
Greenstein: Relief Package Includes Important Aid, But More Needed to Meet Urgent Needs

CBPP today released a statement from Robert Greenstein, president, on the Senate's passage of the Coronavirus Aid, Relief, and Economic Security (CARES) Act:

The bipartisan Senate COVID-19 package includes important provisions that will help mitigate the sharp economic decline now starting. The House should pass it and then Congress should begin work on another bill to address critical missing pieces. Meeting this crisis will demand a sustained response by all of us — and Congress is no exception. Lawmakers will need to do substantially more in subsequent bills to address urgent needs in areas like health coverage and food assistance for struggling families.

Bill Provides Critically Needed Aid

The legislation contains a number of important, beneficial measures. These include a dramatic expansion in unemployment benefits, including a new Pandemic Unemployment Assistance program that will provide unemployment benefits to many workers including gig workers who don't qualify for the regular unemployment program because of restrictive rules. The package also includes a substantial increase in unemployment benefits (\$600 per week in added benefits through July) and additional weeks of jobless benefits so people can continue to get benefits if they can't find work.

These benefits are critical to helping families pay the bills — which is key to forestalling a more severe economic downturn. Some have raised concerns that employers might lay off more people knowing that they can get higher jobless benefits, but that's inaccurate. Employers that have demand for their goods and services will keep their workers. And workers who voluntarily quit a job aren't eligible for unemployment benefits.

Also positive are sizable direct payments — called “recovery rebates” — to help cushion the financial blow for a broad swath of the country and help shore up consumer demand. With \$1,200 per adult and \$500 per child, this will provide a married couple with two children with \$3,400.

Millions of individuals and households, primarily people with low incomes, will have to file a tax return to receive the payment. The Administration can — and should — take steps to reduce the number of people who have to file a return. Even if Treasury does all it can to get payments automatically to beneficiaries of programs like Social Security, big outreach challenges lie ahead to ensure that millions of very low-income people know to file a tax return to receive them.

In addition, certain immigrant families are left out entirely, including many with children who are U.S. citizens. Parsing immigration status during a pandemic and economic crisis is a mistake on both humanitarian and economic grounds. This should be fixed in the next package.

Another critical element of the legislation is the \$150 billion Coronavirus Relief Fund to help address the large budget holes emerging in states and localities and a \$30 billion education stabilization fund to help states assist schools with distance learning challenges. This is a substantial amount of badly needed aid. Yet it almost certainly won't be sufficient; more state fiscal relief will be needed. Without additional relief, including an additional increase in the federal share of state Medicaid costs for the period ahead, many states facing big budget shortfalls will cut services and lay off teachers and other workers. This will make the downturn more severe.

The legislation also includes funding increases for a number of current programs that can help in the crisis, including new funding for housing and homelessness programs and for child care.

Congress, Administration Need to Do More to Address Urgent Needs

Given the urgency of the crisis, the House should pass this package immediately, and Congress then turn its attention to important areas where this one falls short.

For example, the package fails to include measures either to expand health coverage or to cover COVID-19 treatment for those who are uninsured. Such steps are essential now. The omission of these measures stands in contrast to a proposal Speaker Pelosi made earlier this week, which would help uninsured people get coverage through Medicaid or the marketplaces and cover COVID-19-related costs for those who still slip through the cracks.

The legislation also fails to increase SNAP benefits. Such an increase, provided in the last recession, is important to help struggling families put food on the table and help provide the boost to consumer spending that the economy needs. The temporary SNAP benefit increase enacted in the Great Recession was both critical to preventing far larger increases in poverty *and* effective as economic stimulus.

In addition, the package does not include flexible funding for states to help very poor families with children avert crises, as Congress did in 2009-2010, when it provided modest but vital funding for what was known as the TANF (Temporary Assistance for Needy Families) Emergency Fund. That fund provided resources to states to help more families meet basic needs and avoid emergencies that could put them on a downward spiral, as well as providing subsidized jobs to both parents and young people to help them stay connected to the labor force. The next legislative package should include such an emergency fund, with its purposes broadened to respond to the needs of both poor families with children and other poor individuals and households.

Last — but not least — the Trump Administration will need to implement the new law faithfully, effectively, and swiftly. *Very close scrutiny of the Administration's implementation actions will be essential.* We'll have more to say about key implementation issues in the days and weeks ahead.

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