MEMORANDUM

TO: Union Members and Leaders
FROM: AFL-CIO Staff
RE: Highlights of H.R. 748 (CARES Act)
DATE: March 27, 2020

This memo highlights a few provisions we asked to be included in H.R. 748, as well as a few areas where we came up short. More detailed analyses are available at the links found throughout and at the bottom of this memo.

WINS

● **UI Expansion.** The CARES Act provides $250 billion to expand the unemployment insurance (UI) system, including a $600 increase in weekly benefit checks for four months; temporary Pandemic Unemployment Assistance (PUA) benefits for the self-employed, quarantined and sick workers, and other workers ineligible for state UI (including many in leisure and hospitality); 13 weeks of extended benefits; and funding for states to waive the waiting week before workers can collect benefits.

● **Airline Provisions.** H.R. 748 provides $61 billion for the airline sector, including $25 billion in grants and $25 billion in loans to passenger airlines, $4 billion in grants and $4 billion in loans to cargo airlines, and $3 billion in grants to contractors. Grant money can only be used to pay worker wages and benefits; grant recipients cannot cut pay or furlough workers until September 30; and the federal government cannot condition grants or loans on the renegotiation of collective bargaining agreements.

● **Mass Transit and Amtrak.** The bill includes $25 billion in operating assistance for mass transit and $1 billion that will help keep Amtrak workers employed.

● **Hospitals.** The CARES Act creates a $100 billion fund to reimburse healthcare providers for expenses or lost revenue attributable to the coronavirus and a $27 billion fund for coronavirus preparation and response, and increases Medicare payments to hospitals by 20% to treat Medicare patients with the virus.

LOSSES
• **No Emergency Temporary OSHA Standard or increase in OSHA inspectors.** The agency charged with ensuring that employers maintain a safe workplace has been absent in workplaces during this crisis.

• **Nothing to expand paid sick days.** The previous Coronavirus bill left out workers at small and large businesses, health care workers, and first responders, and H.R. 748 does not fill those gaps.

• **Immigrants.** H.R. 748 fails to ensure access to testing, treatment, and benefits for immigrant workers. Key provisions of the House bill were omitted—provisions that would eliminate immigrant restrictions for emergency Medicaid testing and treatment; auto-extend work permits for DACA and TPS-holders; and make all taxpayers eligible for individual payments, including those who file with a tax identification number.

• **Nothing on supporting workers’ pensions.** Sen. McConnell objected to the inclusion of any pension provisions.

FURTHER ACTION NEEDED

• **State and Local Government Assistance.** The CARES Act includes $150 billion in assistance for state and local governments, but this money can be used only for unbudgeted COVID-19 response and not to make up for falling tax revenues. The next COVID-19 bill will have to do much more, including a further increase in the federal share of Medicaid costs.

• **Education.** The bill includes $31 billion to support local school systems, split between K-12 and higher education, but another $20 to $40 billion will be necessary.

• **Personal Protective Equipment (PPE).** H.R. 748 includes $16 billion to replenish the Strategic National Stockpile with PPE, but funding to buy unavailable equipment is not a solution. Workers are unprotected at work right now, and PPE must go directly to them, not to a stockpile. While the bill minimally funds the Defense Production Act (DPA) with $1 billion, we are calling on the administration to use its authority under the DPA to compel private industry to ramp up production of PPE and coordinate, direct and allocate the distribution of PPE according to need.

• **U.S. Postal Service.** USPS urgently needs financial relief to continue operating through 2020, but the bill only includes a $10 billion line of credit.
• **Medical costs.** The CARES Act requires private insurance to cover the cost of all testing, fees associated with testing, and a future vaccine with no cost-sharing. However, there is no requirement that private insurance cover the cost of treatment without cost-sharing; no guarantee of free treatment and vaccine for the uninsured; no emergency subsidy of premiums for multiemployer health plans; and no funding to fully subsidize the cost of continued employer coverage for workers who lose jobs or hours.

• **Not enough oversight of the $454 billion credit facility for businesses.** The bodies tasked with overseeing this fund have no governance powers, leaving control solely in hands of the Treasury Secretary. The bill ostensibly includes several conditions on this financing, but it is not at all clear that these conditions will be binding or even imposed.

• **We will need to do more to keep workers in their jobs.** The bill does have some provisions for this purpose, but they are likely not enough. The bill includes $350 billion in forgivable loans for small businesses to cover payroll expenses; funding for UI benefits for workers whose hours are reduced; and a refundable payroll tax credit for 50% of wages, available to firms or non-profits that partially or fully suspend operations.

• **Safe Options for Everyone to Vote.** H.R. 748 provides $400 million for states to prepare for the 2020 elections, but does not require states to expand options to vote by mail or vote early. Moreover, the funding is not nearly enough for states to adapt voting to meet the crisis. The House bill would provide $4 billion in funding for election administration and require no-excuse absentee voting.

**ADDITIONAL RESOURCES**

Here is a statement on the CARES Act by President Trumka.
Here is Sen. Schumer’s floor statement on the CARES Act.
Here are the priorities of the labor movement in confronting the Coronavirus.
Here is the statement of the AFL-CIO Executive Council on the Coronavirus.
Here is CEPR’s analysis of all three Coronavirus bills and what they are missing.