

A Plan to Support State and Local Governments and Other Critical Services: Public Safety, Public Health, Public Schools, the U.S. Postal Service and More

Businesses large and small have shut down operations, and more than 26 million workers have filed for unemployment in recent weeks, threatening to crater tax revenue for state and local governments. Even with the \$2 trillion CARES Act coronavirus rescue package passed in March, governors from all 50 states have issued emergency declarations and taken steps to reallocate their budgets.

The past decade of austerity at the state and local levels has exacerbated the current crisis. We are watching state and local governments become overwhelmed by an unprecedented demand for public services at the very moment that revenues are cratering.

A substantial investment in targeted aid to state and local governments, school districts, colleges and universities, and the U.S. Postal Service, as well as greater federal assistance for Medicaid, will help prevent a further gutting of public services that would make this concurrent health and economic crisis even worse.

AFT public employees are frontline heroes working long hours to allow families to adhere to social distancing and, in many cases, risking their lives to serve our country. They must be defined as essential and supported financially throughout this public health and economic emergency as part of CARES 2.

To survive as a nation, we must help our, state and local governments, and the Postal Service provide services that will be more needed than ever; this will require an immediate, massive reinvestment in public services. The CARES Act and related legislation provided an important first step in a federal response, but more is needed. Congress should, in the next iteration of its response, do at least the following:

- Support the National Governors Association's call for \$500 billion in additional funds to meet states' budgetary shortfalls that have resulted from this unprecedented public health crisis and to protect public services.
- Support public employees—healthcare workers, public safety workers, custodians, school and state employees and others who are putting their lives at risk to fight the pandemic.
- Increase investment to close the digital divide. High-speed broadband, reliable mobile service, modern technology and hardware are no longer optional. They are now core infrastructure needs of businesses, schools and homes.

The American Federation of Teachers is a union of professionals that champions fairness; democracy; economic opportunity; and high-quality public education, healthcare and public services for our students, their families and our communities. We are committed to advancing these principles through community engagement, organizing, collective bargaining and political activism, and especially through the work our members do.

Randi Weingarten
PRESIDENT

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EXECUTIVE VICE PRESIDENT

- Substantially increase Medicaid funding, provide free COVID-19 testing and treatment for all regardless of immigration or insurance status, and increase support for providers assisting underserved populations.
- Provide for the personal protective equipment, testing, cleaning supplies and other materials necessary to help our public institutions reopen safely.
- Cover 100 percent of COBRA health insurance premiums for those workers now unemployed through no fault of their own, or who lost health insurance due to the death of the carrier. Ensure that resources are available, and that proper testing and safety provisions can be in place before schools reopen.
- Permanently expand eligibility for unemployment benefits to many previously uncovered workers (including the self-employed, independent contractors and gig workers), and extend unemployment benefits for an additional 13 weeks.
- Boost the Supplemental Nutrition Assistance Program's maximum benefits by 15 percent and increase the SNAP minimum payment from \$16 to \$30. This will help provide adequate nutrition assistance to meet the overall need and spur economic recovery. Every day there is new evidence of the depth of food hardship and economic dislocation. Each \$1 of federal SNAP benefits during a downturn generates between \$1.50 and \$1.80 in economic activity.
- Increase by a minimum of 15 percentage points the Federal Medical Assistance Percentages, which determines Medicaid spending. This increase should be added to the 6.2 percentage point increase adopted in the Families First Coronavirus Response Act, and increases should be retroactive to Jan. 1, 2020, and should last until at least Dec. 31, 2021.
- Cancel student debt. As a nation, we are now paying the price for decades of neglect of the systems through which collective effort once enabled us to take on herculean challenges. This includes neglect of our system of higher education, which has produced fewer essential professionals than we need and has, in shifting the burden of its costs to individual students and families, effectively demanded lifetime personal indenture of those who undertake college, graduate and professional education. In the economic catastrophe we now face, for its stimulative effect alone, it is time to free people who have attended college of the burden of student loan debt.

Given these needs, Congress should make at least a \$750 billion investment in state and local governments to stabilize public services, which will help put us on a path to reopen safely and allow for a real recovery for all our communities. This administration spent trillions on a corporate tax cut in 2017; it must be prepared to invest a comparable amount on the anchoring institutions that have been key to fighting the virus and central to any recovery plan: State and local governments, public schools, universities, hospitals and the Postal Service provide services that will be more necessary than ever, and we need a massive investment in them right now.

In partnership with the AFL-CIO and other unions, <u>we developed five economic essentials</u> to address the stark realities now faced by workers across all sectors:

- Keep America healthy—protect and expand health insurance for all workers;
- Keep frontline workers safe and secure;
- Keep workers employed, and protect earned pension checks;
- Keep state and local governments, our public schools and the U.S. Postal Service solvent and working; and
- Keep America competitive—hire people to build infrastructure and make long-overdue investments in this key pillar of the economy.

We have all watched harrowing reports of abusive and unsafe conditions for essential employees—in residential and detention facilities, in meatpacking plants, and in warehouses across the country—who are working without adequate personal protective equipment. On April 28, AFT-affiliated nurses and healthcare professionals and public employees in 10 states filed 24 separate OSHA complaints for lack of necessary PPE despite these workers' ongoing exposure to COVID-19 patients as part of their jobs. The president must use the power of his office to protect workers through aggressive enforcement of the Defense Production Act and Occupational Safety and Health Administration standards.