Coronavirus Relief Remains Stalled

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WEEKLY NEWSLETTER

August 24, 2020

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The House and Senate are out of session until September.

Washington Update

Coronavirus Stimulus Bill

House Speaker Nancy Pelosi has officially turned down several requests from her members to take up more economic recovery bills when the House returns this weekend. On Thursday, August 20, in a late night "Dear Colleague" letter, Pelosi said members' proposals - such as a package of economic stabilizers - could be taken up at a later date, but the House would not vote this weekend. Calls had been mounting all week for Democrats to take up more bills, with several dozen members having written a letter to Pelosi requesting action. Nearly two-dozen members of the Blue Dog Coalition plan to send a letter Friday urging party leaders to resume coronavirus talks immediately, outlining a slew of priorities. In yet another letter, swing-district members of both parties have issued a similar call to action to leaders of both parties. Meanwhile, top negotiators haven't met in person to discuss the next relief deal since August 7, and funding for state and local governments remains a significant stumbling block in negotiations.
(The Senate remains out of session until early September.)

Speaker Pelosi held a call Thursday evening with House Minority Leader Steny Hoyer, House Majority Whip Jim Clyburn and Assistant Leader Ben Ray Lujan, in which they discussed staying away from a stand-alone vote on unemployment insurance stabilization. Instead, they agreed to push for a more comprehensive deal.

On Tuesday, August 18, Senate Republicans began circulating text of a smaller coronavirus relief package that would revive extra unemployment benefits at half the original rate, protect businesses from lawsuits related to the virus, and provide funding for testing and schools. In order to reach a deal, the two parties need to bridge the gap on state and local funding as well as schools. Republicans feel $150-$250 billion for state and local government funding is satisfactory while Democrats are asking for almost $900 billion. The gap for school funding is also substantial, with Democrats seeking $400 billion and Republicans holding at $105 billion.i

Click here to read the Democratic caucus letter.

Click here to read the bipartisan swing district letter.

Student Loans

On Monday, August 24, acting on President Trump's August 8th memorandum, U.S. Secretary of Education Betsy DeVos directed Federal Student Aid (FSA) to extend the student loan relief to borrowers initiated by the President and Secretary in March 2020 through December 31, 2020. All borrowers with federally held student loans will have their payments automatically suspended until 2021 without penalty. In addition, the interest rate on all federally held student loans will be set to 0% through the end of the calendar year. Borrowers will continue to have the option to make payments if they so choose and doing so allows borrowers to pay off their loans more quickly and at a lower cost. During this extended time frame, collections on defaulted, federally held loans are still halted, and any borrower with defaulted federally held loans whose employer continues to garnish their wages will receive a refund of those garnishments.

Click here to read the full press release.

Initial Jobless Claims

In the week ending August 15, the advance figure for seasonally adjusted initial claims was 1,106,000, an increase of 135,000 from the previous week's revised level. The previous week's level was revised up by 8,000 from 963,000 to 971,000. The 4-week moving average was 1,175,750, a decrease of 79,000 from the previous week's revised average. The previous week's average was revised up by 2,000 from 1,252,750 to 1,254,750. The advance seasonally adjusted insured unemployment rate was 10.2 percent for the week ending August 8, a decrease of 0.4 percentage point from the previous week's unrevised rate.

Click here to read the full report.

DOL/ETA

U.S. Secretary of Labor Eugene Scalia Highlights Economic Recovery in Pittsburgh

On Thursday, August 20, U.S. Secretary of Labor Eugene Scalia traveled to Pittsburgh, Pennsylvania, where he highlighted the nation's continuing economic recovery from the coronavirus pandemic. Secretary Scalia first toured the Trade Institute of Pittsburgh, where he participated in a roundtable discussion and met with young people transitioning back into the workforce. Secretary Scalia also visited the Pittsburgh Job Corps Center to meet with students and staff. Finally, the Secretary joined the Marcellus Shale Coalition leadership and members to speak at the Coalition's quarterly meeting about the economic reopening and the Department's programs to help skilled workers return to the workplace.

Click here to read the full article.

Department of Labor Issues Additional Guidance for States on Lost Wages Assistance Program

On Monday, August 17, The U.S. The Department of Labor issued additional guidance to address questions raised by states about the Lost Wages Assistance (LWA) program authorized by the Presidential Memorandum, *Authorizing the Other Needs Assistance Program for Major Disaster Declarations Related to Coronavirus Disease* 2019, issued on August 8, 2020. LWA is administered by states and territories through a grant agreement with FEMA. FEMA does not administer these payments directly to individuals; the states and territories will distribute the funds through their unemployment insurance systems, as a supplemental payment. This guidance responds to questions received from states about the LWA program and the answers were developed in coordination with FEMA.

Click here to read the full article.

Supporting American Workers

On Monday, September 21, a new final rule will go into effect that makes it easier for workers impacted by foreign trade to receive training and support for new employment.

Click here to access the final rule.

WDC in the News

Unemployment Isn't Too High — Regular Wages Are Too Low

There has been lots of consternation in Congress and among pundits that pandemic unemployment benefits are greater than what many people were earning from work. It is time for Congress, and for us all, to recognize why that is: What many people earn from work is not enough to live on. For those of us who study working Americans, it is not surprising that unemployment benefits designed to provide a lifeline to households turn out to be higher than many working people's previous earnings, because for many working people, their earnings couldn't cover the basic needs of their household to begin with. In 2019, about 25 million filers received the earned income tax credit, or EITC — which provides a cash supplement to working people with low incomes. The amount of the benefit is adjusted according to the level of earnings and household size with the goal of encouraging the heads of poor households to work and reducing dependence on cash welfare.

Click here to read the full article.

Reports & Articles

New from Brookings

Unpredictable Work Hours and Volatile Incomes are Long-Term Risks for American Workers

Debates about working time tend to focus on quantity. Are American workers having to put in too many hours, especially those with caring responsibilities? This is of course a vitally important question. But it is not the only one. It matters not only how many hours people work, but how much control they have over them. Irregular work hours lead to income volatility for hourly wage workers, increasing the difficulty of making ends meet. "Just-in-time" scheduling practices put workers in a vulnerable financial position - both by destabilizing earnings and by disrupting their access to safety net programs - and make it difficult for them to arrange childcare, attend school, or pick up a second job.

Click here to read the full article.

New from AYPF

Webinar: CCSSO's Responsive Approaches to Serving Vulnerable Populations: A COVID-19 Restart & Recovery Equity Initiative

On Wednesday, August 26, from 2:00-3:00 pm (ET) the American Youth Policy Forum (AYPF), in partnership with CCSSO's Equity and Access Office, will host a webinar to promote the 4th installment of their virtual series on Responsive Approaches to Serving Vulnerable Populations: *A COVID-19 Restart & Recovery Equity Initiative*. The impact of COVID-19 on discipline policy and action in school reopening plans, in light of the racial and ethnic disparities prevalent in the juvenile justice system, will be discussed. An examination of the disproportionate rate of high-tier responses to misconduct in school and class settings for students of color, which lead to the prison pipeline, will ground the discussion led by invited experts. Topics that will be discussed include reentry – skill development and college and career readiness; punitive approaches/discipline policies in schools; and social and emotional learning (SEL) supports in schools/inclusive schools.

Click here to register for the webinar.

New from Aspen Institute

California's Approach to Recovery and Resilience: Centering Equity and Job Quality

Questions about the future of work have shifted in this time of pandemic, prompting overdue discussions about workplace health and safety, the unemployment system, health insurance, and fair wages and benefits. What policies can support a thriving future of work? What roles do we want private business to play? And what strategies will build a future of work that addresses long standing inequities and inequalities and provides opportunities for all to thrive? California's Future of Work Commission and Jobs and Recovery Task Force have been working on these questions since before the pandemic and have begun implementing innovative policies to address the critical challenges facing working people in today's economy and tomorrow's.

This event will feature Julie Su (Secretary, California Labor and Workforce Development Agency), Angela Glover Blackwell (Founder in Residence, PolicyLink, and member of Governor Newsom's Task Force on Business and Job Recovery), and moderator Meghan McCarty Carino (Workplace Culture Reporter, Marketplace).

Click here to register.

Fast Fact

During thinking, we only use about 35% of our brains.

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