



AFSCME's FEDERAL LEGISLATIVE RESPONSE TO COVID-19 CRISIS

I. Increase Support to States and Localities

- **Provide Robust, Direct General Assistance to States and Municipalities** – In addition to the proposed increase in FMAP, the federal government should provide each state with a grant equal to 7% of the combined state and local government own source revenue collected in the fiscal year ending in 2019. Approximately \$175 billion will be necessary to provide this assistance. Each state's allocation would be shared with local governments on a proportional basis. States and cities need direct assistance so they can maintain services. Although an enhanced FMAP is necessary, it is an insufficient response and often is of limited assistance to local governments. During the Great Recession, state and local government own source revenues initially declined by \$150 billion. This revenue loss occurred at the same time as demand for services spiked.
- **Build Upon FMAP and UI Improvements in H.R. 6201**
 - **Increase FMAP** – The 6.2 percentage point increase in H.R. 6201 (\$36 billion) is important, but far from enough and does not cover the Medicaid expansion population, which includes 4 million people age 50-64, who are at higher risk of serious illness from COVID-19. A further substantial FMAP increase is still needed.
 - **Stop the Medicare Part D Claw Back** – States pay into Medicare Part D. Waiving this will give states additional money.
 - **Expand Unemployment Insurance** – Make more workers eligible for benefits and increase benefit amounts. UI also needs adequate resources to be able to deliver enhanced and expanded services, since underfunding of administrative services has been a critical issue.

II. Assistance to Muni Market – We also need the Federal Reserve to step up so governments can maintain liquidity. Congress should authorize and require the Fed to buy non-federal municipal notes to target interest rates at the Federal Funds rate (currently zero). An under-reported challenge associated with the pandemic are problems in the municipal bond market where interest rates are rapidly rising, and some issuers have cancelled sales. The Federal Reserve has stepped in to support federally issued Treasury Bonds. However, there is no such support for state and local bonds.

III. Require OSHA Safety Standard and Protections for All Workers

- Require OSHA to issue a temporary emergency standard on COVID-19 with coverage for all public sector workers at high risk no matter where they live. Under current law many public sector workers are not covered by OSHA nor state OSHA law. Sen. Tammy

Duckworth (D-Ill.) has introduced legislation (S. 3475), which requires an OSHA emergency temporary standard and covers public sector workers at high risk no matter where they live.

- We also must do all we possibly can to protect health care professionals, public safety personnel and others who are at substantial risk by also ensuring they have all the needed protective equipment, access to testing, and emergency medical care they need. This includes a vastly expanded public health infrastructure.

IV. Expand Paid Leave Coverage to All Employees

- **Don't Exclude Larger Employers** – Expand Paid Leave to employers with 500 or more employees (which includes most private hospitals and Kaiser Permanente). H.R. 6201 will cover public sector workers, but unlike private sector employers, states and localities will not get tax credits or any other help in paying for any new leave requirements. Also, must make sure DOL cannot exclude health care workers, first responders, EMTs and others who are at high risk of exposure and therefore in need of sick leave and paid leave.
- **Don't Leave State and Local Agencies Out** – State and local government agencies, including school districts, must not be excluded from using the paid leave tax credits to lower/offset their employer's share of Social Security payroll withholding payments in contrast to businesses and non-profits. This refundable tax credit must be expanded to make sure all state and local governments, including any that don't participate in Social Security, can get the financial assistance they deserve.
- **Fair Treatment for Caregivers** – Increase paid leave amounts for workers caring for children or other family members from 66.7% to 100%.
- **Fair Treatment for Employees of Small Business** – Guarantee that employees of small business can get paid leave when affected by coronavirus by eliminating H.R. 6201's administrative exemption for employers with fewer than 50.
- **Fair Treatment for Individuals Paid as Family Caregivers** – Ensure family paid leave through Medicaid to provide home care to a relative are eligible for paid leave.

V. Send Stimulus Checks – Provide short-term financial assistance to families by sending stimulus checks.

VI. Health Care Issues Cover COVID-19 Treatment Costs – The federal government also needs to cover insured and uninsured individuals' out-of-pocket costs of treatment of COVID-19 so there are no barriers to anyone getting care if they are diagnosed with or are suspected of having the virus. A new analysis finds that inpatient treatment from COVID-19 will be costly. On average, pneumonia admissions with major complications and comorbidities, the average total cost is \$20,292. In comparison, the average cost for a patient with no complications or comorbidities is \$9,763.

- **Help Unemployed Workers Keep Their Health Coverage** – Provide financial assistance for unemployed workers to pay for health insurance premiums through COBRA or other sources of coverage.

VII. Child Care Funding – Child care funding is needed to support working families who need to continue working remotely or otherwise and to ensure child care providers have an income. AFSCME supports the “Supporting Students in Response to the Coronavirus Act,” which provides \$3 billion including \$600 million for child care mandatory funding.

VIII. Payroll Tax Not an Immediate Solution – AFSCME is concerned that most payroll tax cut proposals currently being discussed are not well targeted and would not provide adequate nor prompt benefits to those needing assistance and to benefit the macro economy. There are many more effective, efficient, and progressive proposals to provide financial assistance to Americans needing assistance due to direct or indirect financial harm from COVID-19. For example, we must help employees not enrolled in Social Security, current workers who will get laid off or otherwise lose their jobs, and other dislocated or unemployed workers unable to find jobs due to problems resulting from COVID-19.

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