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Senate Must Act to Address Health and Economic Security of People with Low Incomes

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CLASP
Policy solutions that work for low-income people

In May, the House passed the Health and Economic Recovery Omnibus Emergency Solutions Act, or the Heroes Act, an emergency relief bill providing crucial economic, nutrition, and health supports and filling in major gaps in earlier legislative responses.¹ In the nearly two months since the Heroes Act passed, the public health crisis has only grown with coronavirus cases surging and shutdowns being repeated in many states and regions, threatening an already weak economy—all while the Senate has failed to take action. It is past time to get additional relief to individuals, families and states.

The COVID-19 public health and economic crisis has placed unparalleled strain on the country's most economically vulnerable families—with impacts inequitably borne along racial and ethnic lines. As the virus continues to surge, millions of individuals remain out of work, without access to affordable health care, and struggling to put food on the table.

The coronavirus pandemic has exposed the structural racism and historic failures of our government's public policies that compromise the health and economic wellbeing of people with low incomes, communities of color, and immigrant families. This unprecedented national crisis demands a robust federal response that is centered in equity to ensure access to health care and economic relief for all and to improve the circumstances of individuals and communities devastated by the crisis.

Congress has passed three legislative packages in response to the COVID pandemic. These bills have included important provisions, such as funding to support hospitals, health care workers, and coronavirus testing; paid sick days and paid family and medical leave for some workers; and some state/local fiscal relief. Economic stimulus to households and states included in the

legislative packages to date provided crucial relief but left individuals and families out and were insufficient to weather this prolonged crisis.

The Senate must take action

The next response package must address the health and economic circumstances of individuals with low incomes, including low-income communities of color and immigrants, through the following urgent actions, many of which were included in the Heroes Act:

- Include immigrants and their families in relief efforts.
- Provide comprehensive and inclusive paid sick days and paid family and medical leave for all.
- Expand health and mental health services and income and nutrition supports for people in need.
- Invest in child care as an essential work support.
- Create employment opportunities for people with low incomes, including communities of color, youth and young adults, and individuals impacted by the criminal justice system.
- Provide fiscal relief for state and local governments to maintain core services critical for public health and economic recovery.

Include immigrants and their families in relief efforts

Our ability to get through this public health crisis and rebuild a stronger economy depends on advancing policies that reach all individuals and families. Millions of immigrants have been excluded from health care access, economic stimulus payments, and other critical assistance included in previous coronavirus response bills. These exclusions not only hurt individuals and their families—including U.S. citizens—but also risk the health and livelihood of all our communities. Immigrant families hit hardest by the pandemic's economic and health effects are more likely to live in poverty, and more than a third have minor children. Children need their parents to be healthy, economically stable, and able to live without fear that accessing basic services and supports could lead to separation from family members or threaten their ability to obtain a green card.²

The Senate should correct the explicit exclusion of immigrants and their families from economic stimulus payments included in the CARES Act. The Act denied stimulus payments to entire families if the tax filer (or spouse, if filing jointly) uses an Individual Taxpayer Identification Number (ITIN). Nationwide, the Migration Policy Institute estimates that approximately 15.3 million people in families with mixed-immigration status were excluded from stimulus payments, including 3.7 million children and 1.7 million spouses who are U.S. citizens or green card holders.

Bills have been introduced in the House and Senate to fix this problem. The House-passed Heroes Act provides economic relief to children and adults in households that file taxes with an ITIN, if otherwise eligible. The American Citizen Coronavirus Relief Act and Economic Impact

Payment Fairness Act would partially address this problem by providing economic relief only to households where one of the filing adults has a Social Security number (SSN), leaving out millions of children—the majority of whom are U.S. citizens—in households where no parent files with an SSN.³

All individuals, regardless of immigration status, must get coronavirus-related testing, treatment, and a vaccine when available. Health services, along with information about COVID-19 and about how to access health services and other benefit programs, must be available in multiple languages and through trusted community providers. People must also feel that they are safe in seeking care and help. Therefore, legislation should suspend the public charge rule and ensure that Immigration and Customs Enforcement ceases all operations at or near sensitive locations during the pandemic, including hospitals, health care clinics, testing centers, and food banks. Finally, Congress should automatically extend work authorization for Deferred Action for Childhood Arrival (DACA) recipients and Temporary Protected Status (TPS) holders to allow them to continue to support their families and fill essential roles, including many health care and service industry jobs, without an expiration date hanging over their heads.

Provide comprehensive and inclusive paid sick days and paid family and medical leave for all

The reopening occurring in many states, despite the continuing surge in coronavirus infections, makes the availability of paid leave benefits even more crucial for public health. All workers, regardless of industry or business size, must be able to stay home when they are sick to protect their own health and the health of others. Congress has passed short-term paid sick days and limited paid family and medical leave provisions to provide critical help to many workers. The House-passed Heroes Act expanded the availability of leave by addressing carve-outs in previous legislation that primarily exclude workers earning low wages, who are predominantly women, people of color, and immigrants.

The Senate should close the gaps in paid sick days and paid family and medical leave provisions, including for gig workers, seasonal workers, first responders, health care workers, and those who work in large and small businesses, many of whom are essential and frontline workers. The emergency paid family and medical leave should be expanded to cover an individual's time to heal, especially as people recover from COVID-19, and to provide critical caregiving to a seriously ill loved one. No workers should be forced to choose between their economic security and caring for themselves or a loved one. And the lack of sufficient leave policies may inadvertently push those who are sick or symptomatic back to work when they may be contagious.⁴

Expand health and mental health services and income and nutrition supports for people in need

Health and Mental Health

The COVID-19 pandemic is a public health crisis that necessitates access to health coverage for all, regardless of income, immigration status, race, or ethnicity. The Senate should ensure that everyone has access to coronavirus-related testing and treatment without risking their financial security. The federal government should further enhance the Medicaid match rate, or FMAP, to cover a larger share of Medicaid costs, which will relieve the financial burden of this health and economic emergency on states. Congress should also continue both the enhanced FMAP and the “maintenance of effort” requirements that prohibit states from cutting people off Medicaid or creating new policies that restrict enrollment until the economy recovers.

Existing disparities in the health system have exacerbated the health effects of the pandemic for communities of color. The disproportionate impact of the coronavirus in Black, Latinx, Indigenous, and Pacific Islander communities—including in their rates of infection and death—needs urgent attention. The Senate must invest in coronavirus testing for Black, Latinx, Indigenous, and Pacific Islander residents in rural and urban communities; meet the resource needs of hospitals, community health centers, and other medical facilities that serve large percentages of patients of color and Medicaid recipients; and prioritize the distribution of personal protective equipment (PPE) within communities of color, and to employers and industries that traditionally hire a large percentage of people of color as “essential workers.”⁵

The stress and isolation created by the pandemic and the necessary response make it clear that mental health must be a central part of the response. The Senate must ensure that states have resources to cover mental and behavioral health services as needs increase and budgets are compromised. Stimulus packages should include emergency grants to address the capacity of mental and behavioral health professionals, including resources for telemental health services, to address mental health needs for all, including frontline staff and health care workers. Additionally, the definition of “qualified providers” must be expanded to include doulas, peer support specialists, and other providers reaching people who do not trust the current medical system. These professionals must be provided adequate reimbursement as well as proper PPE. Healing-centered practices must be prioritized, including providing funds directly to community based organizations, as well as funds to effective mobile crisis models. Even with emergency funding for mental health services, communities must be prepared to meet an enormous need for addressing trauma well beyond the immediate public health crisis, through telemental health services and other supports.⁶

Income Supports

With millions of individuals in households with low incomes having lost jobs or earnings, additional income supports are needed to meet basic needs, including rent and groceries.

Most recipients of CARES Act economic stimulus payments have likely already spent their funds, and enhanced unemployment benefits are set to expire at the end of this month. These income supports cushioned many households from experiencing hardship and increased poverty.⁷

If income supports are not extended, many more households will be at great economic risk. The Senate should build on the stimulus payments and unemployment programs it has already enacted to provide another round of stimulus, continue enhanced unemployment benefits, and provide stimulus for those who were left out from the initial round of assistance. As in the House-passed legislation, these benefits should be available to all in need, including immigrants and those who file with ITINs, and not subject to public charge or other immigration-related restrictions. These benefits should also be available to people with child support payments in arrears, as well as individuals impacted by the criminal justice system, including those who are formerly incarcerated and those who have an arrest record or felony conviction. Many may need navigation assistance—especially if they haven't needed to file taxes or are new to the benefits system. In addition, the Senate should provide states with a significant pool of funds targeted to supporting people with low incomes. The Pandemic TANF Assistance Act would fund targeted emergency economic supports and subsidized employment for people with low incomes.⁸ Finally, expansions of the Child Tax Credit and Earned Income Tax Credit could also provide valuable income support to help stabilize families.⁹

Nutrition

Food insecurity has grown rapidly in the wake of the COVID 19 outbreak, including alarmingly among families with young children. Data collected by the U.S. Census indicates that nearly 14 million children in the nation are not getting enough to eat because their families can't afford more food. About 3 in 10 Black households with children and 1 in 4 Hispanic households with children are experiencing child food insecurity.¹⁰

The Senate must meet the widespread need for nutrition assistance by increasing the maximum Supplemental Nutrition Assistance Program (SNAP) benefit for all recipients by 15 percent and increasing the monthly minimum benefit. Increasing SNAP benefits not only reduces hardship, but also has a significant economic stimulus effect by infusing dollars into local economies as recipients purchase food.¹¹ Suspending SNAP time limits and other changes that would reduce SNAP eligibility and benefits must also be assured. Congress should allow states to provide Disaster SNAP and waive the rules that limit access to SNAP by college students with low incomes.

Invest in child care as an essential work support

Child care is an essential part of our economy, preparing children for the future and enabling parents and caregivers to work, all while employing a large workforce. However, years of disinvestment have created a precarious system that is now on the verge of collapse in the face of the coronavirus pandemic. The child care industry has lost more than 258,000 jobs since February — roughly a quarter of all jobs across the sector nationwide.¹² Large numbers of child

care programs are facing permanent closures absent federal resources to stay afloat.¹³ Without significant public investment, the supply of child care in communities with low incomes in particular is likely to be hard hit, with devastating consequences for children and parents if they are unable to access safe, stable child care as states and communities reopen, and thousands of women—disproportionately women of color—who work in the child care profession will lose their livelihoods. Congress must invest significant resources to shore up the child care industry and ensure its continuity to support workers during and after the current crisis. CLASP estimates the child care sector needs \$9.6 billion each month during the pandemic to support essential workers and sustain the existing child care providers at great risk of permanent closures¹⁴—and even more funding would be required to safely provide care to the children of non-essential workers while the pandemic continues. The *Child Care Is Essential Act*, introduced in the House and Senate, would provide \$50 billion in funding to support child care providers and provide relief for child care payments to families.¹⁵

Create employment opportunities for people with low incomes, including communities of color, youth and young adults, and individuals impacted by the criminal justice system

Soaring unemployment and underemployment is highest for Black and Latinx workers due to systemic barriers to employment that existed long before the pandemic. Among the exceedingly high unemployment figures, the most recent data show young adult workers with a dramatic increase in unemployment, reaching 25.7 percent.¹⁶

Workers need support getting the necessary education and training to return to good jobs with family sustaining wages and benefits. In addition to investing in federal workforce development, adult education, and postsecondary education programs, the Senate should fund subsidized employment and get people back to work safely when public health allows. State and local workforce development systems need resources as they consider how to continue to serve some of our nation's most disadvantaged in the midst of a global pandemic. Now is the time to strengthen and expand these programs to serve individuals and communities that are being hardest hit by the immediate loss of work and income and long-term effects of the economic crisis.

Congress should address the structural barriers to educational and employment opportunities faced by young workers and would-be workers to ensure that targeted investments improve their economic stability. This will include a combination of immediate access to a range of supports, including cash assistance, nutrition services, and health care and mental health access, while addressing longer-term educational and employment needs. Congress should also fund a large-scale subsidized employment program that is ready to go when people can return to work safely and should strengthen and expand existing federal workforce development programs with targeted attention to youth and young adults.¹⁷

Many structural and systemic factors contribute to barriers to work. These include mass incarceration and implicit biases in the criminal justice system; racism and discrimination; segregation and isolation; policy and investment failures in the K-12 and postsecondary systems; and major gaps in access to and investment in crucial supports for work, including child care, health, and behavioral health. Prior to the COVID-19 pandemic, formerly incarcerated individuals were unemployed at a rate of over 27 percent, with the rate disproportionately higher for Black men and Black women at 35.2 and 43.6 percent, respectively.¹⁸ This pre-pandemic unemployment rate of 27 percent, which was nearly five times higher than the rate for the U.S. population, is due to structural barriers such as discrimination, arbitrary licensing bans, and more, which preclude formerly incarcerated individuals from working. People impacted by the justice system face heightened challenges finding quality employment and economic stability. Investments in a national jobs programs and quality career pathways should include resources to address the systemic barriers faced by people impacted by the justice system.¹⁹

Provide fiscal relief for state and local governments to maintain core services critical for public health and economic recovery

Fiscal relief is imperative to meet immediate funding needs and to prevent a dramatic shortfall in state budgets that will force cuts in critical government services.²⁰ States and localities need immediate resources to secure the health and wellbeing of all during the public health crisis and ensure that people most impacted by the crisis are able to meet their basic needs. As food insecurity and housing insecurity plague households, governments will need fiscal relief to address basic needs and should receive funds to target towards individual and communities most in need. Fiscal relief to states will be imperative to ensure educational opportunities for children whose learning has already been upended by the pandemic. Moreover, governments have faced increased administrative costs because programs, such as unemployment insurance, are experiencing increased demand, which has led to delays in payments for households in need.

Averting dramatic state budget cuts is essential to avoid continuing the health crisis and compounding the economic crisis. Lessons from the Great Recession tell us that federal resources will be key to preventing state cuts in critical infrastructure, including health, elementary and postsecondary education, and human service needs now and into the future. As discussed above, a key component of state fiscal relief should be an increase in the Medicaid match rate, or FMAP, to cover a larger share of Medicaid costs, which will relieve the financial burden on states.

Fiscal relief will be essential to maintaining services for people with low incomes through the economic recovery. Policymakers must make critical investments now in child care, state and

local workforce development programs, and postsecondary education, including community colleges, Historically Black Colleges and Universities (HBCUs), Hispanic-Serving Institutions, Tribal Colleges and Universities, Predominantly Black Institutions and other minority-serving institutions. Investments in postsecondary education will ensure that institutions are affordable for students with low incomes and that they are able in this and future public health crises to alter services such as expanded infrastructure for online learning. Emergency aid directed to students, including students of color, DACA recipients, and undocumented students, can help to cover the cost of food, housing, child care, health care, computers, learning materials, and other expenses during this national emergency.²¹ Students with low incomes, especially students of color and immigrants, were already struggling to access and afford a high-quality postsecondary education before this unprecedented crisis and need these essential supports to succeed in school.²²

Conclusion

Today's unprecedented public health and economic crisis necessitates a response that matches the scale and severity of the crisis. The COVID 19 pandemic is worsening structural inequities in income and material hardship, in particular among Black and Latinx households.²³ Solutions must prioritize communities of color that have historically been excluded or harmed by public policies. Ongoing, affordable health care for all makes everyone safer. Comprehensive paid sick days and paid family and medical leave programs for all workers will ensure that everybody can get back to work safely and take time for illness and caregiving needs when they need it, not just for this public health emergency.²⁴ Given the scale of the crisis, Congressional response should not be limited by pre-prescribed funding levels or arbitrary timelines. Now is the time to begin a sustained commitment to ensuring the wellbeing of everyone. The response should provide the level of economic stimulus and public supports necessary to ameliorate hardship for families and support states and localities as the virus continues to threaten the stability of our economy—and communities—now and into the future. The Senate should take up action to address this crisis immediately and together, the House and Senate should pass legislation that responds to the tremendous needs of individuals, families, and states.

Endnotes

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