

March 21, 2020

United States Congress
Washington, D.C. 20515

Dear Representatives and Senators:

The undersigned groups of national organizations involved in providing elementary and secondary education to the nation's public school students are gravely concerned with the complete lack of fiscal support for public schools in the Coronavirus Aid, Relief, and Economic Security (CARES) Act. As the third legislative package to deal with the COVID-19 pandemic is being developed, it is imperative that the final bill include emergency funding available to states for public schools. We identify five immediate opportunities for fiscal support for schools and strongly support the inclusion of all five:

- Provision of Emergency Funding Directly to States to Support Local Education Agencies: Much like the State Fiscal Stabilization Fund (or SFSF, a one-time appropriation of more than \$50 billion to states) that was part of the American Recovery and Reinvestment Act, we urge Congress to invest a significant amount—at least \$75 billion of funding—at the state level to help bolster state budgets, to stimulate the economy in the short term and invest in education and other essential public services to ensure the long-term economic health of our nation. Mechanisms exist to support quick and efficient allocation of the dollars through states to the local level. Any such funding must include strict protections related to 'supplement, not supplant' and ensure that a high percentage (all dollars except those related to administrative costs) end up at the local level. Particularly, we urge that a certain percentage [at least 50 percent] of funds provided through any SFSF program be designated for direct, supplemental subgrants to school districts for K-12 educational services and be distributed to LEAs within 15 days of receipt, again with a limitation on the percentage of subgrant funds withheld for administrative purposes.
- Emergency Funding for Technology for Remote Learning: As schools and families find themselves in the never-before-found situation of wide-spread home-based learning as schools are closed, it has highlighted a long-documented and persistent inequity as it relates to access to broadband. In the context of our students, this is called the 'homework gap'. This package must include \$2 billion in funding to the E-rate program and flexibility for the FCC in its administration.
- Federal Medical Assistance Percentage (FMAP) for Medicaid: Since its enactment in 1965, the Medicaid program has used the FMAP to determine the federal share of the cost of covered services in state Medicaid programs. The federal share has averaged 57 percent. In recent years, Congress has twice increased FMAPs across the board to provide temporary fiscal relief to states during recessions¹. With states all facing an all but certain economic downturn, it would be prudent and proactive for the federal government to increase its FMAP funding in order to cover 100 percent of Medicaid costs for at least one year..
- Include Public Employers in Payroll Tax Credit: Congress must ensure equitable treatment of state and local government agencies by including them in the benefits of payroll tax credit for "emergency paid leave" for our public employees affected by the coronavirus. Just like businesses and nonprofit agencies, state and local government employers will be providing emergency family and medical paid leave and emergency paid sick leave. Under the Family First Coronavirus Response Act, unlike businesses and nonprofit agencies, state and local government employers, including school districts, are expressly prohibited from offsetting these additional personnel costs against our employer share of Social Security payroll withholding payments [see section 7001(e)(4) and 7003(e)(4) of H.R. 6201]. Ironically, private and

¹ Kaiser Family Foundation. "Medicaid Financing: An Overview of the Federal Medicaid Matching Rate (FMAP)". September 2012. <https://www.kff.org/wp-content/uploads/2013/01/8352.pdf>

parochial schools, as nonprofit agencies, would financially benefit from the proposed tax credits, along with private sector businesses, while public school districts, along with other state and local government employers, would be excluded from the payroll tax credits. As school districts are the largest employer in the United States collectively, we urge Congress to remove this prohibition and allow eligibility for school districts and other units of state and local governments to receive the payroll credits.

- Paid Sick Leave: Given the expansive nature of this pandemic, even modest estimations for population infection are staggering. The likelihood of infection makes the availability of paid sick leave an absolute necessity. Absent paid sick leave, employees have to choose between keeping themselves home to keep their coworkers safe, or going to work because they can't afford to forgo wages. This is a false choice in light of this pandemic, and any final bill must cover all workers, reinstate the personal illness and quarantine and family care provisions in extended paid FMLA portion that were eliminated by HRes 904 and cover workers who need to care for a family member who is disabled or ill or aged and would normally be cared for by an institution or person who is now unavailable because of the public health emergency.

Thank you for your quick work on this important legislative package. We strongly urge you to include these critical provisions.

Sincerely,

AASA, The School Superintendents Association
American Federation of Teachers
Council of Great City Schools
National Association of Elementary School Principals
National Association of Secondary School Principals
National Education Association
National School Boards Association

CC: U.S. Senate
U.S. House of Representatives