THE CENTURY FOUNDATION

COVID Phase 4 Recommendations

Including: Health Care, Higher Education, K-12 Education, Stimulus, and Working Families

April 8, 2020

TO: Congressional Leadership and Committee Chairs
FR: Jamila Taylor and Jen Mishory, The Century Foundation
RE: COVID Phase 4 Health Care Recommendations

Thank you for your hard work and progress in response to the enormous challenge posed by the COVID19 pandemic. As you consider what more needs to be done to address the nation's health care needs in the wake of this crisis, we thank you in advance for your consideration of these recommendations and are available as expert resources in this field.

Recommendations

Provide free treatment (including mental health services) for people affected by COVID-19. Eliminate cost-sharing for COVID-19 services for people enrolled in public health insurance, and provide free treatment for uninsured people through the National Medical Disaster System or the Medicaid program. Eliminate cost-sharing for private insurance, with the Department of Health and Human Services (HHS) covering those costs. And prohibit balance billing for COVID-19 treatment so that no patient receives a bill for out-of-network treatment.

Clarify existing free testing provisions. Clarify language from the Families First Coronavirus Response Act to ensure that uninsured individuals do not receive a cost-sharing bill for services covered by National Medical Disaster System funding provided in Title IV of the bill. Clarify section 6001 of the Families First Coronavirus Response Act to eliminate billing from out-of-network testing.

Add an ACA special enrollment period to respond to the health and economic crisis. While millions of people have already lost their jobs, they currently only qualify for a special enrollment period to buy insurance on the federal marketplace if they have also lost their insurance. In the wake of administrative inaction, Congress should require HHS to (a) create a COVID-19 special enrollment period, as it does in other emergencies, and (b) redefine the special enrollment period offered for people who lose their job to include everyone, regardless of whether they also lost insurance.

Require states to extend coverage of Medicaid to at least one year postpartum for new mothers, who may be vulnerable to exposure of COVID-19. The postpartum period can be a sensitive time for new mothers. Losing health insurance coverage after sixty days can be disastrous if health issues arise, including postpartum depression or falling ill due to COVID-19. Furthermore, the Centers for Disease Control and Prevention (CDC) has found that 60 percent of maternal deaths occur within one year of a woman giving birth. As researchers do more to examine how COVID-19 impacts pregnant and postpartum women, it is imperative that coverage be protected for women in these sensitive situations.

Incentivize Medicaid expansion. With rates of unemployment rising weekly in the face of the COVID-19 pandemic, Medicaid presents an important coverage option for those with limited or no income. Those who were already living in poverty, as well as much of the newly unemployed, are unable to afford coverage through COBRA (if available) or through the ACA marketplaces (if open for special enrollment in their respective states). At the very least, states should be allowed to receive the 100 percent federal match proposed in the Medicaid Expansion Parity Act or the SAME Act.

Increase the federal medical assistance percentage (FMAP). Build on previous FMAP increases in the Families First Coronavirus Response Act and tie those increases to state-specific economic indicators to create an automatic stabilizer for state budgets.

Require HHS and CDC to collect and report demographic data on COVID-19 testing practices, cases, deaths, and severe illness/complications from COVID-19. Appoint a task force or select committee of researchers, clinicians, and experts in health equity to develop targeted strategies to address health disparities and barriers to COVID-19 testing and treatment for communities of color. Of the few states that have released demographic data by race/ethnicity in COVID-19 cases and deaths (for example, Michigan, Wisconsin, North Carolina, and Illinois), African Americans are shown to bear the brunt of COVID-19 cases and deaths, despite making up a relatively small percentage of the broader population in those states. It is critical that the collection of demographic data is uniform and consistent across states and localities, and a body of researchers and experts in health equity is appointed, in order to adequately address health disparities and ensure the availability of testing and treatment for the communities most vulnerable to the virus.

Relevant publications by TCF health care policy experts:

+ Health Coverage and COVID-19: CARES Act Leaves a Lot Riding on Phase 4
+ COVID-19: We Need Free Coronavirus Treatment—Now
+ The Communities Vulnerable to COVID-19 Deserve Better
+ Racism, Inequality, and Health Care for African Americans
+ By Rejecting Special ACA Open Enrollment Window, Trump Administration Chooses Politics over People
+ Health Reform's North Star: 10 Guidelines to Reach Universal Health Care Coverage

FOR MORE INFORMATION
The Century Foundation Health Care Team includes Jamila Taylor, Director of Health Care Reform, and Jen Mishory, Senior Fellow and Senior Policy Advisor.

For questions about these recommendations please contact: Jamilia Taylor at 202-322-3938 or taylor@tcf.org and Jen Mishory at 310-721-3473 or mishory@tcf.org.

April 8, 2020

TO: Congressional Leadership and Committee Chairs
FR: Robert Shireman and Jen Mishory, The Century Foundation
RE: COVID19 Phase 4 Higher Education Recommendations

Thank you for your work so far to assist student loan borrowers, college students, and institutions of higher education in response to the COVID19 pandemic. As you consider what more needs to be done in this critical sector, we thank you in advance for your consideration of the recommendations below and we are available as expert resources in this field.

Recommendations

Student Loan Borrowers

+ ***Relief for borrowers with other federally backed student loans***. The CARES Act bill did not provide for a collection pause and zero interest on loans guaranteed (FFEL) or financed (Perkins) by the federal government. Phase 4, or CARES Act 2.0, should incorporate those borrowers (rather than forcing them to consolidate into direct loans in order to gain access to those benefits).
+ ***Prevent predatory private student loans****.* Due to the state of the economy, colleges will be offering students deferred tuition plans and arranging for private student loans for tuition not covered by federal aid. Congress should require that colleges arranging or providing tuition financing include a provision that makes the loan null and void if the school has closed before completing the term financed by the loan.
+ ***Loan relief for student borrowers.*** The existing $10,000 student loan relief proposal introduced in the House by Speaker Pelosi must also incorporate broader loan relief for certain populations. Specifically, added financial strain from the pandemic will lead some colleges to permanently close, leaving students with debt but no degree. At the same time, vulnerable students seeking retraining must be protected from ripoff schools and schools at the brink of bankruptcy. Shoring up closed school discharges for students who are educationally displaced as a result of the pandemic and borrower defense relief to provide a lifeline to the most vulnerable students, while sending a message to unscrupulous institutions that now is not the time to take advantage of struggling students, will be a critical part of existing loan relief efforts.

College Students and Colleges

+ ***Bolster state support for higher education****.* We don’t know yet how severe this economic downturn will be, but state and local budgets are projecting huge reductions in revenue. Higher education makes up a significant percentage of state budgets, and, in the Great Recession, states cut their higher education budgets significantly. Meanwhile, the financial challenges facing states will be two-fold: while enrollment (and tuition revenue, particularly from international students) may dip in the very near-term as schools move online, a recession will likely result in longer-term strains on operating budgets when people are out of work and turn to education in higher numbers. In the Great Recession, enrollment at community colleges increased by 33 percent. Congress should support state higher education budgets by:

  - Providing up to $46 billion in funding for public higher education and state financial aid, a number that reflects prior experience in the Great Recession but prepares for deeper revenue declines. Because it is difficult to predict how much worse this may get, include a trigger for a tranche of funding to be released if state economic indicators remain dire.
  - Ensuring dollars flow to schools serving students with the greatest need.
  - Including a maintenance of effort that discourages additional cuts to higher education budgets, and encourages states to return to prior funding levels in the out-years.

+ ***Prevent tuition price gouging***. Economic recessions tend to cause people to seek credentials that they hope—and have been led to believe—will help them land a job or improve their job security and pay. At the same time, cutbacks in state budgets cause public institutions to offer fewer rather than more low-tuition seats supported by appropriations. Predatory actors thrive in this environment, especially when they can use federal aid to create the impression that the government has determined that the education is worth the price. To guard against price gouging, Congress should:
  - Require the Secretary to establish guidelines with options for institutions to justify tuition prices, including: (1) the relationship between tuition and instructional spending (or instruction and student support, not including marketing); (2) the tuition price is being paid by private payers (without federal financial aid or veterans benefits); and, (3) the earnings of previous graduates of the program are sufficient that the full tuition could be repaid over 10 years with no more than 8 percent of income.
  - For the period of the emergency and for the 18 months following, require institutions to report, and for the Secretary to make public, tuition justifications for any institution that intends to, or does, exceed its prior-year Title IV enrollment by more than 5 percent, and for other institutions or programs as determined by the Secretary.

+ ***Manage financially precarious colleges***. Colleges have complained that the current regulatory formula for scoring college's financial viability can restrain the institutions' options during the current emergency. Some restraint is needed to monitor and protect against the sudden permanent collapse of financially irresponsible institutions. To pair restraint with flexibility, Congress should authorize the Secretary to stand up an alternative pass–fail approach allowing schools to opt-in to real-time monitoring of finances and enrollments during the emergency. Instead of a backward looking review, the flexible alternative asks schools to demonstrate that they have the resources to pay their bills for at least the coming six months, subject to a review by an independent financial analysis arranged by the department.

FOR MORE INFORMATION

For questions about these recommendations please contact: Robert Shireman, Director of Higher Education Excellence and Senior Fellow, at shireman@tcf.org, or 510-295-3927 and Jen Mishory, Senior Fellow and Senior Policy Advisor, at mishory@tcf.org, or 310-721-3473.

April 8, 2020

TO: **Congressional Leadership and Committee Chairs**
FR: **The Century Foundation K–12 Education Team**
RE: **COVID19 Phase 4 Recommendation to Support K–12 Education**

Thank you for your responses to date to the COVID19 pandemic. As you consider what more needs to be done to bolster K–12 education in the wake of this crisis, we thank you in advance for your consideration of these recommendations and make ourselves available as expert resources in this field.

Recommendations

Expand K–12 Education Funding in the Education Stabilization Fund to at least as much as was provided in ARRA, in today's dollars. The $13.5 billion for K–12 education provided in the CARES Act was an important down payment to support students and schools with immediate and unexpected costs, but much more is needed from the federal government to help states maintain education funding and address the ongoing additional costs in the face of large projected declines in state and local revenue caused by the pandemic.

Include $10 billion in the Education Stabilization Fund dedicated specifically for summer school and after-school. With millions of children out of school as a result of school closures in response to COVID-19, students across grade levels will need additional learning opportunities. The federal government should provide states with funding to support summer learning and afterschool programs operated by school districts or community organizations. These programs could either bring students back to school buildings as soon as it is deemed safe to return or continue online learning throughout the summer if social distancing measures are still in place.

Close the digital divide for students. As a result of COVID19, more than 50 million K–12 students have to finish the school year online, and the need for extended online learning could continue this fall. While there are many challenges with national scale online learning, the fact that up to 12 million children nationwide live in homes without a broadband connection or modern online devices is a critical problem. The "Homework Gap"—which now applies to all learning—exacerbates economic inequality, and at a time when struggling families need even more help. The CARES Act did not include any direct assistance to close the student digital divide, costing students and their families increased aggravation and lost time. Congress should provide a minimum of $2 billion, and up to $5 billion, in emergency funding for the E-Rate program to enable schools and libraries to connect kids at home and ensure they have a tablet or other modern device to do their school work. Congress should also provide between $1 billion and $2 billion for emergency broadband connection to ensure low-income families have adequate service to meet their health care and economic needs that will directly affect their kids during this crisis.

Lift the $10,000 cap on the deductibility of state and local taxes (SALT) on federal income tax returns prospectively as part of the effort at long-run stabilization of state finances for vital services, including K–12 education. The SALT deduction represents the federal government's largest subsidy for K–12 education, dwarfing the direct aid through Title I, IDEA, and other programs. Lifting the $10,000 cap on the SALT deduction would provide a $79 billion federal subsidy for state and local spending on critical investments in education, health care, roads and bridges, and other social services. When direct federal stabilization funds eventually run out, state and local governments will need to raise revenue for investments in K–12 education and other social services; allowing taxpayers to fully deduct state and local taxes on federal returns will make those necessary tax increases more palatable to key constituencies. For more information see, "Why Speaker Pelosi Is Right about the State and Local Tax Deduction."

Include $200 million in McKinney-Vento funding to support the homeless students and the educators who serve them. While millions of vulnerable individuals and communities have been hit hard by COVID-19, homeless students and their families have been especially shaken by the retraction and closure of many public systems in the wake of the outbreak. As schools physically close and have transitioned to online learning, homeless students are less likely to have a device, less likely to have an internet connection, and less likely to even have a safe space to settle and study. States provided an average per pupil amount of just $79.61 in federal McKinney-Vento funding to school districts for the additional supports needed by homeless students in 2016–17; that per pupil number must substantially increase to meet the additional needs of homeless students this year and next. Moreover, the population of homeless young people—already undercounted by as much as three million—is likely to increase through the economic downturn, as unemployment, job instability, wages and homelessness are closely tied to one another. Increasing McKinney-Vento funding will not only enable state and local agencies to properly identify and support currently homeless students, but funds can be used to prepare for the next wave of homeless students.

FOR MORE INFORMATION

The Century Foundation K–12 policy team includes Richard Kahlenberg, Director of Higher Education Excellence and Senior Fellow; Halley Potter, Senior Fellow; Emma Vadehra, Senior Fellow and Executive Director, Next100; Michelle Burris, Senior Policy Associate; Stefan Lallinger, Education Fellow and Director, School Diversity Collaborative; Levi Bohanan, Policy Entrepreneur, Next100; and Danny Weiss, Senior Fellow.

For questions about these recommendations please contact: Richard Kahlenberg at 301-367-7436 or kahlenberg@tcf.org.

April 8, 2020

TO: Congressional Leadership and Committee Chairs

FR: Andrew Stettner, The Century Foundation

RE: COVID19 Phase 4 Stimulus Recommendations

Thank you for your hard work in response to the COVID19 pandemic. As you consider what more needs to be done to stimulate the economy in the wake of this crisis, I thank you in advance for your consideration of these recommendations and am available as an expert resource in this field.

Recommendations

Strengthen Protection Against Unemployment and Poverty. As you know, COVID-related unemployment is skyrocketing past projected highs, and Congress should scale its response to the challenge now and the recession to come.

+ **Expand employer based payroll protection, by improving work sharing:** Congress can keep more workers connected to their jobs by changing the rule that only allows shared work plans (short-time compensation) for employers that cut their worker's hours from 10 to 60 percent, to temporarily up to 100 percent. This would allow employers to put their employees on UI while maintaining access to benefits and a job on the other side.
+ **Deliver additional administrative funds to states to handle the deluge of claims:** The $1 billion in the FFCRA won't be sufficient to handle the record claims. Congress should double down on this investment while insisting on improvements in claims processing such as translation of web-based materials, accepting emailed documents, and making websites usable on cell phones.
+ **Extend unemployment benefits:** Enact a multiple tiered program of extended benefits with additional tiers as the unemployment rate increases, preferably by fixing the unemployment rate triggers permanent Federal Extended Benefits program (EB) and continuing the 100% federal funding of these benefits from the FFCRA. Tiers should trigger a 0.5% increase in the unemployment rate, 1.5%, and 2.5%, and the 13 weeks should remain as long as the nation is in a high unemployment rate.
+ **Fix the regular UI program that we will need for a long recession:** Require states to have a minimum 26 weeks in all states, partial unemployment benefits for anyone earning 50% of their state's weekly benefit amount, and mandatory coverage for low-wage workers through the alternative base period. Provide performance bonuses for states that cover at least 40 percent of their jobless with UI or improve their recipiency rate by 2.5% per year over the next 5 years.
+ **Provide assistance to states with the unemployment trust fund blow from COVID19:** Provide a one-time federal grant to cover the difference between COVID level of UI claims and the state's average high cost rate. Congress should provide 6 months of this aid at an approximate cost of $40 billion.
+ **Expand Pandemic Unemployment Assistance beyond the strictures just set by Labor Secretary Scalia:** The Department's policy treats COVID19 as a typical natural disaster. The benefits need to cover those not eligible for UI but who are unemployed through secondary

effects of COVID like a decrease in business or after the school year. Extend maximum weeks of PUA from 39 to 52 weeks.

+ **Continue the $600 per week Federal Pandemic Unemployment Compensation through October 31, 2020 or the end of national public health emergency:** The additional boost in unemployment pay will be crucial in keeping families whole and preserving spending power.
+ **Provide additional cash payments especially to families with children regardless of their employment or tax status:** Congress should provide an additional $1,000 payment per child, and send it divided into two payments of $500 each before the end of the year.

Address the need of workers to retrain for new jobs because of the COVID19 Recession. Many workers will be permanently, not just temporarily, displaced by COVID19. Congress should act now so that training resources will be available when the economy begins to recover.

+ **Reauthorize The Trade Adjustment Assistance Act (TAA) and include workers who lose their jobs as a result of a decrease in exports caused by COVID:** Manufacturers will suffer from the loss in export demand as well as existing import pressures as the economy swoons.
+ **Enact a 21st Century Reemployment Accord that expands access to skills training by making workers who lose their jobs eligible for a Dislocation Training Account:** This account, available to those not eligible for TAA, would provide up to $15,000 in public funds to invest in training through an apprenticeship program, with a community organization or at a community or technical college. And, it would be paired with a fund of up to $20 billion to provide supportive services and extended income support to those in training.

Boost Manufacturing As Part of the Recovery. For manufacturing to remain the spear of economic growth in the aftermath of COVID19, Congress should direct resources to communities in the Midwest and beyond that depend the most on manufacturing.

+ **Provide $10 billion for a Manufacturing Community Program also administered by the EDA:** This would help retain and grow manufacturing as a spear of the US economy by meeting capital, workforce, innovation, and supply chain needs. Funds would go to federally designated manufacturing communities, including 24 already designated by the Investing in Manufacturing Communities Partnership at the Department of Commerce and through future competitions executed by the Department of Defense and its Defense Manufacturing Communities Program as well as by the DOC.

FOR MORE INFORMATION

The Century Foundation Economy and Jobs team includes Andrew Stettner, Senior Fellow, and Jeffrey Madrick, Director of the Bernard L. Schwartz Rediscovering Government Initiative.

For questions about these recommendations please contact: Andrew Stettner at 718-877-2044 or stettner@tcf.org.

April 8, 2020

TO: **Congressional Leadership and Committee Chairs**
FR: **Julie Kashen, The Century Foundation**
RE: **COVID19 Phase 4 Recommendations for Child Care, Paid Leave, and Worker Protections**

Thank you for your efforts in response to the COVID19 pandemic. As you consider what more needs to be done to tackle issues critical to working families in the wake of this crisis, I thank you in advance for your consideration of these recommendations and am available as an expert resource in this field.

Recommendations

Child Care: Invest at least $100 billion for the child care sector and workforce, building on the $6 billion proposed in the third House bill, H.R. 6379, and the $3.5 billion enacted in the CARES Act:

+ ***Safely address immediate child care needs for frontline workers.*** Provide public funding to offer diverse child care options for families, with a priority on the safety and health of children, caregivers, and families, including premium pay and safety and sanitation supplies..
+ ***Ensure that the child care sector and the people who work in it survive and set them up to thrive.*** Without support, many child care providers will go out of business and not be able to return when families go back to work, which will slow the economic recovery. Child care providers need targeted funds to cover rent and the cost of paycheck protection to continue to pay their workers, and funding to support the equitable navigation of the small business application processes. Congress must also provide funding to providers who have closed due to COVID-19 so they can eliminate copayments or tuition for families during closure, offer virtual learning opportunities, when appropriate, and for mental health support for families.

Paid Leave: Establish additional paid sick days and paid family and medical leave provisions reflected by the PAID Leave Act, S. 3513 and the third House proposal, H.R. 6379, with a priority on:

+ ***Covering all workers,*** regardless of the size or type of their employer (including all health care providers and emergency responders).
+ ***Including care for every kind of family and all of the possible COVID-related reasons*** people will need paid leave during this crisis.
+ ***Increasing funding for, and reforming Medicaid,*** to ensure that workers paid via Medicaid receive paid leave to care for their families, while consumers continue to receive services.

Frontline Workers:

+ ***Heroes Fund.*** Create a federal Heroes Fund to provide significant pay increases to frontline workers, including a recruitment incentive for home and health care workers.
+ ***Safety and Health Equipment.*** Provide protective equipment and health and safety information in multiple languages for frontline workers, defined broadly to include all workers who are required to work.

+ ***OSHA.*** The U.S. Occupational Safety and Health Administration (OSHA) should issue an Emergency Temporary Standard to ensure that health care workers and other frontline workers are protected from the spread of COVID-19.

Equitable Investments: Workers—who are the hardest hit by massive business closures during the pandemic—must come first in our response. The unemployment insurance provisions, paid leave, and rebates in the previous packages will offer critical assistance. However, more assistance to impacted workers is needed, including a nationwide rent and mortgage holiday or freeze, with no evictions; ongoing cash assistance for every taxpayer; expanded paycheck protection programs for every industry that receives federal assistance; and disaster SNAP programs through FEMA.

Education and Outreach: Provide grants to community and worker organizations to engage in outreach in multiple languages to workers and employers about how to access new programs and benefits related to COVID19.

Relevant publications by TCF policy experts:

+ Child Care and COVID-19: The Top Five Actions Congress Must Take Now
+ How Will Congress's Latest COVID-19 Relief Package Address Paid Sick and Family Leave?

FOR MORE INFORMATION
For questions about these recommendations please contact: Julie Kashen, Director, Women's Economic Justice and Senior Fellow, at kashen@tcf.org.