

Senate Democrats' COVID-19 Economic and Community Services Proposal

As the Congress debates a second COVID-19 legislative package, Senate Democrats today are proposing a number of critical measures to help communities manage the economic disruption and services crisis at the local level.

1. Lost Wages, Paid Sick Days and Loan Payment Relief:

- a. **Emergency Unemployment Insurance:** we propose opening up **emergency Unemployment Insurance funds** to replace lost wages. This is the best and most immediate way to help workers and small businesses with the disruption of local commerce. Workers who lose their paycheck because of coronavirus—whether because of their own illness, a quarantine, or a school closure that leaves them without child care—should have access to unemployment benefits to help them make ends meet until they're back at work.
- b. **Paid Sick Days:** Workers should not have to choose between a paycheck and taking care of themselves or their families when sick. We propose requiring employers to allow employees to gradually earn up to 7 days of paid sick leave so that workers have paid sick days they could use before a communicable disease creates a public health emergency, but also require employers to provide a separate amount of 14 days of paid sick leave that is immediately available at the beginning of any public health emergency, including in the current crisis.
- c. **Loan Payment Relief:** Individuals impacted by the coronavirus may struggle to meet their loan payments. We propose **payment forbearance for six months** on federally insured or guaranteed mortgages, and federal student loans. Any forbearance plan should allow for individuals with federal student loans, FHA mortgages and mortgages backed by the GSEs, as well as USDA, VA, and public and Indian housing program loans to all have the flexibility they need to make loan payments without incurring additional fees, compounding interest or negative incidents reflected in their credit scores.

2. Small Business and Local Economic Relief:

- a. We propose federal funding for the **CDBG Disaster Relief program** and disaster relief through the **Economic Development Administration's Economic Adjustment Assistance program**, like we provide after natural disasters, to help local communities manage and recover from the crisis. Small businesses and non-profits may need direct relief to keep their doors open. CDBG-DR for the Coronavirus will put funding into the hands of Governors, Mayors and county officials to help mitigate the local economic crisis, build infrastructure and for other needs. EDA disaster assistance will capitalize local funds to provide low-interest loans to businesses of all sizes, help rebuild impacted industries such as tourism or manufacturing supply chains, invest in infrastructure and support other locally-identified priorities for economic recovery.
- b. **New SBA Disaster Grants:** we propose the first-ever direct grants for eligible small business recipients to help cover the cost of lost business, providing paid sick leave, and

more.

c. **Federal Transit Administration formula assistance and Amtrak Operating**

Assistance: we propose supplemental funding to public transportation agencies and Amtrak to support ongoing efforts to limit the risk of coronavirus transmission on buses and trains and to prevent reductions in transit and passenger services and workforce reductions that healthcare workers and the general public rely on as fare revenue and other funding sources that support transit agencies and Amtrak decline during the coronavirus crisis.

3. **Housing, Food Security and Education:** there is an immediate need for housing and nutrition assistance and aid to our schools and child care centers.

Housing Proposals

- a. **Emergency Rental Assistance:** Individuals struggling to pay rent and utility payments would be eligible for rental and eviction prevention assistance.
- b. **Emergency Mortgage Assistance:** For borrowers whose incomes have not rebounded or who are behind on payments and cannot catch up at the end of the forbearance, we also propose additional mortgage payment assistance, reinstatement assistance, housing counseling, and legal assistance.
- c. **Supplemental Support for Federal Housing:** Provide supplemental financial assistance directly to housing authorities, housing assistance providers, and homelessness service organizations to ensure resident safety and maintain housing in the face of declining resident incomes and assist vulnerable people experiencing homelessness.

Food Security Proposals

- a. **Provide New Pandemic SNAP (P-SNAP) authority:** Similar to natural disasters, a new Pandemic SNAP should be established to address this public health emergency by allowing flexibility to waive SNAP requirements and provide additional food assistance like benefits for the value of free and reduced price meals for kids
- b. **Provide schools more flexibility to serve children during school closures:** This includes waiving program requirements like area eligibility for school meals, allowing multiple meals to be taken home or delivered
- c. **Provide additional funding to support the food distribution:** food banks, schools and nonprofits will need additional resources for the cost of meal distribution of school meals and other feeding programs, as well as supplying food for up to two weeks at a time.
- d. **Increase SNAP benefit levels:** SNAP benefits should reflect the increased economic need during this crisis

- e. **Halt implementation of SNAP rules** that would make food access more difficult during economic disruption
- f. **Provide additional flexibility in WIC:** We must ensure states have the flexibility to waive or expand certain program requirements to ensure public health such as extended certification (beyond 30 days) and waivers of stocking requirements to ensure mothers and children have continued access to nutrition during this crisis

Education Proposals

- a. **Child Care Providers, Schools and Institutions of Higher Education should receive Federal funds** to help keep facilities safe for children and students—including support for coordination of preparedness and response efforts with public health departments, and other relevant agencies; training and professional development for staff of schools, child care centers, institutions of higher education on sanitization and minimizing the spread of infectious diseases; and resources for the purchase of cleaning supplies.
- b. **College students at impacted institutions** should receive support for basic needs such as housing, transportation, and child care through emergency grant aid, and college students impacted by COVID-19 should be protected from the loss of Pell Grants and other financial aid if they have to stay home or take a break from school.