



## A Look at Federal COVID-19 Relief Packages May 2020

**Schuyler Center's *Federal Look* is our assessment of the federal COVID-19 relief packages enacted thus far – and the HEROES Act, which has passed the House, and is awaiting consideration in the Senate – and the extent to which they address the needs of New York children and families, particularly those that are low-income and of color.**

The COVID-19 pandemic has dealt a terrific blow to New York – our families, our communities, and our systems. Over 23,000 residents of New York have died of the virus; more than 350,000 are confirmed to have been infected.<sup>1</sup> Over two million New Yorkers have been laid off and have applied for unemployment insurance.<sup>2</sup> Those already facing challenges of poverty, disability, ill-health, racial discrimination, and poor mental health have been more likely to contract COVID-19, and fall severely ill, or even die. These same New Yorkers have been more sharply impacted by school closures, layoffs, supply shortages, social distancing, and other fallout of the COVID-19 pandemic.

As we continue to battle the pandemic, and inch toward recovery, our public systems – health, education, child welfare, child care, housing – need to be stronger than ever, and more coordinated. Yet, our state fiscal picture is grim. According to the latest fiscal plan released in late April, 2020, the state is facing at least a \$10 billion revenue shortfall this year.<sup>3</sup>

New York cannot rebuild alone. It will need extraordinary support from the federal government to pull itself out of crisis and into recovery.

There is reason for hope. As we emerge from this crisis comes the opportunity to rebuild New York's systems to be stronger and fairer than before the pandemic. The federal government has already enacted three relief packages that have included critical emergency supports for children and families, including robust unemployment insurance; paid sick and family leave; a boost to Medicaid funding; stimulus payments for many families and individuals; expanded nutritional supports; and some child care investments. Pending before the Senate is a fourth relief package, the HEROES Act, that proposes considerable additional investments in the systems New Yorkers will need to meet their basic needs, and help them to get back on their feet. The federal investments that have been enacted, and those proposed, would take New York a long way down the road to recovery, but, as we discuss below, much more will be needed. Ultimately, with sufficient, thoughtful investment from federal and state sources, we truly believe New York can build back better.

### **History of Federal Response**

The first major federal response legislation, ***The Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020*** was signed into law on March 6, 2020. The bill provided \$8.3 billion in funding for federal agencies to respond to the coronavirus outbreak.

The second major federal relief, the **Families First Coronavirus Response**, was signed into law on March 18, 2020. Key provisions included a significant expansion of paid sick leave, insurance coverage of coronavirus testing, an increase in the rate of federal Medicaid matching funds, expanded nutrition assistance, and more generous, accessible unemployment benefits.

The **Coronavirus Aid, Relief, and Economic Security (CARES) Act** was signed into law on March 27, 2020. It stands as the largest federal COVID relief act to date, projected to cost the federal government more than \$1.75 trillion.<sup>4</sup> CARES contains a number of provisions across systems, including paid sick leave, insurance coverage of coronavirus testing, nutrition assistance, direct payments to individuals and other programs.

The **Paycheck Protection Program and Health Care Enhancement Act** passed on April 24, provided funding for small business loans, health care providers, and COVID-19 testing.

On May 15, the House of Representatives passed the **Health and Economic Recovery Omnibus Emergency Solutions Act (HEROES Act)**. This bill has not yet been negotiated with the Senate. As proposed, this bill would provide significant additional relief to children and families hard hit by the virus, including another round of stimulus checks that would reach more immigrant families than the first round; expanded refundable tax credits; premium pay for an expansive list of essential workers, including child care educators, and front-line child welfare and other social workers. Notably underfunded in the HEROES Act are child welfare services and child care. While the legislative timeline for the HEROES Act is fluid, it appears likely that it will come up for a vote in the Senate in mid-to-late June 2020. It is also possible that there will be other stimulus bills introduced in the coming months.

What follows is a focused summary of how the various laws will address the substantial and urgent health, educational, social and economic needs of children and families caused, or exacerbated by, the pandemic. This brief does not address all of the provisions in the various relief legislation, but, rather, is limited to those that intersect most closely with Schuyler Center's longstanding priorities: child and family health, early education, child welfare and family economic security. Two areas we do not address, but recognize are of critical importance to child well-being: housing supports and K-12 education. We rely on our many expert partners to offer analysis in these critical areas, without which children cannot thrive. Also included are recommendations for additional funding and policy proposals that Schuyler Center and many of our partners across the state and nation have identified as being critical to rebuilding the lives of children and families.

# Health

## Federal Relief Packages Enacted

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### **Families First**

- Increases the Federal Medicaid Matching (FMAP) by 6.2% until the last day of the calendar quarter in which the public health emergency ends. Provisions include a maintenance of effort (MOE) which precludes states from cutting eligibility and access to the benefits and prohibition on disenrollments.
- Requires private insurance, Medicaid, and Children's Health Insurance to cover testing with no co-insurance. States are allowed to provide this coverage for the uninsured.

### **CARES**

- Provides funding to the Family Violence Prevention and Services Act (FVPSA) for emergency housing and shelter to domestic violence survivors.
- Increases funding through Substance Abuse and Mental Health Services Administration (SAMHSA) for mental health services provided by Community Behavioral Health Clinics, suicide prevention programs, and emergency response spending.

### **Paycheck Protection Program and Health Care Enhancement Act**

- Provides \$75 billion to reimburse hospitals and health care providers for health care related expenses or lost revenues attributable to COVID-19.
- Provides \$25 billion to increase testing for COVID-19, including: \$600 million for Community Health Centers; \$225 million for Rural Health Clinics; and up to \$1 billion to cover the cost of testing the uninsured.
- Requires Health and Human Services agency (HHS) to report on the number of cases, hospitalizations, and deaths related to COVID-19, including de-identified data disaggregated by race, ethnicity, age, sex, and geographic region.

## Federal Relief Act – Pending

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### **HEROES Act – Passed by House of Representatives on May 15 (awaiting action by Senate)**

- Increases Federal Medical Assistance Percentage (FMAP) payments to state Medicaid programs by a total of 14 percentage points starting July 1, 2020 through June 30, 2021.
- Provides full premium subsidies to allow workers to maintain their employer-sponsored coverage if they are eligible for COBRA continuation of health coverage due to a layoff or reduction in hours, and for workers who have been furloughed but are still active in their employer-sponsored plan.
- Provides \$7.6 billion for Health Centers to expand the capacity to provide testing, triage, and care for COVID-19 and other health care services at health centers.

- Provides \$2.1 billion to support federal, state, and local public health agencies.
- Provides \$175 billion to reimburse health care facilities for related expenses or lost revenue attributable to the coronavirus, as well as to support testing and contact tracing.
- Provides \$3 billion for mental health support, substance abuse treatment, and increased outreach, including: \$1.5 billion for the Substance Abuse Prevention and Treatment Block Grant; \$1 billion for the Community Mental Health Services Block Grant; \$10 million for the National Child Traumatic Stress Network.
- Provides \$6 billion for health departments to expand workforce, improve laboratory systems, health information systems, disease surveillance, and contact tracing capacity and \$1 billion for CDC to address unmet and emerging public health needs.
- Establishes a loan repayment program to enhance recruitment and retention of state, local, tribal, and territorial public health department workforce.
- Withdraws the proposed "Medicaid Fiscal Accountability" MFAR rule that would reduce states' abilities to fund Medicaid and meet their obligation under FMAP.

***Schuyler Center urges adoption of all of the proposals noted above in the next federal package, along with the following amendments or additional investments:***

- Retain the Medicaid Maintenance of Effort (MOE) and make it effective over the course of the recession rather than the duration of the public health emergency. Eliminating the MOE would allow states to reduce benefits and eligibility, which would lead to New Yorkers being denied benefits or removed from coverage during a public health crisis.
- Link FMAP increases to State unemployment rates and include the Medicaid expansion population in FMAP increases.
- Offer a state option for 100% FMAP for all uninsured individuals regardless of immigration status for COVID-19 screening and treatment. This would mean that critical screening and treatment – essential to the well-being of those who fall ill, and the public health of the communities in which they reside – could be covered fully by federal funds.
- Fund robust consumer assistance for enrolling and assisting newly uninsured individuals navigate health insurance. Many of the tens of thousands of unemployed, particularly in the communities hit hardest by the pandemic such as communities of color, have no experience enrolling in health coverage.
- Maintain the current enhanced FMAP funding levels for Child Health Insurance. Postpone the upcoming final reduction of the enhanced FMAP for CHIP set to occur October 1, 2020.
- Require that health and economic data based on race and ethnicity about the impact of the pandemic be collected, made available to researchers, and reported quickly.

# Early Childhood

## Federal Relief Packages Enacted

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***Families First: No provisions.***

### **CARES**

- Includes \$3.5 billion for the Child Care Development Block Grant to allow child care programs to maintain critical operations, including meeting emergency staffing needs and ensuring first responders and health care workers can access child care while they respond to the pandemic.
- Includes \$750 million for Head Start to meet emergency staffing needs.

## Federal Relief Act – Pending

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***HEROES Act – Passed by House of Representatives on May 15 (awaiting action by Senate)***

- Provides \$7 billion in relief funding for the child care sector.
- Provides \$850 million to the Social Services Block Grant to provide child care for essential workers.
- Makes the child and dependent care tax credit (“CDCTC”) fully refundable for 2020 and increases the maximum credit to 50% of allowable costs, dramatically expands eligibility (raising phaseout threshold from \$15,000 to \$120,000), and doubles the amount of child and dependent care expenses that are eligible for the credit to \$6,000 for one qualifying individual and \$12,000 for two or more qualifying individuals.
- Provides \$100 million for home visiting and emergency supplies and would offer temporary flexibility to do home visits remotely.

***Schuyler Center urges adoption of all of the proposals noted above in the next federal package, along with the following investments:***

- Include at least \$50 billion for child care to enable providers to continue operating, or to reopen, at reduced capacity to allow for social distancing; to cover the additional costs associated with keeping facilities and materials disinfected; to allow providers to make necessary infrastructure improvements, like partitioning rooms to create smaller, more contained classrooms; to provide essential workers quality, safe, free, or low-cost child care; and to ensure that child care is available to other workers as states begin to reopen. It is estimated that it will cost \$9.6 billion in public funding each month to sustain the fragile child care industry, and ensure that parents can access safe, affordable child care during the recovery.<sup>5</sup>
- Extend the provisions proposed in HEROES Act to strengthen the Child and Dependent Care Tax Credit (CDCTC) beyond 2020; it is going to take many families a significant amount of time to recover financially from this crisis.

- Allow virtual visits to be considered home visits through the end of the calendar year to safely preserve valuable relationships without being penalized.
- Maintain all funding for and staffing levels of MIECHV programs regardless of potential temporary reductions in enrollment to preserve the existing home visiting infrastructure.
- Add flexible funding for extended learning time through summer programs, extending the school year, and/or extending or restructuring the school day in order to address learning loss – with priority for students from low-income backgrounds, English learners, students with disabilities, and student experiencing homelessness, in foster care, or involved with the juvenile justice system.

## Economic Security

### Federal Relief Packages Enacted

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#### **Families First**

- Provides 80 hours of paid sick leave to full-time employees subject to quarantine or isolation; leave also available at a lesser wage replacement rate to care for a family member. Unavailable to employees working for large employers (employing more than 500 employees).
- Provides up to 12 weeks of paid family leave (at no more than 2/3 pay), to care for a child whose school or child care is closed due to the pandemic. Unavailable to employees working for large employers (employing more than 500 employees).

#### **CARES**

- Issues a one-time \$1,200 stimulus for adults; \$500 for children sent directly to 2018 and 2019 tax filers; unavailable to those who file taxes using ITIN numbers (Individual Taxpayer Identification Number), leading to the exclusion of many immigrant families.
- Creates three emergency unemployment programs:
  - Federal Pandemic Unemployment Compensation (FPUC) will supply all regular Unemployment Insurance (UI) and Pandemic Unemployment Assistance (PUA) recipients and those receiving work-sharing benefits an additional \$600 per week in addition to their regular UI benefits through the week ending July 26, 2020.
  - Pandemic Employment Unemployment Compensation (PEUC) provides an additional 13 weeks of state UI benefits to workers.
  - Pandemic Unemployment Assistance (PUA) provides up to 39 weeks of unemployment assistance to workers who are not included in or have exhausted regular state UI benefits self-employed workers, independent contractors, freelancers, workers seeking part-time work, and workers who don't have a long-enough work history to qualify for state UI benefits may be eligible for PUA.
- Provides increased funding for training for dislocated workers.

## Federal Relief Act – Pending

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### ***HEROES Act – Passed by House of Representatives on May 15 (awaiting action by Senate)***

- Extends the weekly federal \$600 Federal Pandemic Unemployment Compensation (FPUC) supplement to state and federal unemployment benefits authorized in the CARES Act through January 2021.
- Makes all dependents, including young adults who are full time students and adult dependents, eligible for the \$500 qualifying child amount in the Economic Impact Payments made under the CARES Act.
- Provides households a second round of Economic Impact (or, “stimulus”) payments (\$1,200 per member, up to \$6,000 per household).
- Allows Economic Impact Payments to be made to an individual who provides a Taxpayer Identification Number, rather than a Social Security Number. Effective retroactive to enactment of the CARES Act.
- Makes the child tax credit (“CTC”) fully refundable and increases the maximum to \$3,000 per child (\$3,600 for a child under age 6). The provision also makes 17-year-olds qualifying children.
- Expands the eligibility and the amount of the earned income tax credit for taxpayers with no qualifying children for 2020 by expanding to cover previously excluded young childless adults, aged 19 to 25 (except for full-time students) and increasing the upper age limit to age 66. The maximum credit amount in 2020 increases from \$538 to \$1,487.

### ***Schuyler Center urges adoption of all of the proposals noted above in the next federal package, along with the following amendments and/or additional investments:***

- Establish an emergency assistance fund of at least \$5 billion to families with children, including children being cared for by kin, through the Temporary Assistance for Needy Families (TANF) program.
- Retroactively establish equity in the Economic Impact (or stimulus) payments paid out under the CARES Act to ensure all children and young adults receive the same rebate as adults (i.e., \$1,200, rather than \$500). A single parent with two children should not receive a smaller rebate (\$2,200) than a married couple without children (\$2,400).
- Authorize additional, substantial, and regularly distributed “stimulus” payments (at least \$2,000 per month) that will reach those who need it most.
- Adopt procedures so that Supplemental Security Income (SSI) recipients with dependents can easily obtain their recovery rebates automatically without filing additional information just as SSI recipients without dependents will.
- Extend the provisions proposed in HEROES Act to strengthen the Child Tax Credit (CTC) and the Earned Income Tax Credit (EITC) beyond 2020; it is going to take many families a significant amount of time to recover economically from this crisis. Pay out these credits on a periodic basis to help families meet monthly bills, rather than a lump sum at tax time.

- Have the unemployment insurance programs expire only when economic conditions stabilize, rather than according to a set date.

## Child Welfare

### Federal Relief Packages Enacted

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***Families First: No provisions.***

#### **CARES**

- Provides \$45 million in grants to states for child welfare services, including family violence prevention and shelters, the National Domestic Violence Hotline, and services and housing for runaway and homeless youth.
- Increases in the Federal Medical Assistance Percentage (FMAP) for Title IV-E foster care, adoption assistance, and kinship guardianship assistance payments by 6.2% (does not cover preventive services).

### Federal Relief Act – Pending

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***HEROES Act – Passed by House of Representatives on May 15 (awaiting action by Senate)***

- Provides \$50 million for Family Violence Prevention and Services.
- Provides \$20 million for Child Abuse Prevention and Treatment Act (CAPTA) State Grant to maintain key prevention services (including crisis nurseries, emergency respite care and family centers), and address child abuse prevention tips for caregivers on topics such as how to calm crying babies.
- Provides \$20 million for CAPTA Title II Community-Based Child Abuse Prevention Grants to quickly deploy resources directly to locally-driven prevention services and programs.
- Provides \$50 million for the John H. Chafee Foster Care Independence Program, which helps young people with immediate needs such as safe housing, food, transportation and child care costs. It also increases authorized funding for the specific program that provides Education and Training Vouchers (ETV) to these youth by 30%, and provides flexibility to better serve older youth (i.e. eliminating the age limit, work and education requirements, and limits on housing assistance).

***Schuyler Center urges adoption of all of the proposals noted above in the next federal package, along with the following amendments and/or additional investments:***

- Increase funding to CAPTA Title II Community-Based Child Abuse Prevention (CBCAP) grants by \$1 billion to increase preventive services in the communities hardest hit by the pandemic. As the disruptions caused by the pandemic drag on – including continued school closures, mounting unemployment, increasing food insecurity – family stress increases, as does the possibility of abuse and neglect. At the same time, state and local child welfare services and their agency partners are facing the challenges of providing interventions and services while practicing social distancing. Child welfare requires significant federal investment to meet these needs.

- Establish an emergency assistance fund of at least \$5 billion to families with children, including children being cared for by kin, through the Temporary Assistance for Needy Families (TANF) program. In 2009, Congress provided over \$5 billion in TANF emergency funds.
- Increase funding to Title IV-B, Part 2, the MaryLee Allen Promoting Safe and Stable Families Program (PSSF) by \$1 billion, and to CAPTA Title I by \$500 million, to help eliminate the need for out-of-home placements.
- Ensure the FMAP rate increase is provided to the Title IV-E Prevention Program, the principal source of funding for child welfare prevention services, critical to keeping families safely together. This is important to clarify because the Title IV-E Prevention Program is not currently reimbursed at the FMAP rate, but instead is reimbursed at a 50% rate.
- Increase funding to kinship navigator programs by \$20 million to support relatives and family friends caring for children who cannot remain safely with their parents during this crisis. Many relative caregivers are older, making them at significant risk of falling gravely ill from COVID-19; they require additional support during this crisis.
- Increase funding to Title IV-E Chafee funds by \$500 million to allow states additional funding to support older youth in care and transitioning out of care. The challenges facing older youth transitioning out of foster care during a pandemic are monumental. They need support.

## Hunger/Food Insecurity

### Federal Relief Packages Enacted

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#### **Families First**

- Creates Pandemic Electronic Benefit Transfer (P-EBT) allowing school-aged children who receive free and reduced price meals at school to have equivalent money through the family SNAP card or a separate card.
- Allows for a waiver from certain federal regulations governing free/reduced price school meals and CACFP (which provides food for young children in child care settings). This has allowed low-income families whose young children previously received free meals at school and child care to access meals by delivery or pick-up.

#### **CARES**

- Increases funding to the SNAP program by \$15.5 billion but does not expand eligibility or increase benefits.
- Increases funding by \$8.8 billion for the Child Nutrition Program, which provides funding for school meals, summer food programs for school aged children, and the Child and Adult Care Food Program (CACFP), which provides food to young children in child care settings, and other programs that provide meals for children.
- Increases funding by \$50 million for The Emergency Food Assistance Program (TEFAP), which provides money for food banks.

## Federal Relief Act – Pending

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### ***HEROES Act – Passed by House of Representatives on May 15 (awaiting action by Senate)***

- Provides \$10 billion to support anticipated increases in participation and to cover program cost increases related to flexibilities provided to SNAP by the Families First Coronavirus Response Act.
- Increases the minimum monthly SNAP benefit from \$16 to \$30.
- Provides an additional \$1.1 billion to expand access to WIC – nutrition support for low-income pregnant, post-partum, and nursing women and children up to age 5 – allows USDA to increase the value of the WIC monthly allowance from \$9 for children and \$11 for women per month to \$35.
- Includes \$150 million to help local food banks meet increased demand.
- Includes \$3 billion in additional funding to school meal providers and Child and Adult Care Food Program.
- Extends Pandemic Electronic Benefit Transfer (P-EBT) program through fiscal year 2021.
- Allows states to include young children who would have otherwise received meals through child care in P-EBT.

### ***Schuyler Center urges adoption of all of the proposals noted above in the next federal package, along with the following amendments and/or additional investments:***

- Suspend all pending SNAP administrative rules that would terminate or cut benefits.
- Tie the duration of increased SNAP benefits to an economic trigger, like the unemployment rate, to ensure families have enough food each month during what could be an extended period of recovery.

## Selected Additional Relief

### Federal Relief Packages Enacted

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#### ***Families First: No provisions.***

#### **CARES**

- Establishes a Disaster Relief Fund of \$45 billion to provide for the immediate needs of state, local, tribal, and territorial governments to protect citizens and help them recover from the overwhelming effects of COVID-19. Reimbursable activities include medical response, personal protective equipment, National Guard deployment, coordination of logistics, safety measures, and community services nationwide.
- Provides \$200 million for the Emergency Food and Shelter Program to provide shelter, food and supportive services to individuals and families in sudden economic crisis.

- Appropriates \$5 billion for the Community Development Block Grant (CDBG) program to enable states, counties, and cities respond to the economic and housing impacts of COVID-19, including the expansion of community health facilities, child care centers, food banks, and senior services.

## **Federal Relief Act – Pending**

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### ***HEROES Act – Passed by House of Representatives on May 15 (awaiting action by Senate)***

- Provides \$875 billion in fiscal relief for state and local governments. Such funds are essential to prevent state and local government from having to slash social services, education, child care, child welfare and other family and child-serving programs.
- Provides \$1.5 billion to close the homework gap by providing funding for Wi-Fi hotspots and connected devices for students and library patrons, and \$4 billion for emergency home connectivity needs.
- Provides \$200 billion to cover “pandemic premium pay” for essential workers. Workers earning less than \$200,000 per year could receive up to \$10,000 in premium pay; higher earners could receive up to \$5,000. This includes frontline medical workers, child care educators, social workers on the frontlines, retail workers among many others.

### ***Schuyler Center urges adoption of all of the proposals noted above in the next federal package, along with the following amendments and/or additional investments:***

- Invest more in technology equity. With significant uncertainty about how long the pandemic will last and whether additional school closures may be required in the fall or at some other point in the future, emergency preparedness in this new era must include ensuring equitable distance learning capacity.

## **Complementary Analysis**

For more details, explore the following resources:

### ***Family First***

[Congressional Summary of the Family First Coronavirus Response Act](#)

[Summary of Key Provisions \(Kaiser Family Foundation\)](#)

[Medicaid and CHIP Provisions Explained](#)

### ***CARES Act***

[Congressional Summary of the Coronavirus Aid Relief and Economic Security Act](#)

[Summary of Key Provisions \(Kaiser Family Foundation\)](#)

[House Appropriations Committee Fact Sheet](#)

### ***HEROES Act***

[HEROES Act Summary by House Appropriations Committee](#)

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<sup>1</sup> New York Coronavirus Map and Case Count. New York Times. May 21, 2020.

<https://www.nytimes.com/interactive/2020/us/new-york-coronavirus-cases.html>

<sup>2</sup> New York State Department of Labor Announces Over \$10 Billion in Unemployment Benefits Paid to Over 2 Million New Yorkers During COVID-19 Pandemic; Pre-4/22 Application Backlog Reduced to 7,580.

<https://www.nbcnewyork.com/news/local/ny-labor-dept-5-8-billion-in-unemployment-benefits-paid-since-start-of-pandemic/2405987/>

<sup>3</sup>NYS Fiscal Year 2021: Enacted Budget Financial Plan. Andrew M. Cuomo, Governor. Robert F. Mujica, Jr., Budget Director. <https://www.budget.ny.gov/pubs/archive/fy21/enac/fy21-enacted-fp.pdf>

<sup>4</sup>April 27, 2020 letter from the Congressional Business Office Director, Jim Swagel, to the Hon. Mike Enzi, Chairman Committee on the Budget. <https://www.cbo.gov/system/files/2020-04/hr748.pdf>

<sup>5</sup> Stephanie Schmidt. Fact Sheet: Why We Need \$50 billion in Pandemic Child Care Relief: A State-by-State Estimate. CLASP. May 2020.

[https://www.clasp.org/sites/default/files/publications/2020/05/2020\\_50billionpandemicchildcare\\_0.pdf](https://www.clasp.org/sites/default/files/publications/2020/05/2020_50billionpandemicchildcare_0.pdf)