To: SEIU International Executive Board and Local Leaders
Subject: HEROES Act, Package 4 Toplines
Date: 5/14/2020

Overview

The HEROES Act reflects many of SEIU's core priorities for package 4 including over $1 trillion in funding for state and local governments and increased Medicaid funding including extra money for home and community based service. Not only does the bill create a fund to support premium pay for essential workers but, in a major win, the definition of essential workers is expansive, and will likely cover most SEIU members and Fight for $15 fast food workers who reported to work and continue to report to work during stay at home orders. The bill guarantees paid sick time and leave for all. In addition, it forces the hand of the Administration by requiring the creation of a coordinated plan to locate, produce, and distribute PPE and enact an OSHA emergency standard to protect workers in the time of COVID.

Notably, the bill protects immigrant communities by providing them with access to health care services and financial supports and extends DACA and TPS. It will also require collection of data across the government to address the disparate impact this pandemic is having on communities of color. As we all try to navigate our democracy in this unprecedented time, the bill includes critical funding for states to plan and prepare for our elections. It also includes a slew of other supports for families hit by the pandemic, including additional direct payments, housing support, and extends unemployment benefits.

Like all legislation, it is not perfect. It does not include a real paycheck guarantee program, which we believe is essential, we would like healthcare coverage provisions to be even stronger so whether you have employer sponsored insurance or not you can access affordable care, and we would like some worker protections and payment provisions to be more robust. This is intended to be a rapid top-line summary, we will share more details as we review the legislation further.

Protect the health and safety of all workers

Emergency paid family and sick leave- Eliminates the Families First Coronavirus Response Act carveout for 500+ employee large employers and the healthcare provider and emergency responder exclusion. Requires employers with one or more employees to provide the COVID-19 paid sick leave and family medical leave. Also allows tax credits to go to state and local governments to reimburse for the cost of providing paid leave and paid sick days benefits; extends benefits until December 31, 2021; clarifies that the emergency paid leave benefit cannot be less than minimum wage; changes the paid leave aggregate limit from $10,000 to $12,000, and ensures that fulltime and part time employees earn wage replacement (up to $511 per day) for all emergency paid sick leave uses.

Immigrant protections for health and the economy -- Expands free testing and COVID-19-related treatment under medicaid to include immigrants regardless of status, eliminates the exclusion of immigrants without a social security number from the direct cash benefit, and eliminates exclusion of Dreamers and other immigrant students from higher education emergency relief funds. The bill also automatically extends DACA and TPS, limits ICE detention, and mandates that detainees can have access to soap and free phone calls.

Encourages a coordinated approach to production and distribution of PPE - Expands the use and oversight of the Defense Production Act to determine needed equipment, increase the production and supply of tests, PPE, ventilators, medicines, and other medical equipment, and decrease the disruption of critical deliveries to state and local governments. The legislation also requires the President to appoint someone to coordinate federal efforts to distribute medical supplies and equipment related to COVID-19, including PPE.

Track racial data in COVID outbreaks -- HHS and the CDC will make public the collection of data on race, ethnicity, age, sex, and gender of individuals diagnosed with COVID19 and provide a report to show how the Secretary will provide technical assistance to State, local, and territorial health departments to improve collection and reporting of demographic data, and requirements for the report to be updated every 30 days and to identify any barriers for such health departments in collecting such data.

Worker protections - Requires OSHA to issue an emergency temporary standard (ETS) to protect health care and other workers at occupational risk of exposure to COVID19 including requiring employers to develop and implement a comprehensive infectious disease exposure control plan.

Improves access to affordable healthcare coverage -- Provides full premium subsidies, through January 2021, to allow workers to maintain their employer-sponsored coverage if they are eligible for COBRA due to a layoff or reduction in hours, and for workers who have been furloughed but are still active in their employer-sponsored plan. In addition expands access to subsidized ACA coverage by creating a special enrollment period for the federal ACA marketplace, to allow people to buy subsidized coverage (state exchanges that already created their own special enrollment periods are not affected).

Testing, tracing and treatment -- Provides another $75 billion for coronavirus testing, contact tracing and isolation measures, ensuring every American can access free coronavirus treatment, and supporting hospitals and providers

Hospital Funding - Provides an additional $100 billion for provider relief, in addition to the $175 billion in provider relief funds included in earlier packages. The bill also substantially reforms language governing use of all the remaining and new funds (about $200 billion in total) be targeted to providers most affected by COVID-19, and limiting the administration's use of

funds to reimburse hospitals for uninsured costs. In addition, it increases DSH payments for hospitals serving low income populations by 2.5 percent for the emergency period. It also reduces the interest rate on repayment of advance Medicare payments made to hospitals in the early days of the pandemic.

Nursing Home Funding and Reform - Allocates $500 million to states for nursing home strike teams to support resident and employee safety. Incentivizes creation of COVID-19 specific facilities through higher reimbursement rates. Only facilities with four or five star rating in the areas of infection control and staffing on Nursing Home Compare are eligible. Also, it requires nursing homes to report demographic information, including age, race, and preferred language data on residents who contract and/or die from COVID-19.

Ensure job, wage, and economic security for all workers.

Premium Pay for Essential Workers -- Allows employers to apply for grants to implement higher pay for essential workers. They will receive $13 per hour premium pay on top of regular wages, up to $10,000 ("highly compensated" essential workers earning above $200,000, up to $5,000) for work performed from January 27, 2020 until 60 days after the last day of the COVID–19 Public Health Emergency. "Essential work" is broadly defined and we will have to see how the definition is implemented, we believe that it is expansive and should cover all those reporting to work during stay at home orders.

Child Care and Family support for essential workers -- Provides $12.15B in funding to provide child care or adult care services for essential workers, including health sector workers.

Employee Retention -- Expands the new employee retention tax credit (ERTC) that encourages qualifying employers to keep employees on payroll and attached to benefits with some wage replacement. These are important first steps that will help support workers but this tax credit does not go far enough towards the full Paycheck Guarantee working people and businesses need to weather this crisis.

Protect and secure vulnerable Multi-Employer Pension plans -- Funds the Pension Benefit Guaranty Corporation (PBGC) to take on the liabilities of troubled pension plans and increases the PBGC's benefit guarantee, without hurting its relatively healthy plans and or disproportionately requiring some low wage contributor pension plans to bail out higher wage plans.

Extension of Pandemic Unemployment programs -- Extends through January, 2021, including the $600 per week PUA and eligibility of independent contractors and gig workers.

Strengthens food security -- Includes a 15 percent increase to the maximum SNAP benefit and additional funding for nutrition programs that help families put food on the table

Financial security for workers -- Variety of protections from bankruptcy, rental and mortgage default, and other consumer protections, such as:

- **Housing** - $100 billion for an Emergency Rental Assistance program for renters and $75 billion for a Homeowner Assistance Fund channelled through states, territories, and local governments; extends and expands the CARES Act eviction moratorium and foreclosure moratorium to include all renters and homeowners.
- **Consumer debt collection** - Provides a temporary moratorium on consumer debt collection during this crisis and for 120 days thereafter; prohibits the garnishment, withholding or reduction of COVID19 stimulus payments by financial institutions to pay other debts.
- **Private student debt** - Extends existing CARES Act student loan payment and consumer protections, such as debt collection prohibitions, to private loan borrowers; the Treasury Department will make monthly payments on behalf of the borrower up to $10,000 until September 2021.
- **Provides additional direct payments --** With a second round of more substantial economic impact payments of $1,200 per family member, up to $6,000 per household.

Invest in public services

State and Local support -- Provides nearly $1 trillion to state and local governments to support core services our communities desperately need in this moment of crisis like affordable housing and education. This includes $90 billion allocated to states to support K-12 schools and for public higher education institutions to, among other things, support hourly workers and adjunct and contingent faculty.

Provides additional Medicaid Funding for States - Increases and extends the FMAP increase to the end of the emergency period or June 30, 2021, whichever is later. The FMAP increase is set at 6.2 percentage points through June 30 of this year, then rises to 14 percentage points for the July 1, 2020-June 30, 2021 (i.e., the 2021 fiscal year for most states). If the emergency period extends beyond June 2021, the FMAP bump will return to 6.2 percentage points until the emergency ends. The legislation also imposes a moratorium on recently proposed “Medicaid Fiscal Accountability” regulations that would lead to large cuts in Medicaid supplemental payments to states.

Provides dedicated funding for HCBS programs - Includes a 10 percentage point bump on state HCBS expenditures, as long as states use the funds to supplement HCBS spending. The bump applies to HCBS spending from July 1, 2020 to June 30th, 2021. States must apply to receive the enhanced FMAP, and may use the funds for a variety of purposes, many of which are workforce related. These include wage increases, travel costs, workforce recruitment, purchase of PPE, COVID-19 related training costs, and to offer paid sick or family leave. Individual providers are explicitly included.

Invest in an economy and democracy that work for all.

Extension of jobs protection and PPE to airline contractor workers; transparency on CARES Act financial assistance -- Extends the requirement that airlines and contractors who received money in the CARES Act forgo involuntary furloughs from Sept. 30 to "the date on which such financial assistance is fully exhausted by the air carrier or contractor." Airlines must ensure their contractors provide PPE to employees whose job responsibilities involve cleaning, disinfecting, and sanitizing aircraft and other facilities. Treasury shall publish a plain-language description of the financial assistance provided under CARES, including the recipient's identity, the amount of assistance; and a copy of any contract or assurances.

Safeguards our Democracy-- includes $3.6 billion to assist state and local governments to plan and prepare our nation's election systems to ensure that they are safe and accessible to all voters and poll workers without risk to them or their families. These provisions also remove the prohibitive requirement that states produce a 20 percent match to receive these funds when they are facing historic budget shortfalls because of the impact of COVID-19. This bill would also boost the emergency budget for the census by $400 million.