate since the Labor Department began collecting this data more than 70 years ago. In the months that followed, hundreds of thousands of Americans died, and millions more suffered the loss of their family members, jobs, and homes.

The country had a decision to make. Faced with a destructive recession and public health crisis, would we show the courage necessary to save lives, support communities in need, and revive our stalled economy? President Biden’s answer was yes. He proposed the American Rescue Plan on his very first day in office. Along with a national vaccination program and direct support for families and small businesses, the plan included \$350 billion in recovery funds to states, Tribes, territories, and local governments.

I’m proud to say that this Committee played a key role in designing and passing these crucial recovery funds. We received input from hundreds of bipartisan stakeholders—including governors, Tribal leaders, mayors, unions, industry leaders, and public health officials. And we listened to what they had to say.

First, Congress provided aid directly to governments of all sizes—many of which had been left to fend for themselves during the previous Administration. Second, rather than a top-down, one-size-fits-all approach, we ensured the aid was flexible so state and local governments could invest in the solutions that fit their communities. Third, we ensured the aid would help restore the one million public sector jobs already lost due to the pandemic—including teachers, healthcare workers, and first responders. Fourth and finally, this aid was designed to promote an equitable recovery, ensuring those hit hardest by the pandemic received the help they deserved.

One year later, I am pleased to report that the American Rescue Plan worked, and has put our communities and our country on the path for a strong recovery from the recession and public health crisis that began under the previous Administration. Adjusted for inflation, America’s gross domestic product rose by 5.7 percent in 2021, far surpassing earlier forecasts. Last quarter’s growth was an impressive 7 percent.

The American Rescue Plan has also led to a strong jobs recovery. Last month, the unemployment rate dropped to 4 percent. That is lower than earlier forecasts predicted for all of 2022. That means more money in Americans’ pockets. Even adjusted for inflation, Americans’ incomes rose by an average of 5.6 percent in 2021.

And those in the lower 50 percent of income distribution have raised their income at almost double that rate, helping make our recovery more equitable. Making sure economic gains are distributed equitably across income brackets is one of my top priorities, and is the focus of my bill, the Measuring Real Income Growth Act.

According to independent experts at Moody's Analytics, if Congress had not passed the American Rescue Plan, the country could have plunged into a double-dip recession instead. That would have meant lower growth, and millions more people without jobs.

Of course, economies around the world have faced many challenges in the last year, including supply chain issues and inflation, which have been made worse by recent Russian aggression. But the American Rescue Plan has put America in the best position to manage these headwinds.

In fact, the U.S. was the first nation in the G7 group of large, developed economies to reach its pre-pandemic level of GDP. And our economy has grown at least three times faster than any other G7 country since the start of the pandemic. But what matters most is how this law, and especially the state and local Recovery Funds, are impacting the lives of Americans every day.

In New York City, where the virus hit early and hard, Recovery Funds are supporting the Vaccine for All Corp, which brings vaccination opportunities to hard-to-reach populations while creating entry-level clinical jobs for disadvantaged populations. The funds have also helped small businesses survive the pandemic through efforts like the Open Restaurants, Open Streets, and Open Storefronts Programs, which helped save more than 100,000 jobs.

Our witnesses today will share many more stories from around the country and from the state, Tribal, and local levels. **The American Rescue Plan has been transformative in saving jobs and small businesses, protecting public health, and promoting an equitable recovery that supports opportunity for all.**

The Recovery Funds have helped move our country from a deep recession to a strong recovery, and today's investments will strengthen our country for decades to come.

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Contact: Nelly Decker, Communications Director, (202) 226-5181