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Congress just passed the largest stimulus in history. It's not going to be enough.

Michael Romita, Special to the USA TODAY NETWORK

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The Coronavirus Aid, Relief and Economic Securities or CARES Act is a sweeping two trillion-dollar federal stimulus passed in response to a sudden financial crisis caused by a poorly understood enemy. The Act focuses more on the acute economic impacts of the crisis than its long-term implications. It is more triage than treatment. Accordingly, once the damage is stabilized and the economic harm can better discerned, the federal government will need to step up again, and in a big way.

The CARES Act is structured to minimize the economic damage created by COVID-19 by blunting the impacts of the crisis. It puts money directly into the hands of the consumer, it increases unemployment benefits and expands the availability of unemployment insurance, it provides funds for small-business loans that convert to grants if employees are retained, it delays certain business tax payments, it provides for accelerated depreciation of capital expenditures, and it allows for certain loan deferments. These provisions are all designed to maximize cash flow to businesses and consumers over the next several months. Other sections of the Act provide block grants to the states for expenditures related to fighting the pandemic in the short term, although the allocation formula for these grants — based upon state population rather than size of economy or demonstration of need — misses the mark.

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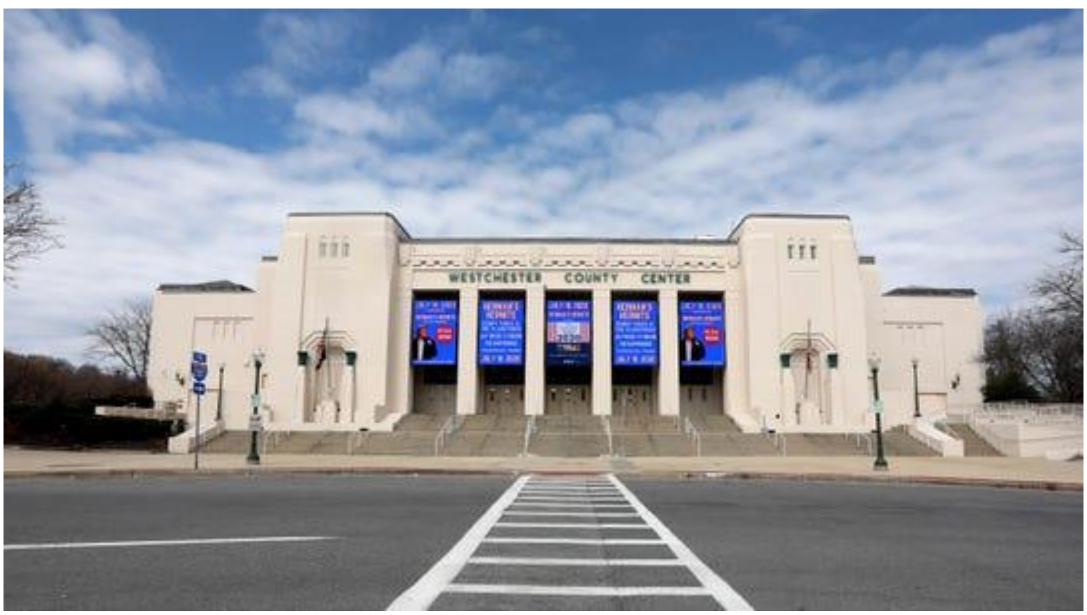
Even assuming the CARES Act is effective, there will still be long term damage to our regional economy. Shops and restaurants will be shuttered for good. Workers will be left displaced. Absent intervention, capital investment will slow down and credit markets will tighten. The economy will be in recession. We will be reckoning with a human toll as well. Once the dust has settled and we have moved beyond the deadliest impacts of COVID-19, Westchester County will need the ability to pursue substantial economic development programs. On a positive note, it will be a singular opportunity to focus our economy on some emerging industries (such as health care innovation and biotech) while simultaneously addressing systemic county-wide and regional challenges in attainable housing, outdated zoning and land use restrictions, transportation, development infrastructure, broadband access, energy and sustainability.



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New York State authorities are considering using the Westchester County Center in White Plains, photographed March 22, 2020, to treat the expected rise in patients diagnosed with the Covid-19 virus in the coming weeks and months. *(Photo: Seth Harrison/The Journal News)*

The great majority of dollars required will need to either come from, or be backstopped by, the federal government. New York state and Westchester County simply do not possess the financial resources to fix the damage on their own. Current efforts to shift the tax calendar, provide emergency loans to small businesses, and accelerate unemployment payments are important because they help provide short-term liquidity to the marketplace at a time when non-essential businesses and offices are closed (wisely) by government fiat and workers are losing their jobs in staggering numbers. Beyond that, the financial levers are limited. State and local tax revenue is about to fall off a cliff while health-related expenditures are rocketing with no end in sight. New York's projected $6 billion budget gap now looks more like $12 billion and possibly much more.

This means difficult decisions will be made in Albany just to try and maintain acceptable standards for education, Medicaid and transportation infrastructure — the largest pieces of the state budget. Westchester County's $2.1 billion budget is likewise imperiled. Similarly, every town, village and municipality in the county will struggle just to meet expenses.

Michael N. Romita of Harrison is the new president and CEO of the Westchester County Association. Romita, photographed March 2, 2020, is a former oil executive and trial attorney with the U.S. Justice Department. *(Photo: Seth Harrison/The Journal News)*

The scope of economic damage left in COVID-19's wake is going to require an extended period of loose fiscal policy to spur investment, innovation and job growth across the nation. It will also require another massive federal stimulus package, the exact size of which will depend on how effectively we fight the spread of the virus right now. Where the CARES Act concentrates on short term liquidity concerns, the next piece of federal legislation must focus heavily upon block grant programs to the states to cover medical expenses and geared toward longer term economic programs. Targeted tax cuts will be debated as well. Regardless, tactical decisions on financial deployment must be reserved for state and local governments. They are better positioned than the federal government to analyze the discrete development needs of their respective communities. Accordingly, we will be counting on our elected representatives, business leaders, and organized labor groups to fight hard for New York and for Westchester, and to make sure we get the funds we will need to rebuild a new and better economy that will allow us to emerge from this crisis with strength and resilience.

The writer is president and CEO of the Westchester County Association.