

United Way Worldwide

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May 27, 2020

The Honorable Nancy Pelosi
Speaker
U.S House of Representatives
Washington, DC 20510

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
U.S Senate
Washington, DC 20510

The Honorable Charles E. Schumer
Minority Leader
U.S. Senate
Washington, DC 20510

Dear Speaker Pelosi, Leader McConnell, Minority Leader Schumer, and Minority Leader McCarthy:

Across the country, United Ways are on the front-lines of the response to the coronavirus and its economic fallout. We are in virtually every community in America, so it is not surprising that during times of uncertainty and crisis, people look to us for help. We are almost entirely funded by private donations. Yet we are the largest non-government funder of human services in the U.S. We are uniquely positioned to respond to the short- and longer-term needs of those most affected by the outbreak. We are mobilizing to provide accurate information to those struggling to get by, and responding to immediate community needs for food, shelter, and health care resources, in coordination with local governments and health officials.

We are grateful for your bipartisan efforts to pass four major pieces of legislation that provide vital economic relief for workers, children and families. In particular, the Paycheck Protection Program will help keep thousands of United Way employees on the job helping their communities. The \$300 nonitemizer deduction will help raise private donations at a time when newly unemployed workers transition from donors to beneficiaries of our work. Additionally, the cash assistance for families, emergency funding for the Supplemental Nutrition Assistance Program (SNAP) and the Emergency Food and Shelter Program (EFSP) will go a long way towards helping children and families survive the growing public health and economic crisis caused by the spread of COVID-19.

As the scale of the devastation grows, however, it is clear that additional support is needed to help unemployed workers manage financially, provide a safety-net for our most vulnerable populations, ease the financial burden of employers, and help families unable to maintain proper childcare as schools shut down. Therefore, as you consider a fifth relief package, **we urge you to prioritize investments in policies and community supports that will enable financial stability for those who need it most.** Specifically, we ask that you:

- **Enhance charities' ability to raise private donations by expanding and making the new nonitemizer charitable deduction permanent.** A temporary \$300 nonitemizer provision is a step in the right direction and it will potentially bring in millions of new donors and dollars, especially to faith-based and basic needs charities. However, we expect that the drop giving cause by the economy will be immediate and dramatic at a time when people need our help the most. Tax policy influences behavior and a significant nonitemizer deduction could drive billions in private giving to offset the economic impact. If not permanent, Congress should at least extend a new deduction until expiration of the TCJA provisions for individuals.
- **Put more money into the economy by expanding the Earned Income Tax Credit (EITC) and Child Tax Credit (CTC) for working individuals and families.** With a recession projected for some time, Congress should enact these expansions immediately. Expanding the EITC for workers not raising children at home and lowering the age of eligibility, as well as increasing the CTC and making it fully refundable will enable millions of Americans to keep more of what they earn. Based on United Way's work around the



country helping prepare taxes for millions of lower-income Americans, we know first-hand how powerful these changes will be in enabling workers to keep more of what they earn to pay for things like health care bills, car payments, and rent.

- **Ease the financial strain on state budgets by providing a temporary increase in the Federal Medical Assistance Percentage (FMAP).** During the Coronavirus pandemic Medicaid enrollment has sharply increased as low-income individuals lose their employment and have no other health insurance. The increase in the FMAP enacted in the bipartisan Families First law provided critical fiscal relief to states while also protecting health care coverage in Medicaid. We are asking Congress to build on that support and, in recognition of the mounting state fiscal emergencies, provide an additional temporary increase in the federal Medicaid matching payment to states. This is also critical to ensuring states preserve and protect Medicaid coverage for those who need it and are eligible.
- **Connect people to the vital health and economic services they need by providing an emergency appropriation of \$150 million to 211.** Similar to 911, callers can dial 211 to speak with a trained community resource specialist to learn about public and private community, health, and human services available in the community, as designated by the Federal Communications Commission. An emergency investment will boost 211's capacity to answer tens of millions of new calls and inquiries about COVID-19, mental health services, and essential needs to get through the pandemic. Currently, 31 states have officially named 211 as the number to call for accurate information about COVID-19. And based on current call volume to 211 centers, United Way anticipates a surge of 33 million calls over the next six months, a 400% increase over annual call volume and well beyond the current capacity of the 211 system. Therefore, we ask for an appropriation of \$150 million in 211 to carry out essential communication and response services during this crisis.
- **Respond to immediate basic needs by increasing emergency funding for the Federal Emergency Management Agency's Emergency Food and Shelter Program (EFSP) by \$200 million.** Congress should continue to utilize EFSP to support local charitable and public agencies serving on the front lines to help people most at risk of homelessness and hunger due to this health and economic crisis. There are ongoing and increasing needs related to food insecurity, homelessness and other supportive services. The Emergency Food and Shelter Program administers funding quickly, efficiently, and ensures it is responsive to local needs.
- **Help low- and moderate-income families file federal taxes and access tax benefits by providing a \$12 million emergency appropriation for the Volunteer Income Tax Assistance (VITA) Program for this tax season and \$5 million additional funding for 2021 tax season.** The VITA program provides low- and moderate-income individuals and families with free, reliable assistance in filing federal tax returns. Because the 2019 filing deadline has been extended far beyond the operating plans of VITA sites and considering the requirements for accessing the Economic Impact Payments authorized by the CARES Act, VITA programs anticipate a surge in demand for services this year. The immediate need is by non-filers and those in traditionally underserved populations to file a tax return to access these critical federal benefits.
- **Address the growing food insecurity needs of children and families by temporarily increasing the basic Supplemental Nutrition Assistance Program (SNAP) benefit level by 15%.** SNAP serves families, seniors and others who need it most in an efficient and cost-effective way. As low-wage workers lose jobs during this pandemic, an increase in SNAP will help ensure families can afford to put food on the table and it will support the economy by creating a boost in consumer demand. The temporary boost



provided in the ARRA economic recovery law in 2009 was one of the key provisions that helped avert a massive increase in poverty.

- **Strengthen the role of child care providers to support workers and families by providing a \$50 billion emergency appropriation for the child care system.** The supplemental funding provided through the Child Care Development Block Grant (CCDBG) is an important first step in helping to support the child care system during this unprecedented crisis. Because child care is a \$99 billion sector, much larger and ongoing investments will be needed to preserve the child care system so that it works for children, families, educators, businesses, and our nation's economy. Specifically, we request that Congress act to provide at least \$50 billion in total funding dedicated to child care to help providers cover ongoing costs while they are closed for public health reasons, or remain open with reduced enrollment to serve children of essential workers. Child care's essential status demands dedicated relief that acknowledges the unique needs of a system that was already teetering on the edge of financial viability before this pandemic.
- **Provide support for charities by allocating additional funding for nonprofits in the Paycheck Protection Program.** Many small charities, including some United Ways, were effectively shut out of the PPP in the first few days. Because nonprofits employ 12.5 million Americans and because of our role in our communities, we urge Congress to set-aside a specific pool of funds within the PPP for charities and provide lenders with added incentives to process our applications.
- **Create millions of jobs and train workers to respond to the pandemic by investing in job training and skill-building in an infrastructure package.** There is bi-partisan support for a major effort to re-build our nation's infrastructure, which could create jobs that will be needed even more coming out of the pandemic. We urge Congress to ensure that any infrastructure package does not simply focus on building roads and bridges, but also includes support for comprehensive job training, education and support services to prepare workers with the skills necessary to succeed in in-demand infrastructure industries. That includes workers who have been laid off from the restaurant, hospitality, and retail sectors who won't be able to access these jobs without a federal commitment to train them for in-demand positions.
- **Help students access online and distance learning by increasing funding for the FCC E-RATE program.** The public health crisis has widened the already pervasive digital divide in low-income and rural communities. As children and families adapt to learning in a virtual environment, we must ensure they have access to Wi-Fi hotspots, home internet connectivity, and digital devices to continue their education at home. It is critical that Congress shore up additional funds to better support students who are unexpectedly attending classes online.
- **Respond to the nation's growing mental health and behavioral health needs by increasing funding for SAMSHA programs and the new suicide prevention hotline.** The COVID-19 pandemic and ongoing economic crisis is creating a surge in need for mental health and substance use disorder services. Because community-based resources have been stretched thin and states are experiencing drastic budget shortfalls, more funding is required by state and community providers to meet the rising demand. Therefore, we urge Congress to increase funding for SAMSHA programs and the new suicide prevention hotline.
- **Provide temporary economic relief for individuals and families by making additional investments in unemployment insurance and recovery rebates.** While the recently-passed economic relief packages will provide much-needed relief for workers, children and families, our work isn't finished. As unemployment rates continue to climb, we must further extend unemployment insurance benefits to respond to the growing number of job losses and furloughs happening across the country. We also must provide additional cash

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support for individuals and families, including seniors and very-low income Americans, so they have access to this critical support.

In this time of national emergency, we recognize that additional federal action is necessary to support the communities we serve during this public health and economic crisis. We urge you to shore up the critical programs outlined above that better position nonprofits to meet the demands of COVID-10 directly and connect people to the essentials they need to get by. We stand ready to work with you to mitigate the impact of this coronavirus outbreak and help our communities recover.

Thank you.

Suzanne McCormick
U.S. President
United Way Worldwide