



## COALITION ON HUMAN NEEDS

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Dear Senator:

We appreciate that Senators are at work now on the next bill to reduce the devastating impact of the COVID-19 virus on our people's health and our nation's economy. The members of the [Coalition on Human Needs](http://www.chn.org) join you in recognizing that we are in an emergency unlike any other over the past century. Many of the economic tools to withstand a severe downturn have limited effectiveness when businesses close and the opportunities to spend and invest are limited. **Therefore, we urge you to include in the next package a set of policies most likely to protect low- and moderate-income people from economic disaster and to sustain and expand the capacity of states, municipalities, and nonprofit service providers to meet our urgent needs.** These measures have a proven track record of providing effective economic stimulus, and will at the same time ensure that people can get the treatment and services they need.

Unfortunately, the provisions in the Coronavirus Aid, Relief, and Economic Security Act (S. 3548, the "CARES Act") do not target resources effectively. The bill either excludes or provides much less in direct cash payments to low-income people. Specifically, some people with little income, who need help the most, would be limited to a \$600 payment, instead of the \$1,200 amount provided to others; some would be excluded altogether. Immigrants using taxpayer ID numbers instead of Social Security numbers would not receive help at all. Instead of further strengthening paid leave, it weakens paid leave provisions in the Families First legislation just enacted by making it easier for the Secretary of Labor to exempt businesses with fewer than 50 employees from the paid leave requirement. It fails to strengthen the state aid through increased Medicaid match rates (FMAP) that was provided in Families First, and does not provide other grants or aid to states and localities, despite the fact that their revenues are plummeting and services will be severely threatened without more federal help. It also fails to make adequate expansions in unemployment insurance and does not provide an increase in SNAP benefits. All these, as noted below, have proven track records in providing the most effective boosts to a stalled economy. In contrast, the bill's concentration of assistance to the airline and other industries is not sufficiently conditioned on protecting workers from layoffs and assuring decent pay, working conditions, benefits, and labor rights. Maintaining workers' jobs and incomes is the primary engine of economic recovery when business aid is provided. S. 3548 falls short.

We urge you to support these components in legislation you are now considering: (1) direct income payments to individuals designed to reach those most in need; (2) improved use of SNAP and unemployment insurance, both proven ways to boost the economy; (3) further support to vital systems providing care and services in states and localities; (4) urgent attention to preventing economic disaster for vulnerable people; and (5) conditions applied to aid to businesses to ensure that taxpayer dollars are used to ensure workers get paid, with paid sick leave and health insurance, and not to increase CEO or shareholder income. What follows is more detail on these essential next steps:

- (1) **Direct income payments to individuals designed to reach those most in need.** We strongly urge that payments to individuals are targeted to low- and moderate-income people, and not provided to people with high incomes. In order to assure that people with the lowest incomes are not excluded from receiving these payments, they should be specifically directed to beneficiaries of programs such as Supplemental Security Income (SSI), Social Security, Supplemental Nutrition Assistance Program (SNAP), and Temporary Assistance for Needy Families (TANF), or others whose incomes were too low to have filed tax returns. Congress should ensure that asset limits for such programs are suspended or eliminated, so that receipt of such payments do not immediately disqualify individuals from receiving their monthly benefits. Immigrants, including citizen children, must not be excluded by requiring Social Security numbers to receive payments. Payments should include children as well as adults. An effective means of providing direct income to many low-income people is the use of refundable tax credits. Congress should make the Child Tax Credit fully refundable and expand the Earned Income Tax Credit to use an existing effective delivery system for income payments.
- (2) **Improved use of proven ways to boost the economy: SNAP and unemployment insurance.** Congress should heed the lessons of the Great Recession: SNAP and unemployment insurance provided a bigger “bang for the buck” than other attempts to get money to households, because people eligible for food assistance or out of work need to spend the amounts they receive rapidly. Low-income people will buy necessities such as groceries, and by purchasing items still available in our partially paralyzed economy, they will contribute much-needed economic activity. A 15 percent increase in the SNAP maximum allotment level, in addition to the provisions enacted in the Families First Act, will boost the economy while preventing hunger. Congress needs to undo reductions in Unemployment Insurance carried out by some states since the Great Recession in order for UI to provide maximum economic stimulus and help people who need it most, and provide funding to support states’ implementation of these improvements. At minimum, Congress should require states to offer at least 26 weeks of regular benefits and to pay two-thirds of a worker’s previous wage. Congress should also require states to implement a set of reforms intended to make it easier for low-wage workers to qualify for benefits (such as a more flexible wage reporting period), and should enact automatically triggered federal extended benefits during an economic downturn.
- (3) **Further support to vital systems providing care and services in states and localities.** The 6.2 percentage point increase in the Medicaid match rate (FMAP) in the Families First Act is an important first step, but it is not enough. A 10 percentage point increase would be comparable to the increase provided in the Great Recession’s Recovery Act, and would compensate states for a 1.5 percentage point increase in unemployment. Congress needs to support states in expanding Medicaid coverage as well as renewing and funding community health centers, to maximize access to treatment.

It would be far better to have an automatic increase triggered with the onset of an economic downturn. Putting such a trigger in place now would be a responsible act. States and localities will also need additional aid not tied to FMAP, to enable them to fund education and other services that would otherwise suffer in the expected significant loss of state and local revenues.

We are extremely concerned that in the current shutdown of public offices, it will be very difficult for people to apply for or renew benefits. States must have federal support to maximize the use of online, phone, or mailed services.

Workers are the backbone of the services and benefits people need, and Congress should ensure that workers are protected. Health care workers and other caregivers need supplies and protective gear; Congress should require OSHA to issue an Emergency Temporary Standard to protect health care and other high-risk workers in the public and private sectors.

- (4) **Urgent attention to preventing economic and health disasters for vulnerable people.** Our efforts to “flatten the curve” of this epidemic will be undermined if we ignore the needs of homeless people and those threatened with homelessness. All people in shelters or other congregate settings are at risk. Congress should provide at least \$5 billion for McKinney-Vento Emergency Solutions Grants and \$5 billion for short term rental assistance, as in the Disaster Housing Assistance Program, as well as services such as medical respite care. Congress should prevent a dramatic rise in homelessness and sickness by requiring moratoria on evictions, foreclosures, water shut-offs, and sweeps of encampments.

In addition, Congress should ensure that vulnerable people, including people with disabilities, immigrants, seniors, people in prison or other detention, and people escaping domestic violence have access to appropriate services, medication, and treatment.

- (5) **Conditions applied to aid to businesses.** The purpose of providing aid to businesses is to prevent massive layoffs and to protect workers in dangerous conditions. Therefore, any assistance taxpayers provide should be conditioned on employers limiting layoffs, complying with health and safety guidelines for workers and contractors, providing a minimum wage of \$15/hour and paid leave, and allowing labor organizing. Companies should not be allowed to use federal subsidies for stock buybacks or increased high executive pay.

The situation we are in is dangerous, as you know. Without an adequate federal response, illness will continue to spread, our institutions and businesses will remain shuttered, and our economy will sink into a harsh and prolonged recession. Forestalling these disastrous outcomes requires a massive expenditure of federal funds, and we cannot afford to waste any of it. That means assisting low- and moderate-income people, shoring up essential state and local services, and protecting workers.

Sincerely yours,



Deborah Weinstein  
Executive Director