

Blue Dog Recommendations for Coronavirus Economic Support and Stimulus Package

Legislative Action

Support for Workers and Families

- Strengthen emergency family and medical leave provisions in Package 2 by expanding workers eligible for paid leave to include (1) those with a coronavirus diagnosis, (2) those directed/recommended to be quarantined by a health professional, and (3) those caring for family members who have coronavirus or are quarantined, as was provided in Package 2 as originally approved by the House.
- The 2009 American Recovery and Reinvestment Act (ARRA) provided a one-time economic recovery payment of \$250, made by the Secretary of the Treasury within 120 days of enactment, to those receiving Social Security, Supplemental Security Income, Railroad Retirement, and certain VA programs. Increase amount, accelerate speed of payment, and expand eligible recipients.
- ARRA expanded eligibility for the refundable child tax credit for two tax years. This could be replicated and extended to the earned income tax credit.
- ARRA provided a refundable tax credit of up to \$400 for individuals and \$800 for married couples for two tax years (Making Work Pay Tax Credit). This could be replicated, perhaps with modifications.
- Appropriate funding to the U.S. Department of Education to provide grants to K-12 schools and institutions of higher education to support online learning, including targeted assistance to students in rural, tribal, and underserved communities who lack adequate access to broadband services and may be unable to fully participate in online learning.
- Provide the FCC with emergency authority to temporarily loosen E-Rate program rules. This will provide immediate funding for schools to purchase and operate mobile hotspots to allow for students, particularly in rural, tribal, or underserved areas to distance learn. Congress could also create a one-time, emergency program designed to purchase hotspots for educational use.
- Provide meaningful fiscal relief to states and territories, including larger Medicaid FMAP support than provided in Package #2 and reductions in state matching requirements under certain federal programs.
- Ensure necessary direct tribal funding for the Indian Health Service (IHS) for coronavirus preparedness and response and the Bureau of Indian Education (BIE) for support for tribal schools.

Support for Businesses, Especially Small Businesses

- Create employee retention tax credit (ERTC) for coronavirus, modeled on the credit Congress has enacted after various weather-related disasters. The ERTC would provide employers experiencing depression of regular business activity due to coronavirus with additional economic support to retain employees on payroll, rather than laying them off. Should include triggers (certain percentage revenue loss) and guardrails.
- Modify SBA disaster loan program established in Package #1 for small firms and non-profits impacted by coronavirus. Authorize whole states (versus specific counties) to be designated as disaster areas, increase loan amounts, reduce interest rates on loans, and enact other changes to make program more effective.
- Provide business tax credit matched to expenditures made to support employee teleworking.

- Create new program along lines of the Low-Income Housing Tax Credit (LIHTC), whereby Congress allocates federal tax credits to each state pursuant to a formula, and the governor of each state can allocate those credits to hard-hit business sectors within the state at the governor's discretion.
- Modify rules applied to net operating losses (NOLs) for both carryback and carryforward periods. An NOL is incurred when a business taxpayer has negative taxable income and can be used to obtain a refund for taxes paid in the past (carryback) or to reduce future tax obligations (carryforward). ARRA extended carryback period for businesses with \$15 million or less in gross receipts.
- Establish program to provide small and medium enterprises impacted by coronavirus with access to no-interest or low-interest loans so they can cover payroll of workers, pay rent, etc. Could be structured in different ways and housed at Treasury, the Federal Reserve, or the Small Business Administration, or at a combination of agencies.
- Temporarily repeal all tariffs imposed by the U.S. under Section 232 and Section 301, contingent on other countries repealing counter-tariffs imposed on U.S. exports in response to our tariffs. Tariffs could automatically go back into place at discretion of administration once public emergency has ended.
- Require the executive branch to appoint a single, high-level point of contact to serve as a clearinghouse of U.S. government information for small businesses. This will help small businesses navigate the many federal agencies and departments implementing measures to help small businesses during the pandemic.
- Clarify that, for the duration of the national emergency, companies that offer protections to independent contractors such as masks, medical screening, or income support will not—by virtue of that fact—be considered employers for federal, state, or local purposes.

Administrative Action

- Urge the administration to use available funds to create a series of fact-based PSAs to inform the public about coronavirus. If additional funding is necessary, Congress should appropriate it.
- Direct the CDC to update coronavirus.gov seven days a week, rather than Monday through Friday only.
- Urge state and local governments to establish rules temporarily prohibiting home foreclosures, evictions, and suspension of utility services if non-payment is due to coronavirus.
- Urge the President to invoke his authority under the Defense Production Act of 1950, or take any other necessary step, to increase the manufacturing capacity of critical medical supplies like N-95 masks, other personal protective equipment (PPE), ventilator machines, and testing materials.
- Encourage the administration to work with entities that use OSHA-approved masks, like some trade unions, to share their surplus supplies with medical institutions.
- Direct the Department of Agriculture to ensure that any domestic or international travel restrictions imposed do not jeopardize the country's food supply chain and minimize disruption to the greatest extent feasible.
- Urge the administration to swiftly fill key positions at federal agencies and departments critical to pandemic prevention and response, such as the Biomedical Advanced Research and Development Authority (BARDA), the HHS Office of the Assistant Secretary for Preparedness and Response, and the disbanded Pandemic Unit at the National Security Council.