

The U.S. Response to COVID-19: What's in Federal Legislation and What's Not, but Still Needed

Shawn Fremstad and Eileen Appelbaum

This document is based on the two COVID-19 bills enacted by Congress to date—the [Coronavirus Preparedness and Response Supplemental Appropriations Act](#) (C1) and [Families First Coronavirus Response Act](#) (C2)—and our best understanding of the compromise bill passed by the Senate (C3). We will continue to refine and update this document as more information becomes available.

What's In

What's Not, But Still Needed

Paid Family and Medical Leave

Until 12/31/2020, up to 12 weeks of paid leave for employees who are “unable to work due to a need for leave to care for their child because the school or day care has been closed or the child care provider is unavailable due to a public health emergency.” (C2)

Pay must be equal to at least two-thirds of regular pay, but employers do not have to pay more than \$200/day and \$10,000/total. Employers not required to pay during the first 10 days of leave. (C3)

Does not apply to private businesses with 500 or more employees. (C2)

DOL may exempt businesses with fewer than 50 employees. (C3) OMB can exclude any or even all executive branch federal employees. (C3)

Paid leave should be extended to include employees who meet any of the following conditions:

- 1) are unable to work because they are caring for themselves, subject to a quarantine order or have been advised by a health care provider to self-quarantine due to coronavirus concerns;
- 2) are caring for family member, including an adult child with a disability, who meets above conditions; or
- 3) are employed by private businesses with 500 or more employees.

Eliminate DOL authority to exempt businesses with fewer than 50 employees.

Eliminate OMB authority to exclude federal employees.

Paid Sick Time Leave

Until 12/31/20, up to 80 hours of paid sick time for employees who are unable to work or telework due to a need for leave because the employee is: 1) subject to quarantine or isolation order (or caring for someone who is subject to quarantine or isolation order); 2) has been advised by a health care provider to self-quarantine due to coronavirus concerns; 3) is experiencing symptoms of coronavirus and seeking a medical diagnosis; 4) caring for their child if their school or day care has been closed, or the child care provider is unavailable, due to coronavirus precautions. (C2)

Full pay should be provided to workers using paid sick time for any of the allowable purposes.

Employers with 500 or more employees should not be excluded from the requirement to provide paid sick time leave.

DOL and OMB exemption authority should be eliminated.

Must be equal to at least two-thirds of regular pay, but employers do not have to pay more than \$511/day and \$5,100/total. For paid sick leave taken to care for someone else, employers do not have to pay more than \$200/day and \$2,000/total.

Same employer exclusions as Paid Family and Medical (above).

Unemployment Insurance

General:

- \$1 billion in emergency grants to states to provide and process unemployment insurance, including 100% federal funding for extended benefits in states with a 10% or higher unemployment rate (C2)
- \$600/week increase in UI benefits for up to 4 months (C3)

Pandemic Unemployment Assistance: Provides unemployment assistance for certain workers who are ineligible for regular UI (part-time, self-employed, independent contractors, limited recent work history, and others) from 1/27/20 to 12/31/20. Paid at one-half of state average benefits plus \$600/week. Excludes individuals who have ability to telework with pay, or are receiving sick leave or other paid leave benefits. Provides up to 39 weeks of benefits (cap includes weeks worker received regular UI or extended benefits). (C3)

Short-Time Compensation (STC): For states that currently have STC programs—providing a pro-rated unemployment benefit for employees of employers who reduce work hours instead of laying off workers—100 percent of benefits are federally funded through 12/31/20. For states that begin STC programs, 50 percent of benefits are federally funded, and \$100 million is provided to states to help implement STC programs. (C3)

UI benefits should be either disregarded or treated as “earned income” in means-tested programs, including SSI and SNAP.

STC: All states should be required to establish STC programs. Only about half the states currently have operational STC programs.

Additional Income Supplements

One-Time Cash Payment: \$1,200 payment per eligible adult and \$500 per eligible minor child, reduced by \$5 for each \$100 each filing unit’s income exceeds applicable phase-out threshold (\$75,000 for individuals, \$112,500 for head of households, and \$150,000 for joint filers). Taxable income not required to claim benefit, but must have a work-eligible social security number (SSN) and not be a dependent of another tax filer. Payment based on 2019 tax return, if filed, or 2018 return. (C3)

SNAP: No employment and training requirements until a month after the COVID-19 emergency declaration is lifted. In states that have declared an emergency or disaster, USDA must provide, at state request, emergency allotments to SNAP households (but most not exceed applicable maximum monthly allotment). (C2)

All low- and middle-income people should receive this one-time payment, including adults claimed as dependents, and Immigrants who file taxes using Individual Taxpayer Identification Numbers (ITINs).

SNAP: SNAP beneficiaries should be allowed to use SNAP benefits for household and sanitary items, and to provide groceries and other household items online.

LIHEAP: \$900 million. (C3)

TANF: No provisions.

TANF: As with SNAP, TANF provisions that restrict access and eligibility, including work requirements, time limits, and requirement to sign-over right to child support, should be waived.

Housing

Homeless Assistance Grants: \$4 billion (C3)

HUD public housing and rental assistance: \$3 billion (C3)

Tribal Housing Programs: \$300 million (C3)

Foreclosure Protections: Prohibits foreclosures of federally backed mortgage loans for 60 days. Up to 180 days of forbearance for borrowers of a federally backed mortgage loan who has experienced a financial hardship related to COVID-19. Provides up to 90 days forbearance on multi-family properties with federally backed loans. Borrowers receiving forbearance may not evict or charge late fees to tenants during forbearance period. (C3)

Eviction Protection: If a landlord's mortgage on rental property is insured or assisted in any way by HUD or various other federal entities, the landlord may not evict tenants or charge fees or penalties for 120 days starting on day of enactment. (C3)

No specific emergency rental or mortgage assistance, beyond homeless assistance, and no limitations on foreclosure or eviction where homeowner's or landlord's mortgage is not federally assisted.

Health Care Capacity

State, Local, and Tribal Government: \$150 billion Coronavirus Relief fund that will provide state, local, and tribal government with additional resources to address the pandemic. (See below). (C3)

Hospitals: \$100 billion for a new program to provide grants to hospitals and other entities to cover unreimbursed health care related expenses or lost revenues attributable to the coronavirus health emergency. (C3)

Strategic National Stockpile (Medical Supplies): \$16 billion for supplies of pharmaceuticals, personal protective equipment, and other medical supplies. (C3)

CDC: \$4.3 billion for federal, state, and local public health agencies to prevent, prepare for, and respond to the coronavirus, including \$1.5 billion to support states, locals, territories, and tribes in their efforts to conduct public health activities, including: purchase of personal protective equipment; surveillance for coronavirus; laboratory testing to detect positive cases; contact tracing to identify

additional cases; infection control and mitigation at the local level to prevent the spread of the virus.

Rural Hospitals and Health: \$185 million to support rural critical access hospitals, rural tribal health and telehealth programs.

VA: \$15.85 billion in order to support an increase in demand for VA services specific to coronavirus.

Military Hospitals: \$1.5 billion for expansion of military hospitals and expeditionary hospital packages to alleviate strain on both the military and civilian healthcare systems.

Defense Production Act: \$1 billion to increase the production rate of personal protective equipment and medical equipment.

Access to Testing, Treatment, and Prevention

Private Insurance Coverage: Private insurance plans must cover testing for COVID-19 and any future vaccine without cost sharing. (C3)

Medicaid: Increases federal Medicaid funds to states and territories by increasing the FMAP percentage for each state and territory by 6.2 percent, but no increase in match for ACA expansion population. To receive FMAP increase, states must provide coverage without cost-sharing for COVID-19 testing and testing-related services during the emergency period. (C2)

Community Health Centers: \$1.32 billion (C3)

No requirement that private insurers cover *treatment* without cost sharing or out-of-pocket costs.

No guarantee of free coronavirus treatment and future vaccine for uninsured. No expansion of Emergency Medicaid to include testing and treatment of COVID-19.

No requirement or incentives to expand Medicaid (in states that have yet to expand), even temporarily, to provide treatment to low-income adults.

Child Care

Child Care and Development Block Grant: \$3.5 billion in additional funding. (CV3)

Head Start: \$750 million. (C3)

Funding is insufficient to ensure child care centers are able to remain in business.

Worker Protections and Support

Aviation Worker Support: \$25 billion in aid to passenger airlines; \$4 billion in aid to cargo carriers; \$3 billion for airline contractors. Must be used exclusively for employee wages, salaries, and benefits. (CV3)

OSHA: No provisions.

Employment and Training: \$345 million for dislocated workers assistance. (CV3)

OSHA: OSHA should be directed to promulgate an Emergency Temporary Standard on Emerging Infectious Diseases to protect health care workers.

Insufficient protections for employees of industries receiving aid (see below).

Business Provisions

Employee Retention Credit: Provides a refundable payroll tax credit for 50 percent of wages paid by employers to employees during crisis. Employers must have fully or partially suspended operations due to the crisis, or have seen gross receipts decline by more than 50 percent compared to the same quarter in 2019.

Employer Payroll Tax Deferral: Employers may defer payment of payroll taxes from passage of Act to 12/31/20, with 50 percent to be paid by 12/31/21 and remaining 50 percent by 12/31/22. To hold Social Security trust funds harmless, Treasury will transfer funds from the general fund to replicate to the extent possible the transfers which would have been made by employers. (CV3)

Industry Aid

General: \$500 billion (with \$46 billion reserved for airlines, air cargo carriers and businesses critical to national security) to the Treasury to provide loans, loan guarantees and aid to eligible businesses, states, and municipalities.

Until September 30, 2020, businesses receiving aid must maintain existing employment levels “to the extent practicable” and may not reduce employment levels by more than 10 percent. No stock buybacks or dividends until 12 months after loan no longer outstanding. No executive pay increases for 2 years. Limits golden parachutes to double 2019 compensation.

Oversight: \$25 million in funding for Special Inspector General for Pandemic Relief. Establishes Congressional Oversight Commission.

Businesses that receive these funds should be required to maintain employment at existing employment levels (no 10 percent reduction).

Employee protections that apply to mid-sized businesses should also apply to larger businesses.

The Special Inspector General and the Congressional Oversight Commission do not have any enforcement powers, and cannot provide meaningful oversight of the funds to be disbursed by the Treasury Secretary

Small Business and Nonprofits

General: \$349 billion for loans to small businesses (500 or fewer, or meet current SBA size standards) and certain nonprofit organizations with 500 or fewer employees. Loan may equal up to 250 percent of an employer’s average monthly payroll. Loan forgiven if employer maintains payroll, up to amount borrower spend on payroll, mortgage interest, rent and utility payments. Retroactive to 2/15/20.

\$10 billion for SBA emergency grants of up to \$10,000, and \$17 billion for SBA to cover 6 months of payments for small businesses with existing SBA loans.

State, Local, and Tribal Government Relief

General: \$150 billion, including \$3 billion reserved for tribal governments, and \$3 billion for District of Columbia, Puerto Rico, US Virgin Islands, Guam, Northern Mariana Island, and American Samoa. Funding for states (\$139 billion) is distributed based on population, with all states (but not DC) guaranteed at least \$1.25 billion. (C3).

Medicaid Funding: See above.

Community Development Block Grant: \$5 billion for states and local governments. (C3)

Education: \$30.75 billion for an Education Stabilization Fund for states, school districts and institutions of higher education for costs related to coronavirus. Includes \$13.5 billion for elementary and secondary education, 90 percent of funds to local educational agencies; \$3 billion for governors to allocate at their discretion; \$14.25 billion for higher education emergency relief for institutions of higher education. (C3)

Education: No direct funding for hotspots, connection devices and mobile wireless service through the E-Rate program to ensure all students have access to online instruction.

Elections

\$400 million for states to help prepare for the 2020 elections. Funding can be used, among other uses, to increase the ability to vote by mail, but includes no requirements that ease access. (C3)

Federal government should require states to provide no-excuse absentee voting, at least 15 days of early voting, and allow online voter registration.

Student Loans

Requires Secretary of Education to suspend all payments on student loans through September 30, 2020, with no accrual of interest. (C3)

Does not include any student loan debt cancellation.

For workers whose employers pay part or all their student loans, up to \$5,250 in repayments are excluded from income for federal income tax purposes. (C3)

Relatively few people struggling to pay student loan debt have employers who pay that debt for them.

Over-the-Counter Drugs

Provides 18 months of market exclusivity to makers of new OTC drugs. (C3)

Provision is unrelated to COVID-19, and included at request of large drug manufacturers.