

## **Update: Federal and State Legislative Action in Response to Coronavirus Pandemic**

To date, two pieces of legislation have been passed by Congress and signed by the President to address the Coronavirus pandemic. The first is an emergency supplemental funding bill which the President signed in early March. The second, passed on 3/19 is a more comprehensive economic stimulus package called The Families First Coronavirus Response Act (H.R. 6201 - Families First Act).

Summaries of both bills are below.

### **Emergency Supplemental:**

- \$8.3 billion in total funding
- \$2.2 billion in public health funding for prevention, preparedness, and response, including \$950 Million to support state & local health agencies
  - Over 3 billion in funding for research and development of vaccines, therapeutics, and diagnostics
- Nearly \$1 billion for medical supplies, health care preparedness, and medical surge capacity
  - An estimated \$7 billion in low-interest loans to affected small businesses
    - More than \$300 million to ensure access to affordable vaccines
- \$1.25 billion to secure Americans' health by addressing the coronavirus overseas

### **H.R. 6201 -Families First Coronavirus Response Act:**

- Provides Free Testing for Coronavirus: The Families First Coronavirus Response Act ensures that all individuals, including those with private insurance, Medicare Advantage or Original Medicare, Medicaid, CHIP, VA, FEHBP, and TRICARE, as well as the uninsured, will have access to tests at no cost.
- Strengthens Food Assistance: The Families First Coronavirus Response Act includes more than \$1 billion to provide foods to low-income pregnant women and mothers with young children, help food banks, and provide meals to seniors. It also protects students' access to school meals in the event of school closures.
- Safeguards Medicaid Benefits: The Families First Coronavirus Response

Act increases the Federal Medical Assistance Percentage (FMAP) that the federal government provides to state and territorial Medicaid programs by 6.2%,

- Enhances Unemployment Assistance: The bill provides \$1.0 billion in 2020 for emergency grants to states for activities related to processing and paying unemployment insurance (UI) benefits. The bill also provides \$500 million for emergency grants to states which experience at least a 10% increase in unemployment. For states that experience an increase of 10% percent or more in their unemployment rate over the previous year, the bill provides 100% Federal funding for “extended benefits.” The bill also requires states to take steps to temporarily ease eligibility requirements that might be limiting access to UI during the COVID-19 outbreak, including work search requirements, required waiting periods, and requirements to increase employer UI taxes if they have high layoff rates. The bill requires the Labor Department to provide technical assistance to states that want to set up work-sharing programs in which employers reduce hours instead of laying employees off. Employees would also receive partial unemployment benefits to offset that wage loss. Note, an extension of these same benefits to railroaders operating under the railroad unemployment insurance program was not included in this bill. That will need to be fixed

- Establishes Paid Leave: The bill establishes an emergency paid leave program which requires employers with fewer than 500 employees and government employers to provide employees two weeks of paid sick leave, paid at the employee’s regular rate, to quarantine or seek a diagnosis or preventive care for coronavirus; or paid at two-thirds the employee’s regular rate to care for a child whose school has closed, or child care provider is unavailable, due to the coronavirus. The bill covers both full and part time employees. The bill ensures employees who work under a multiemployer collective agreement and whose employers pay into a multiemployer plan are provided with leave.

**Next Steps – Comprehensive Paid Leave and Unemployment Insurance:**

Immediately after House passage of the Families First Act, paid leave champions in the House and Senate introduced a bill to provide comprehensive paid leave to all workers, including big firms (500 + employees). That bill, the PAID Leave Act requires that workers suffering from COVID-19 receive seven days of accrued paid sick leave, two weeks of paid emergency days and 12 weeks of paid emergency leave. It would ensure that the Treasury Department reimburse small businesses for that paid leave through December 2021. The PAID Leave Act was offered as an amendment when the Senate took up the Families First Act on 3/18, but failed to garner enough support. Our expectation is that expanded paid leave provisions beyond what was included in the Families First Act – H.R. 6201 will be included in the third stimulus package.

At a minimum, workers need any expansion of paid leave and unemployment insurance in the third stimulus bill to address the following concerns:

- Must apply to all employers, regardless of size.
- Must apply to all workers and not limited only to workers on the job more than 30 days.
- Must allow for paid leave to care for a family member/domestic partner and not just for one's own health.
- Must be available to workers protected by CBA in addition to paid leave already provided by their employers.
- UI must apply to the railroad employees.
- Misclassified workers and independent contractors must have access to both unemployment benefits and paid leave.

**Next Steps – Third, Much Larger Stimulus Imminent:**

A third, much larger stimulus package is currently being assembled. This package will originate in the Senate and Leader Schumer is in direct negotiation with the White House and Treasury Secretary Mnuchin about its contents. Senate leadership is hoping to have a draft bill this week with a vote on it as early as this weekend,

but it seems more likely that negotiations will go into next week. See Senator

Schumer's extended comments on third package here:

<https://www.democrats.senate.gov/newsroom/press-releases/schumer-remarks-at-pressconference-calling-for-at-least-750-billion-in-federal-funds-to-wage-war-against-covid-19-and-economic-crisis-facing-americans>

The major pieces so far outlined by the White House are \$500 billion in direct payments to individuals and households in the form of rebate checks; small business loans backed by \$300 billion in appropriations; and \$200 billion in loans and loan guarantees secured by collateral for "severely distressed sectors" of the U.S. economy, including \$50 billion set aside for the airline industry.

The largest component of the White House plan is cash payments to households, which they would distribute in two batches of \$250 billion each, one on April 6 and the remainder on May 18. Treasury Secretary Steven Mnuchin's proposal calls for varying the payments based on income and family size, but hasn't settled on particular thresholds yet.

Senate Democrats have been critical of the proposal to send individual checks to households and strongly prefer to see that money used to expand and support unemployment insurance in order to provide consistent, ongoing financial support to individual households. We share in those concerns.

#### **Third Stimulus Package and Airline Industry Worker Needs:**

The IBT Airline Division, in coalition with labor allies, has been in direct communication with Congress about necessary worker protections in the forthcoming third stimulus package. While labor's overall goal is, of course to return this industry to a place of financial strength, we have serious concerns regarding how any relief package for airlines will facilitate continued employment, prevent short and long-term damage to employee compensation, and preserve collective bargaining rights.

In the wake of September 11, 2001, the airline industry faced similar, extraordinary economic headwinds. The aid Congress provided in 2001 to help revive the ailing

aviation industry ultimately went to shareholders and executives, with little support flowing through to frontline worker. Subsequently, the carriers sought direct concessions from their workers and the government used the bailout to restructure collectively bargained contracts. Thereafter, most airlines abused the bankruptcy code to discharge collective bargaining agreements and further impose harsh and permanent concessions.

As policymakers undertake important decisions to ensure the airline industry continues to operate, it is imperative that any relief package focus on the workers who are essential to the industry's existence. Any federal aid must protect labor rights and come with statutory guarantees that the money will go to the frontline workforce, including airline subcontract workers.

**Third Stimulus and Additional "Severely Distressed Sectors":**

It is unclear at this point which industries beyond airline will receive support in the third stimulus bill under discussion. It is difficult at this point to imagine any Teamster industry that will not be impacted to some degree. IBT Division leadership and legislative staff have conveyed to Congressional leadership that emergency relief must be provided urgently to support Teamster members in sectors where business has been severely curtailed by social distancing requirements. Workers in those industries in particular need assurances of continued benefits, wage replacement and paid leave. As articulated above with regard to airline industry support, no matter the industry in question, any federal aid must protect labor rights and come with statutory guarantees that the money will go to the frontline workforce, including contract workers. And bankruptcy code must be strengthened broadly to prevent the discharge of collective bargaining agreements and the ability to impose harsh and permanent concessions. Running in tandem with all of these concerns is our longstanding priority to protect pensions and find a solution for the multiemployer pension funding crisis. The Coronavirus has the potential to wreak havoc on multiemployer pension plans that are already in critical and declining status. Critical plans, endangered plans and

single employer plans are threatened just as significantly. Employee layoffs and furloughs will adversely affect contributions to these plans thereby putting these plans on an even faster path to insolvency and further jeopardizing the benefits that retirees, and active workers, have earned. Failure to address this situation could also accelerate the timeline regarding PBGC insolvency. Any economic stimulus/stabilization package must address the issue of critical and declining multiemployer pension plans and protect the earned pension benefits of retirees and workers.

### **Beyond the Third Stimulus Bill**

It is widely believed that the third stimulus bill will also not be the last. A fourth stimulus is anticipated as well as a potentially separate bill addressing financial services and consumer protection. House Financial Services Chairwomen Maxine Waters released an outline of her Committee's priorities on 3/18 that will likely begin the conversation on a bill of that sort. The Chairwoman's proposal can be found at:

<https://financialservices.house.gov/news/documentsingle.aspx?DocumentID=406440>

IBT leadership and legislative staff are in frequent contact with Democratic party leadership and Federal committees of jurisdiction tasked with writing the next iteration of assistance packages and we are providing suggestions with the guidance of IBT Division Directors and the IBT Health and Safety Department. The Federal government's response is extremely fluid and moving rapidly. We will keep you posted frequently as further action is taken by the Federal government, the IBT, and the labor movement as a whole.

### **State and Local Government Response**

While the federal government leads the national response to COVID-19, many states are taking their own steps to respond to and anticipate the impact of the virus. At least 25 states have either officially postponed or cancelled part or all of their legislative sessions (many after passing emergency legislation to address

COVID-19) and even more are discussing the possibility of temporarily postponing. Many states have closed their capitols to visitors, and some are floating the idea of voting remotely. There have been at least 22 states that have officially allocated state funding for COVID-19 response, in addition to any federal assistance. Due to virus' impact on state legislatures, many bills affecting Teamsters that had been previously moving across the country (both good and bad) have since been slowed or delayed by the legislative response to the virus.

In addition, at least 37 states are taking action on unemployment, temporary disability, and other state benefit programs affecting workers impacted by COVID19.

Though the Federal-State Unemployment Insurance Program provides temporary unemployment benefits to eligible unemployed workers, requirements for eligibility and program administration vary from state to state. Each program administers its unemployment insurance program within guidelines determined by federal law. In response to COVID-19, many states are taking action to expand benefit eligibility, eliminate waiting periods, and remove work search requirements. Many states have expanded eligibility to these programs just within the past 24-48 hours, so please make sure you check your state's current status so you can assist any members who may need to apply.

The IBT Legislative and Political staff are in contact with Teamster Local political coordinators in order to support federal, state and local level policy response and push for pro-worker rules and programs to confront COVID-19 and protect Teamster industries and members.