

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

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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 [Coronavirus Aid, Relief, and Economic Security Act \(CARES Act\)](#) passed by the Senate (C3) on March 25, 2020 and by the House on March 27, 2020. This is not a comprehensive summary of all provisions in the three bills, but does include most major funding increases (\$1 billion or more) and very large programs. We will continue to refine and update this document as more information becomes available. For a comparison of the Taking Responsibility for Workers and Families Act, legislation introduced by Democrats in the House of Representatives on March 23, 2020, and the CARES Act, see this [explainer](#) by the Progressive Caucus Action Fund.

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 per employee. 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) Notably, does not apply to large chains that employ 500 or more employees overall, but fewer than 500 per physical outlet (e.g. Starbucks), even though these same chains are eligible for new forgivable loans to “small” businesses to maintain payroll (see Small Businesses and Nonprofits below).

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 not expire on 12/13/2020.

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.

Provides tax credit against payroll taxes owed by employers to cover the cost of required leave. Leave pay also available to self-employed via tax credit. (See Business Tax Provisions below.)

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)

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 per employee. 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).

Provides refundable tax credit against payroll taxes owed by employers to cover 100% of the cost of required leave. Leave pay is also available to self-employed via tax credit. (See Business and Self-Employment Tax Provisions below.)

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.

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)

Pandemic Unemployment Compensation (PUC): \$600/week increase in UI benefits for up to 4 months (C3)

Pandemic Emergency Unemployment Compensation (PEUC): Additional 13 weeks of UI (beyond number of weeks each state provides).

Pandemic Unemployment Assistance (PUA): 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

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

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)

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 under age 18, 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)

All low- and middle-income people should receive this one-time payment, including adults claimed as dependents, 17-18 year olds claimed as dependents, 19-23 year olds in school full time and claimed as dependents, and immigrants who file taxes using Individual Taxpayer Identification Numbers (ITINs). Early estimates are that 21 million dependents are excluded and several million people in immigrant households (including many U.S. citizens and lawful permanent residents) are excluded.

The benefit should be paid directly to people who are income-eligible based on information available to the federal government (e.g., people receiving SSI and SNAP), and a simplified application process should be available for people who would not normally file a tax return

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)

SNAP: SNAP beneficiaries should be allowed to use SNAP benefits for household and sanitary items, and to provide groceries and other household items online. An additional unrestricted minimum-income benefit should be provided to all SNAP households.

Low-Income Home Energy Assistance Program (LIHEAP): \$900 million. (C3)

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.

Temporary Assistance to Needy Families (TANF): No provisions.

Housing

Homeless Assistance Grants: \$4 billion, Individuals and families whose income does not exceed 50 percent of area median income (HUD “very low” income limit) considered “at risk of homelessness and eligible for homeless prevention. (C3)

Dedicated funding should be provided for emergency rental and mortgage assistance, beyond homeless assistance, and limitations on foreclosure or eviction should be extended to non-federally assisted housing.

HUD public housing and rental assistance: \$\$1.25 billion for tenant-based rental assistance, \$685 million for the public housing operating fund, and \$1 billion for project-based rental assistance. (C3)

Funding for HUD public housing and rental assistance is insufficient to meet existing unmet need among eligible households.

Native American 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)

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 State, Local, and Tribal Government Relief section 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. (C3)

Rural Hospitals and Health: \$185 million to support rural critical access hospitals, rural tribal health and telehealth programs. (C3)

VA: \$15.85 billion in order to support an increase in demand for VA services specific to coronavirus. (C3)

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. (C3)

Funding is insufficient and too restrictive. (See below)

Defense Production Act (DPA): President Trump has failed to use his powers under the DPA to meet urgent needs, including for ventilators and PPE. Congress should take necessary steps to ensure these needs are met.

Defense Production Act: \$1 billion to increase the production rate of personal protective equipment and medical equipment. (C3)

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)

Private insurers should be required cover *treatment* without cost sharing or out-of-pocket costs.

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)

Coronavirus treatment and future vaccine should be covered at no cost for uninsured. Emergency Medicaid should be expanded to include testing and treatment of COVID-19.

Community Health Centers: \$1.32 billion (C3)

Should provide requirements 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. (C3)

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

Head Start: \$750 million. (C3)

Worker Protections, Safety, 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. (C3)

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

OSHA: No provisions.

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

Employment and Training: \$345 million for dislocated workers assistance. (C3)

Business and Self-Employment Tax Provisions

Payroll Credit for Required Paid Sick Leave: Provides a credit against the payroll (OASDI) tax imposed on the employer for each quarter equal to 100 percent of the qualified sick leave wages paid by the employer as required by Emergency Paid Sick Leave Act (see above). (C2) Credit may be refunded in advance. (C3)

Payroll Credit for Required Paid Family Leave: Provides a credit against the payroll tax imposed on the employer equal to 1200 percent of the qualified family leave wages paid by the employer as required by Emergency Family and Medical Leave Expansion Act (see above). (C2) Credit may be refunded in advance. (C3)

Credits for Sick Leave and Family Leave for Self-Employed Individuals: Provides refundable income tax credits for self-employed individuals who would be eligible for Emergency Paid Sick Leave and Emergency Family and Medicaid Leave (see above), if they were employees of an employer. (C2)

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. (C3)

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. (C3)

Other Business Tax Cuts: Other business-related tax provisions (including modifications of net operating loss rules, an increase in the net interest) will provide about \$38 billion in tax cuts to businesses over the next ten years, (C3)

Tax Cut for Wealthy Real Estate Developers: Suspends limitations on use of real estate losses to reduce taxes on profits from other investments, a tax cut estimated to cost \$169.6 billion over the next decade. (C3)

Tax cuts for wealthy real estate developers are unrelated to pandemic and bad as a matter of public policy.

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. (C3)

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. Treasury Secretary may waive restrictions on buybacks, dividends, and golden parachutes upon a determination that is “necessary to protect the interests of the Federal Government.”

Businesses that receive these funds should be required to maintain employment at existing employment levels (no 10 percent reduction). Treasury Secretary should not be able to waive restrictions on buybacks, dividends and golden parachutes. To ensure these requirements are binding, businesses that fail to comply should be required to pay a substantial financial penalty.

Employee protections that apply to mid-sized businesses should also apply to larger businesses. Businesses receiving assistance should be required to remain neutral in any union organizing effort for two years after completing repayment.

Mid-sized businesses (500 to 10,000 employees) seeking assistance must certify that they will not offshore or outsource jobs for the term of the loan and two years after completing repayment, not abrogate existing collective bargaining agreements for same period of time, and remain neutral in any union organizing effort for the term of the loan.

Oversight: \$25 million in funding for Special Inspector General for Pandemic Relief. Establishes Congressional Oversight Commission. (C3)

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

\$349 billion for loans to small businesses (500 or fewer, or meet current SBA size standards), certain nonprofit organizations with 500 or fewer employees, and businesses in the accommodation and food sector that employ not more than 500 employees per physical location (e.g., Starbucks). 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. (C3)

Funding likely insufficient to meet need.

\$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. (C3)

State, Local, and Tribal Government Relief

Coronavirus Relief Fund: \$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. Funds may only be used for unbudgeted response to crisis. (C3)

Funding is likely insufficient, and restrictions on use limit effectiveness in responding to large declines in state and local revenue.

Medicaid Funding: See Access to Testing, Treatment, and Prevention above.

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

Additional, less restricted funding, including a larger FMAP increase should be provided to states and local governments.

Community Services Block Grant: \$1 billion for Community Action programs to provide assistance and services to low-income (up to 200 percent of federal poverty guideline) people.

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

Education: Funding likely insufficient. 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.

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).

Transportation

Transit Infrastructure Grants: \$25 billion. (C3)

Airports: \$10 billion in grants-in-aid to airports. (C3)

Amtrak: \$492 million for Northeast Corridor Grants and \$526 million for National Network Grants. (C3)

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 federally held student loans through September 30, 2020, with no accrual of interest. (C3)

Suspension should also apply to commercially held FFEL and Perkins loans (1.2 million borrowers).

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)

Does not include any student loan debt cancellation.

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.