



April 21, 2020

United States Senate
Washington, DC 20510

Dear Senator:

We are living through a health care and economic crisis unlike anything we have experienced. Working people in every community across our country are worried about their health and safety, their families and their jobs. As we continue to battle this pandemic in our hospitals and health care facilities in what front-line caregivers describe as warlike conditions, our economy continues to shed jobs, with some estimating that unemployment has reached at least 15% already. Roughly 22 million people have applied for unemployment insurance in the last four weeks alone.

At the same time, we are already seeing the effects of stressed state and local budgets and forecasts of reduced public services as high demand for them increases. The NGA has requested \$500 billion in state stabilization funding to help make up for lost revenue and increased costs related to COVID-19. In addition, the Economic Policy Institute estimates that at least \$500 billion more aid will be needed by the end of 2021 to prevent state and local budget cuts that hamper the economy after the public health crisis ends.

Along with realizing the value of our front-line health care professionals, corrections officers and other workers, we've also witnessed the power and importance of our public schools, public health institutions and other state and local public services in providing stability and serving as community anchors. And public service workers have stepped up in extraordinary ways – from educators and support staff shuttering schools practically overnight while still figuring out how to get meals and services to kids, to local and state public health officials leading response efforts to keep people safe, to workers processing unemployment claims and offering hope to the millions who are out of work through no fault of their own.

We are doing all of this with budgets and resources that have been cut again and again since the last recession. And when public schools reopen, our children will be returning with even greater needs. Our health care system will have been strained beyond capacity, and our front-line providers will have experienced extraordinary trauma. Families will be coping with the loss of loved ones from this virus, in addition to loss of work amid an economic crisis comparable to the Great Depression.

While our first priority must continue to be ensuring the health and safety of communities and keeping and getting working families the supports they need while our economy is on life support, we must also be focused on how to rebuild and recover in a way in which no one is left behind. Immigrants and communities of color have been especially hard hit in this moment. And we must act to safeguard our democracy and the right to vote while keeping safe and healthy.

Congress has acted swiftly to pass critical recovery packages to respond to the pandemic and support working people. We are disappointed that the interim bill before Congress this week will reportedly not address the priorities for state and local public service workers listed below. As Congress develops the next rescue package, it is critically important to provide additional state and local investment to replenish depleted budgets and support our communities. Our front-line workers put their lives on the line every day to save us during a pandemic; Americans refuse to thank them with a pink slip.

Further, we must continue to act beyond immediate rescue packages. It's on us, just as we've done in past crises, to rewrite the rules to form a more just, equitable society, one that truly values and invests in public schools, public health infrastructure and public services that sustain our communities. Working families were barely getting by before this crisis hit, with stagnating wages, widening inequality and nearly 40% of Americans saying they'd be unable to cover a \$400 emergency. We can't simply return to the way things were before the pandemic hit, just as the New Deal wasn't about simply getting back to life before the 1929 stock market crash. We can reimagine a new future where state and local services are at the center of helping revive our communities and empowering working families. That takes bold investment at the federal level.

Essential priorities for the next economic recovery package include:

- **State and Local Budget Relief.** The CARES Act provides \$150 billion in funds for states and municipalities; however, the use of these funds is restricted to unbudgeted COVID-19 responses. These funds are essential, but this allocation does not begin to address the core long-term economic challenges posed by the pandemic and its downstream fiscal effects. Therefore, we urge Congress to lift the restrictions on the \$150 billion already provided and appropriate at least an additional \$300 billion to states and municipalities to mitigate the impact of plummeting tax revenues at a time when the demand for public services is spiking. This grant must expressly require a sharing of funds with all local governments that provide critical services to the most vulnerable people in our communities and require that entities receiving grants may not lay off any workers during any fiscal year covered by the grant.
- **Education Investment.** As K-12 and higher education make up 30 percent of state expenditures, without immediate stabilization funding from the federal government schools can expect drastic budget cuts leading to unprecedented budget cuts. CARES provided \$31 billion in preliminary education aid for K-12 and higher education but much more support is needed as revenue forecasts crater. We call on Congress to provide at least \$200 billion in education stabilization funds – \$175 billion for K-12 public education and higher education and \$25 billion for Title I and IDEA programs to provide targeted support to vulnerable students most likely to be affected by prolonged school closures. This is in addition to the \$500 billion for local and state aid.
- **Health Care Investment.** Our unions call on Congress to help our nation deal with both the surge in health care needs and the economic fallout from COVID-19 by creating an automatic increase in the federal Medicaid match (known as FMAP) triggered by an increase in joblessness. Congress did increase FMAP in the first emergency supplemental response. This increase of federal funds for Medicaid, however, is insufficient. An automatic increase in the federal share of Medicaid based on the unemployment rate, as proposed by the House in the Take Responsibility for Workers and Families Act (H.R.

6379), will provide states with the support they need to meet health care demand and without depleting limited revenues needed for other vital public services. We urge Congress to provide, at a minimum, a 15-percentage point increase in FMAP that should be added to the 6.2 percentage point increase in FMAP adopted in the Families First Coronavirus Response Act. Both increases should be retroactive to January 1, 2020, and last at least until December 31, 2021.

No one should be forced to go without other necessities or go deep into debt to obtain tests or treatment or, worse, go without testing and treatment. Access to testing and care is not only critical for those who are sick, but is also necessary to prevent the virus from spreading further, both now and in the future, if we are to safely reopen our economy once the caseloads begin to subside. We must drastically scale up current testing and tracing capabilities to keep people safe until we have a vaccine. We must expand health coverage to the uninsured – either through Medicaid, the Affordable Care Act, or other coverage extensions – and protect those who may have lost coverage as a result of job loss. We must make sure no one foregoes care or testing because they can't afford it or due to their immigrant status.

There are dire projections about the effect of the cost of COVID-19 treatment on health plans. This will affect plans under the ACA as well as self-insured and fully insured employer sponsored plans, ultimately resulting in higher premium costs at a time when household income will likely be falling. We urge the federal government to create a backstop to protect plans and employers from the unexpected higher costs due to COVID-19 claims. Such a program would pay for inpatient hospital and post-hospitalization costs above the first \$5,000 and should be carefully monitored so as not to create an unintended windfall for private insurers. In addition, inpatient cost sharing and co-payments should also be assumed by the federal government for COVID-19 treatments.

We stand ready to continue to work on many other issues that must also be included in the next COVID-19 package. Those issues include: COBRA premium relief for federal, state and local employees; health FSA relief for workers having a hard time expending funds while providers are closed or are only seeing emergency patients; and protection for patients so they are not hit with surprise medical bills stemming from COVID-19 treatments.

There is much we do not know about the long-term effects of COVID-19 on pulmonary and respiratory functions. The uncertain long-term impact of occupational exposure to the virus must be addressed given the number of health care workers who are putting themselves in harm's way to ensure that the rest of us can obtain treatment and access vital services.

- **Front-line Worker Protections.** Front-line public service workers, including nurses, EMTs, corrections officers and educators – especially support staff like food service workers and custodians – and many others, are the heroes of this pandemic, allowing others to stay safe while they take on great personal risk. Unfortunately, the Trump administration has failed these workers and our nation by not providing adequate personal protective equipment (PPE) and by responding too slowly to what was a

predictable situation. The risks due to the PPE shortage are compounded by the lack of other medical equipment like tests and ventilators, causing significant public health harm and leading to avoidable fatalities.

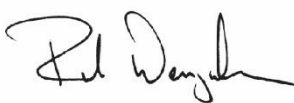
Congress should direct President Donald Trump to fully invoke the Defense Production Act (DPA) and take all necessary steps to ensure firms manufacture, allocate and distribute an adequate quantity of PPE like N-95 respirators, COVID-19 testing kits, ventilators and other essential medical supplies to health care providers, front-line public service workers and related facilities, patients and affected Americans. Given the administration's failure, Congress must demand the administration drive a coordinated campaign of accounting and locating existing equipment, producing new equipment under the DPA, increasing DPA funding, setting fair prices to prevent price gouging, and ensuring PPE is routed to states for distribution with prioritization based on acute need. This process must include input from and be transparent to states, health care providers, essential workers and the public so all actors understand just what states and distribution plans need. Our unions stand with America's governors, mayors and public health care officials, who have demanded that the president fully exercise his powers under the DPA.

Furthermore, we must make sure that essential workers have the support they need to continue to do their jobs. This means that all workers, especially those who are on the front lines, need access to paid sick leave. It is immoral to not provide workers with these basic rights, and even worse to not do so when the government is failing to protect them from exposure due to the lack of PPE.

At this critical time, Congress must force the Occupational Safety and Health Administration (OSHA) for a short deadline to issue a temporary emergency standard on COVID-19 or take the unprecedented step of creating such a standard directly in statute given the administration's obstinance on this issue. Protecting workers on the front lines slows the spread of the disease and helps maintain our capacity to meet surging demand for care. It is also a solemn obligation owed to those who are putting themselves at risk. Current federal law fails to protect many state and local government workers who are at elevated risk of exposure to COVID-19 because their state does not have an approved OSHA state plan covering them. Therefore, Congress must make sure that all state and local government workers who are at elevated risk of exposure to infectious diseases such as COVID-19 are also covered by this standard.

Together, we will get through this crisis. And together, we can create the thriving communities our children and families need. We look forward to your response.

Sincerely,



Randi Weingarten
President
AFT



Lily Eskelsen Garcia
President
NEA



Mary Kay Henry
President
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Lee Saunders
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