



Budget Brief 20-10, March 17, 2020

Congress Considers Second Coronavirus Supplemental

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Summary

Before leaving for a one-week recess, the House passed [H.R. 6201](#), the Families First Coronavirus Response Act. The Senate is currently considering the bill. It addresses a wide range of policies and programs, including:

- Diagnostic testing costs
- Federal Medical Assistance Percentages (FMAPs)
- Nutrition assistance
- Unemployment Insurance
- Paid sick and family leave, accompanied by payroll tax credits for non-governmental employers

This brief summarizes the bill, for which no cost estimate has been released. The brief conforms to the structure of the bill itself; certain programs are addressed in more than one section. It also provides state estimates for both grant programs that would receive additional funding and FMAP rates.

Subsequent to initial approval by the House, a technical corrections [bill](#) that amends certain sections was adopted before sending the bill to the Senate. Those changes are reflected here.

Division A: Appropriations

Food assistance. The bill provides supplemental funding and/or flexibilities for several food assistance programs:

- The Special Supplemental Nutrition Program for Women Infants and Children (WIC): \$500 million for food assistance to low-income pregnant women or mothers with young children
- The Emergency Food Assistance Program (TEFAP): \$400 million for food banks (of which up to \$100 million is available for the cost of food distribution)
- Nutrition assistance grants to Puerto Rico, American Samoa, and the Northern Mariana Islands: \$100 million
- Supplemental Nutrition Assistance Program (SNAP): The bill gives the Department of Agriculture (USDA) authority to approve state plans that provide emergency SNAP assistance for households with

children who are missing free or reduced-price meals at school because of coronavirus-related school closings (for at least five consecutive days), and allows the department to grant waivers of certain administrative requirements for state agencies. States may use their electronic benefits systems (EBT) for this emergency assistance. This provision is effective during fiscal year (FY) 2020.

- Health and Human Services (HHS) nutrition programs for the elderly: \$250 million (state matching requirements do not apply)
 - Home-Delivered Nutrition Services: \$160 million
 - Congregate Nutrition Services: \$80 million
 - Nutrition Services for Native Americans: \$10 million

Table 1 at the end of this brief provides estimated state allocations for WIC, TEFAP, Home-Delivered Nutrition Services, and Congregate Nutrition Services.

Health services. The bill includes funding to cover COVID-19 diagnostic testing and related services with no cost sharing for beneficiaries covered by the following services:

- Defense Health Program: \$82 million
- Indian Health Service: \$64 million
- Veterans Health Administration: \$60 million (\$30 million for medical services and \$30 million for medical community care)

National Disaster Medical System. The bill includes \$1 billion to cover provider claims for COVID-19 diagnostic tests and related visits for individuals without health insurance.

IRS. The bill provides \$15 million to the Internal Revenue Service (IRS) to implement the tax credits for paid sick and paid family and medical leave provided in the bill.

State reporting. States and local governments receiving funds under this division must ensure real-time reporting of testing and results data to the relevant State Emergency Operations Center and to the Centers for Disease Control and Prevention (CDC).

Division B: Nutrition Waivers

Child Nutrition. USDA would be permitted to:

- Approve state waiver requests for the School Lunch Program even if they would increase federal costs
- Establish nationwide waivers for school, summer, and child and adult care food programs that would automatically apply to states electing to be subject to them
 - Allow non-congregate feeding under a child and adult care food program
 - Waive nutrition requirements due to supply chain disruptions

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- Waivers may not be issued after Sept. 30, 2020; they carry reporting requirements for states

WIC. States could request a waiver from the requirement that individuals are physically present for certification or recertification determinations during the emergency period and a deferral of blood work requirements. States could also request a waiver from administrative requirements if those requirements cannot be met because of COVID-19 or if the waiver is necessary to provide assistance. Waiver authorities would expire on September 30, 2020. The bill includes reporting requirements for states that receive waivers.

SNAP. The bill suspends federal work and work training requirements for SNAP during the period of a public health emergency declaration. The waiver would begin the first full month after the bill is enacted and terminated at the end of the first full month after the declaration is lifted. Receipt of SNAP benefits during the health emergency would not be counted toward time limits.

States that have issued an emergency or disaster declaration for COVID-19 may receive emergency allotments for SNAP households, up to the maximum monthly allotment. Issuance methods and application and reporting requirements may be adjusted. USDA must make state requests and USDA responses, as well as any guidance on state flexibilities, publicly available online.

Division C: Emergency Family and Medical Leave Expansion Act

Public health emergency leave. The bill would expand the Family and Medical Leave Act (FMLA) to provide up to 12 weeks of job-protected leave for employees who must care for a child due to a school closing (including care facilities or child care programs) due to COVID-19.

Eligibility. Employees would be covered if:

- They have been employed for at least 30 calendar days
- Their employer has fewer than 500 employees or is a government agency

The secretary of the Department of Labor (DOL) would have the authority to exempt certain health providers, emergency responders, and small businesses with fewer than 50 employees from the requirements.

Payments. The first 10 days of leave would be unpaid, unless the employee elects to substitute paid leave accrued via other means. After 10 days, the employee would receive payments of at least two-thirds of their average pay, up to a maximum of \$200 per day and \$10,000 in total.

Exemptions. Employers of health care providers or emergency responders would be able to elect to exclude an employee from paid family leave.

Effective date. The provisions in this division would take effect no later than 15 days after enactment of the bill and would expire on December 31, 2020.

Division D: Emergency Unemployment Insurance Stabilization and Access Act

Emergency Unemployment Insurance (UI) grants. The bill provides \$1 billion for emergency grants to states for UI administration, allocated by the proportionate state share of wages subject to the UI employer tax.

- \$500 million for all states, to be transferred within 60 days of enactment for states meeting the following requirements:
 - The state requires employers to notify employees of the availability of unemployment compensation (UC) at separation
 - The state makes applications for UC accessible in at least two of the following channels: in-person, by phone, or online
 - The state notifies applicants when an application is received and is being processed and provides information regarding how applicants can resolve any problems that arise in the processing of the application
- \$500 million for additional grants (same size as initial grants) for states in which the number of unemployment compensation claims has increased by at least 10% over the same quarter in the previous calendar year. These states would be required to take steps to temporarily ease eligibility requirements that limit access to UI during the COVID-19 outbreak, such as work search requirements, waiting periods, and requirements to increase employer UI taxes if they have high layoff rates. Depending on the state, those actions could require changes in state law, or might just require changes in state policy.

Table 1 at the end of the brief shows FFIS estimates of this funding, based on bill language that state allocations should be paid in proportion to each state's relative taxable UI wages.

Loans. The bill provides interest-free loans to states to help pay UI benefits through December 31, 2020 if needed.

"Short-time" program assistance. The bill directs DOL to provide technical assistance for states that want to set up "short-time" programs (in which employers reduce hours instead of laying off employees, with employees receiving partial unemployment benefits to offset lost wages).

Full funding for extended benefits. For states that receive both the initial and additional emergency UI administration grants referenced above, the bill provides full federal funding (rather than the normal 50/50 cost share) of extended benefits (including the first week for states with no waiting week), for weeks of unemployment beginning after the date of enactment and before December 31, 2020.

Emergency flexibility. Federal requirements in the Social Security Act and Internal Revenue Code for states' unemployment compensation laws will not be applied to emergency temporary state modifications of such laws to respond to COVID-19.

Division E: Emergency Paid Sick Leave Act

Eligible sick time. The Emergency Paid Sick Leave Act requires government employers and those with fewer than 500 employees to provide paid sick time to employees—regardless of the duration of their employment—for the following reasons related to coronavirus:

- They are subject to federal, state, or local quarantine or isolation order
- To self-quarantine as recommended by a health care provider or because they are experiencing symptoms and seeking a medical diagnosis
- To care for or assist a family member who is diagnosed or has been advised to self-quarantine by a health care provider
- To care for a child if the school or place of care has been closed, or the child care provider is unavailable

The bill allows employers of health care providers or emergency responders to elect to exclude an employee from the paid sick time requirements.

Payment. Full-time employees would be entitled to 80 hours and part-time employees would be entitled to the average number of hours worked over a two-week period. Payments must be at the employee’s regular rate (capped at \$511/day and \$5,110 in total), unless taken to care for a family member or child, in which case they may be two-thirds of the regular rate (capped at \$200/day and \$2,000 in total).

An employer would be prohibited from requiring employees to use other paid leave before the paid sick time provided in the bill and may not discharge or discipline an employee who:

- Takes sick leave provided in the bill
- Has filed any complaint, instituted any proceedings, or has/is about to testify in any such proceeding under the bill

Exemptions. The secretary of DOL would have the authority to issue regulations to:

- Exempt private employers with fewer than 50 employees from paying paid sick leave for employees who are caring for a son or daughter due to school or place of care closure
- Exclude certain health care providers and emergency responders from paid sick leave provided in this section
- Carry out this program, including ensuring consistency with Division C and Division G of the bill

Effective date. These provisions would take effect no later than 15 days after enactment and would expire on December 31, 2020.

Division F: Health Provisions

FMAP increase. The bill would provide states with a 6.2 percentage-point increase in the FMAP for calendar quarters in which the public health emergency is in effect. At this point, it would likely apply to the first and second calendar quarters of 2020. The secretary of HHS [declared](#) a public health emergency, retroactive to January 27, 2020. These declarations last the duration of the emergency or 90 days but may be extended by the secretary. Table 2 at the end of the brief provides the FMAPs with the

increase. While Title IV-E Foster Care and Adoption Assistance also use the FMAP, the language does not specify whether the increase will apply to those programs. In contrast, the American Recovery and Reinvestment Act (ARRA) was explicit in identifying programs affected by its FMAP increase.

To receive the increase, states must meet the following Medicaid requirements:

- Ensure eligibility standards, methodologies, or procedures are not more restrictive than those in effect on January 1, 2020
- Ensure premiums do not exceed the amount as of January 1, 2020
- Cannot terminate enrollment unless an individual requests a voluntary termination of eligibility or ceases to be a state resident
- Must provide coverage (without cost-sharing) for any testing services and treatments for COVID-19, including vaccines, specialized equipment, and therapies
- Cannot increase the percentage of the nonfederal share required from local governments above that in place as of March 11, 2020

The bill would also increase each territory's capped allotment for FY 2020 and FY 2021 (\$2.7 billion for **Puerto Rico** in FY 2020 and \$2.8 billion in FY 2021; \$128.7 million for **Virgin Islands** in FY 2020 and \$127.9 million in FY 2021; \$86.3 million for **American Samoa** in FY 2020 and \$85.6 million in FY 2021; \$130.9 million for **Guam** in FY 2020 and \$129.7 million in FY 2021; and \$63.1 million for **Northern Mariana Islands** in FY 2020 and \$62.3 million in FY 2021).

COVID-19 testing. Effective upon enactment, the bill requires Medicaid and the Children's Health Insurance Program to provide coverage for COVID-19 diagnostic testing during the emergency period, including the cost of the provider visit to receive the testing, at no cost to the beneficiary. It also provides states the option to extend Medicaid eligibility to the uninsured for the purpose of diagnostic testing during the emergency period, at a 100% federal matching rate for both medical and administrative costs.

Other provisions, effective upon enactment and during the emergency period, include:

- A requirement that private health plans, Medicare Advantage Plans, TRICARE, veterans plans, federal workers' health plans, and the Indian Health Service cover (at no cost to the patient) the COVID-19 diagnostic test and visit (in-person and telehealth) to receive testing
- A waiver for Medicare Part B cost sharing for visits (in-person and telehealth) during which a COVID-19 diagnostic test is administered or ordered (the test is already covered by Part B)

As mentioned in the Division A summary, the bill also appropriates \$1 billion to remain available until expended for the National Disaster Medical System (administered by HHS) to reimburse provider claims for the costs of COVID-19 diagnostic tests and visits (in-person and telehealth) to receive testing provided to individuals without health insurance.

Division G: Tax Credits for Paid Sick and Paid Family and Medical Leave

Sick leave. The bill provides a refundable tax credit (until December 31, 2020) equal to 100% of qualified paid sick leave under the Emergency Paid Sick Leave Act (Division E), taken against the employer portion of Social Security taxes. Notably, the credit is not available to federal, state, or local governments, even though they are subject to the sick leave requirements.

- The amount of qualified leave is capped at \$200 per day (\$511 if the employee is subject to government-issued quarantine or isolation order related to COVID-19, has been advised by a health care provider to self-quarantine, or is experiencing symptoms of COVID-19 and seeking a medical diagnosis).
- The credit also applies to the self-employed, taken against income taxes and refundable. It equals 100% of the sick leave equivalent for those directly affected and 67% for those caring for a family member or a child.
- The credit also applies to the employer contribution to health insurance premiums.
- The Social Security trust funds would be held harmless by transferring funds from the general fund.

Paid family leave. A refundable tax credit of 100% of family leave wages paid pursuant to the Emergency Family and Medical Leave Expansion Act (Division C) is allowed against the employer portion of Social Security taxes, capped at \$200 per day and \$10,000 annually. It also applies to employer contributions to health insurance premiums. If the credit exceeds the employer's liability, the credit is refundable (the same provision is in effect for the self-employed, taken as a credit against income taxes). It is not available to federal, state, or local governments. The provision extends until December 31, 2020.

Next Steps

The bill is currently under consideration by the Senate, which is expected to approve it. The president has signaled approval. Even as this bill is being considered, a third bill to address COVID-19 is in the works.

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Table 1**Estimated State Allocations for Selected Grants**

(\$ in thousands)

State	Emergency Food Assistance (TEFAP)			Administration on Aging		UI Administration*		Total
	WIC	Administration	Commodities	Home-Delivered	Congregate	Base	Supplement	
Alabama	\$7,808	\$1,587	\$4,762	\$2,297	\$1,147	\$4,527	\$4,527	\$26,656
Alaska	1,457	264	791	761	380	2,306	2,306	8,264
Arizona	8,618	2,331	6,993	3,396	1,697	6,287	6,287	35,609
Arkansas	4,822	951	2,853	1,400	699	3,333	3,333	17,391
California	73,410	11,972	35,915	15,905	7,946	38,522	38,522	222,191
Colorado	4,938	1,297	3,891	2,309	1,154	10,052	10,052	33,692
Connecticut	3,237	961	2,884	1,719	859	6,153	6,153	21,966
Delaware	1,068	295	884	761	380	1,739	1,739	6,866
District of Columbia	926	286	859	761	380	1,587	1,587	6,388
Florida	27,478	6,264	18,793	11,515	5,753	19,320	19,320	108,443
Georgia	14,844	3,377	10,130	4,138	2,068	12,565	12,565	59,686
Hawaii	2,129	265	795	761	380	4,715	4,715	13,759
Idaho	1,962	441	1,324	771	385	4,721	4,721	14,326
Illinois	15,557	3,902	11,707	5,596	2,796	20,100	20,100	79,758
Indiana	7,823	1,839	5,518	2,963	1,480	8,129	8,129	35,882
Iowa	3,036	724	2,173	1,491	750	9,045	9,045	26,263
Kansas	3,134	758	2,275	1,291	645	6,633	6,633	21,371
Kentucky	6,671	1,533	4,599	2,046	1,022	5,224	5,224	26,319
Louisiana	8,886	1,805	5,415	2,030	1,014	4,396	4,396	27,944
Maine	1,165	319	956	764	382	1,793	1,793	7,171
Maryland	7,974	1,546	4,637	2,630	1,314	6,250	6,250	30,601
Massachusetts	5,880	1,711	5,134	3,180	1,589	15,622	15,622	48,738
Michigan	12,547	3,218	9,655	4,819	2,408	11,031	11,031	54,710
Minnesota	6,929	1,290	3,869	2,505	1,252	17,855	17,855	51,554
Mississippi	5,749	1,129	3,388	1,327	663	3,818	3,818	19,891
Missouri	6,474	1,730	5,191	2,874	1,436	8,772	8,772	35,250
Montana	1,089	298	895	761	380	3,098	3,098	9,620
Nebraska	2,251	444	1,332	845	422	2,331	2,331	9,957
Nevada	3,721	947	2,841	1,320	660	9,637	9,637	28,763
New Hampshire	708	252	757	761	380	2,248	2,248	7,354
New Jersey	10,978	2,415	7,244	4,033	2,015	27,730	27,730	82,144
New Mexico	2,610	853	2,558	986	493	4,165	4,165	15,831
New York	34,667	6,339	19,018	8,923	4,458	27,171	27,171	127,746
North Carolina	13,937	3,291	9,873	4,685	2,341	22,511	22,511	79,149
North Dakota	833	166	499	761	380	2,779	2,779	8,199
Ohio	11,434	3,724	11,171	5,585	2,790	13,807	13,807	62,318
Oklahoma	4,253	1,263	3,788	1,720	860	7,284	7,284	26,452
Oregon	4,917	1,247	3,740	2,032	1,015	13,669	13,669	40,288
Pennsylvania	14,069	3,868	11,605	6,464	3,230	15,331	15,331	69,900
Rhode Island	1,300	308	924	761	380	2,388	2,388	8,450
South Carolina	6,502	1,589	4,768	2,473	1,236	7,460	7,460	31,489
South Dakota	1,016	239	717	761	380	1,431	1,431	5,977
Tennessee	8,552	1,982	5,946	3,087	1,542	6,484	6,484	34,076
Texas	39,003	8,781	26,344	10,275	5,133	33,495	33,495	156,526
Utah	3,142	694	2,081	989	494	9,651	9,651	26,702
Vermont	938	150	451	761	380	1,123	1,123	4,927
Virginia	6,264	2,062	6,187	3,688	1,843	8,771	8,771	37,586
Washington	9,712	2,140	6,420	3,276	1,636	28,128	28,128	79,439
West Virginia	2,383	707	2,121	984	491	2,061	2,061	10,808
Wisconsin	6,199	1,430	4,291	2,768	1,383	9,739	9,739	35,549
Wyoming	577	155	465	761	380	1,445	1,445	5,228
Puerto Rico	15,420	2,658	7,975	1,743	875	1,404	1,404	31,478
Virgin Islands	488	60	180	380	190	161	161	1,621
American Samoa	558	0	0	95	88	0	0	740
Guam	719	83	248	380	190	0	0	1,620
Northern Mariana Islands	342	56	169	95	48	0	0	710
Subtotal - State Allocations	\$453,106	\$100,000	\$300,000	\$152,162	\$76,071	\$500,000	\$500,000	\$2,081,340
Unallocated	46,894	0	0	7,838	3,929	0	0	58,660
TOTAL	\$500,000	\$100,000	\$300,000	\$160,000	\$80,000	\$500,000	\$500,000	\$2,140,000

*UI estimates are based on each state's share of taxable wages, as specified in Sec. 4102 of the bill (see <https://www.law.cornell.edu/uscode/text/42/1103>). The UI supplement is available only to qualifying states.

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Table 2**Emergency FMAP Increase**
(federal share as a percent)

State	FY 2020 FMAP	FMAP w/Temporary Increase
Alabama	71.97	78.17
Alaska	50.00	56.20
Arizona	70.02	76.22
Arkansas	71.42	77.62
California	50.00	56.20
Colorado	50.00	56.20
Connecticut	50.00	56.20
Delaware	57.86	64.06
District of Columbia	70.00	76.20
Florida	61.47	67.67
Georgia	67.30	73.50
Hawaii	53.47	59.67
Idaho	70.34	76.54
Illinois	50.14	56.34
Indiana	65.84	72.04
Iowa	61.20	67.40
Kansas	59.16	65.36
Kentucky	71.82	78.02
Louisiana	66.86	73.06
Maine	63.80	70.00
Maryland	50.00	56.20
Massachusetts	50.00	56.20
Michigan	64.06	70.26
Minnesota	50.00	56.20
Mississippi	76.98	83.18
Missouri	65.65	71.85
Montana	64.78	70.98
Nebraska	54.72	60.92
Nevada	63.93	70.13
New Hampshire	50.00	56.20
New Jersey	50.00	56.20
New Mexico	72.71	78.91
New York	50.00	56.20
North Carolina	67.03	73.23
North Dakota	50.05	56.25
Ohio	63.02	69.22
Oklahoma	66.02	72.22
Oregon	61.23	67.43
Pennsylvania	52.25	58.45
Rhode Island	52.95	59.15
South Carolina	70.70	76.90
South Dakota	57.62	63.82
Tennessee	65.21	71.41
Texas	60.89	67.09
Utah	68.19	74.39
Vermont	53.86	60.06
Virginia	50.00	56.20
Washington	50.00	56.20
West Virginia	74.94	81.14
Wisconsin	59.36	65.56
Wyoming	50.00	56.20
Puerto Rico*	76.00	82.20
Territories*	83.00	89.20

*FY 2020 FMAP reflects increase provided in FY 2020 appropriations.

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