



# ***The Moral Equivalent of Wartime Equality: Public Policies in Response to the COVID-19 Pandemic in Pennsylvania***

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The coronavirus poses a number of serious challenges to every country and to every state in the nation, and the challenge is not just to our health but to our political and economic institutions as a whole. This devastating virus will not just spread illness and death, and undermine our economy and our lives, but it will do so in ways that will fall unequally on our people. Those who have low incomes, or who are ill or disabled, will bear greater burdens—not just from the virus but also from the policies and practices we must all embrace to limit its spread. It’s been widely noted that the struggle to contain the virus and relieve the suffering it’s causing is the moral equivalent of war. Both moral and pragmatic considerations teach us that we must embrace the moral equivalent of wartime equality in that struggle. Whenever we have been at war, we have recognized the necessity of ensuring that the burdens of war fall on us equally, regardless of economic background, gender, race, and ethnicity. And this struggle is no exception. We must ensure that the burdens of COVID-19 fall on us more equally and take aggressive steps to protect those who will otherwise suffer the most.

In the days and weeks ahead, we and others will produce more detailed policy proposals that the state of Pennsylvania should adopt to meet these challenges. This policy brief is an initial overview of those policies. It is divided into three parts. The first contains some regulatory and legislative changes that the state can adopt to provide some immediate relief to those with low and moderate incomes. The second addresses the impact of COVID-19 on the state budget. It proposes some steps the state should take in addressing a likely recession and its impact on state revenues in the 2020-2021 budget year. The third contains some broader proposals that would not only provide immediate relief but also fix some of the underlying inequities in our lives that are responsible for both the unequal impact of the spread of COVID-19 and the broader injustice in our political community.

## **I. Immediate Steps**

This section suggests immediate policy steps the state should adopt to mitigate the impact of COVID-19 on the health and economic problems already faced by many Pennsylvanians and on our political system. Some of these steps require legislation; others can be carried out administratively, perhaps with the approval of the federal government. In some cases, we are not yet sure what Pennsylvania and federal law allow the administration to do, and implicit in our suggestions is that where the administration cannot act through regulatory means alone, the General Assembly should empower it to act.

<sup>1</sup> This policy brief draws on the expertise of many people including Stephen Herzenberg of the Keystone Research Center, Diana Polson of the Pennsylvania Budget and Policy Center, Antoinette Kraus of the Pennsylvania Health Access Network, Sheila Christopher of the PA Association of Regional Foodbanks, Louise Hayes of Community Legal Services, Julia Simon-Mishel of Philadelphia Legal Assistance, and Paul Sonn of the National Employment Law Project. I thank them for the help they have given me in pulling this list together. They should not be held responsible for any errors in this brief.

## *Public Health*

The coronavirus presents a public health crisis in which efforts to test people who may have the virus, track the spread of the virus, and isolate people who are infected is of critical importance. To this point, the state appears to be meeting its responsibility well, given the limited availability of test kits. Yet it is disturbing to know that Pennsylvania's state spending on public health per capita ranks 45th among all states.<sup>2</sup> We spend \$13 per person while the national average is \$36. Moreover, state spending on public health has remained unchanged since 2008.<sup>3</sup>

We do not know whether the state's response to COVID-19 has been hampered by limited funds or staff. But if so, the administration should immediately seek additional funds, and the General Assembly should provide them.

## *Health Care*

The immediate challenge is to ensure that all Pennsylvanians get access to critical health care. This is important not just to ensure that we limit suffering and death from COVID-19, but also because quickly identifying, treating, and quarantining those who have the coronavirus will enable us to reduce the spread of the virus to many others and delay infections long enough to reduce the risk of overcrowding hospitals.

1. The insurance commissioner should be empowered to require that all insurance policies cover testing for and treatment of COVID-19, as well as emergency room visits, without co-pays or deductibles. These same services should be provided to immigrants, regardless of status, and the state should take steps to ensure that undocumented immigrants are not put at risk when they seek testing or health care.
2. No one should lose public health care benefits or long-term services and supports (LTSS) due to administrative difficulties and delays. In addition,
  - benefits must flow quickly to those who need them;
  - terminations of Medicaid / Medical Assistance should be suspended and an "express lane" created for applications for Medicaid / Medical Assistance, especially for those with issues related to COVID-19 with verification of eligibility should be minimized and delayed.
3. The health care marketplace should enable smooth transitions between marketplace policies and Medicaid / Medical Assistance for those who suffer loss of income. Those who lose employer-based insurance should be able to quickly secure marketplace insurance, and the availability of those policies should be widely advertised.

## *Economic Distress*

We must ensure that the economic burden of business closures and social distancing do not fall on those who are least able to deal with them. Again, this is not just a matter of justice for those who are already dealing with economic hardship, it is a way of ensuring that people have the economic wherewithal to separate themselves from others if needed.

1. A moratorium should be placed on evictions and foreclosure during the length of the emergency.
2. The state should strengthen the unemployment compensation system (UC) to meet the current crisis.

<sup>2</sup> SHADAC, State Health Compare website, <http://statehealthcompare.shadac.org/rank/117/per-person-state-public-health-funding#2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36,37,38,39,40,41,42,43,44,45,46,47,48,49,50,51,52/a/24/154/false/highest>.

<sup>3</sup> United Health Foundation, America's Health Rankings, Annual Report, [https://www.americashealthrankings.org/explore/annual/measure/PH\\_funding/state/PA?edition-year=2018](https://www.americashealthrankings.org/explore/annual/measure/PH_funding/state/PA?edition-year=2018).

The administration has already taken important steps. It has waived the week-long delay before workers can receive their first unemployment insurance payment. It has waived all work-search requirements, including registering online for CareerLink, performing weekly work searches, and attending Re-Employment Services and Eligibility Assessment (RESEA) classes. The Unemployment Compensation Board of Review has begun scheduling all unemployment compensation referee hearings by telephone.

Fortunately, Pennsylvania unemployment compensation law already provides coverage for workers who have quit jobs due to unsafe working conditions and those who must leave to take care of sick family members.

In addition to these steps, Pennsylvania should

- provide emergency funding to the Department to increase staffing and cover overtime for those who provide unemployment insurance services;
  - ensure that workers who would be able and available for work, if not for the health crisis and the state of emergency it has created, are not disqualified from receiving unemployment insurance;
  - not disqualify workers for “self-employment” who are doing contract, “gig,” or other short-term work from receiving unemployment insurance because they cannot perform their normal work;
  - consider legislative changes that will expand financial eligibility for low-wage workers, who will be hit hardest by this crisis; and
  - mitigate the impact of the recession on families and businesses by expanding “work sharing.” Work sharing allows employees who have their hours cut to receive partial unemployment benefits. Employers benefit because they retain employees with specialized skills.
3. SNAP benefits should be protected and expanded by
    - limiting termination of SNAP benefits and by extending SNAP certification periods;
    - ensuring that SNAP benefits are promptly increased when income declines, limiting verification requirements;
    - providing emergency SNAP assistance to households with children who are losing free or reduced-price meals because their schools are closed; and
    - increasing SNAP benefits wherever possible.
  4. Limit termination and reductions of **TANF** benefits during the emergency and act legislatively to increase benefits that have not been raised for many years. Publicize the availability of the TANF diversion program to assist families of those unable to work as a result of the pandemic, whether healthy or not, and who are not eligible for unemployment compensation or the federal paid sick leave provision. Immediately start issuing up to three months of TANF benefits to families whose return to work is indefinite while requiring minimal documentation.
  5. Extend the LIHEAP season until all LIHEAP funds are expended.
  6. For all state human service programs:
    - Suspend requirement of in-person interactions at county assistance offices (CAOs) and encourage all clients to take advantage of telephone and internet-based alternatives;

- Encourage the use of the MyCompassPA mobile app, fax, or mail to submit verification.
  - Reduce, eliminate, and delay verification requirements so that people can secure benefits quickly.
  - Suspend appeal deadlines and grant continuance to those who are appealing denials of benefits.
  - Increase staffing at CAOs and call centers.
  - Broadly inform the public and clients of these new policies.
7. Encourage schools to provide “grab and go” meals for school children who rely on free school lunches for basic nutrition.
  8. The state should quickly establish a program to loan funds at low interest rates to small businesses threatened by the pandemic to enable them to ride out the crisis.
  9. The state should not lay off employees during this crisis and should prohibit school districts and contractors that use state funds to carry out their work from doing so as well.

### *Political Equality and Democracy*

1. The state should mail all ballots for both the primary election and the general election to registered voters.
2. Unless and until provisions are made to allow everyone to vote by mail, elections other than the General Election in November, including special election, should be put off until it is not dangerous for people to congregate in public.

## **II. Dealing With the Coming Budget Crisis**

It is now clear that the national economy is about to enter—or is already—in recession. We have very little information about how steep the recession will be and how long it will last. Any new recession will both increase the demand for state spending—for UI, and Medicaid / Medical Assistance among other programs—and reduce state revenues.

We must not deal with revenue reductions as we did in the aftermath of the Great Recession, with massive cuts to K-12 and higher education and human services. Such cuts would not only place an additional burden on those most burdened by the war on COVID-19, they would also reduce economic activity and deepen the recession in the state. And cuts to education would undermine the long-term economic prospects of everyone in Pennsylvania.

Instead of reducing expenditures, Pennsylvania should meet the coming budgetary crisis by raising taxes on those most able to afford them and save a substantial part of what they earn.<sup>4</sup> The state should embrace elements of our Fair Share Tax proposal, raising revenues from the richest Pennsylvanians in order to balance the budget by increasing taxes on what we call “income from wealth.” At the same time, we should cut taxes on wages and interest to further protect working-class and middle-class Pennsylvanians from the burdens of fighting COVID-19 and to spur the consumption we need in order to limit the impact of a recession and restore economic growth.

Depending on the levels at which we raise a new tax on income from wealth, we could not only avoid budget cuts but secure the revenues needed for the immediate initiatives described above and the long-term ones described below.

The General Assembly should resist the strong temptation in an election year to enact a budget that is not balanced as was done a few years ago when the state was forced to securitize tobacco revenues to

<sup>4</sup> Public policy experts have long held that given the choice of budget cuts and tax increases in a recession, states should choose to raise taxes. A good summary of this research is Nick Johnson, “Budget Cuts or Tax Increases? Which is Preferable When the Economy is Weak, Center on Budget and Policy Priorities, April 28, 2010, <https://www.cbpp.org/research/budget-cuts-or-tax-increases-at-the-state-level>.

make up for a billion-dollar shortfall. Doing so would only push the deficit off for another year, a dangerous practice when raising taxes in the state is already so difficult.

### **III. Stronger Steps**

We have been advocating for the proposals listed below for some time. The burdens of COVID-19 on Pennsylvanians with low and moderate incomes would be far less if these policies were in place today. However, it is not too late to enact these proposals and provide the temporary funding to get them off the ground immediately.

1. **Mandated sick days.** The state should act in this area if, as seems likely, the federal government does not go far enough. Paid sick day proposals provide benefits to workers who earn them over time. However, the immediate establishment of paid sick days for all working people is a moral necessity. It would be reasonable for the state to provide small businesses with some compensation to cover the costs of sick days in the first six months of the program.

2. **Paid family and medical leave** for those who must leave their jobs to take care of family members who are ill. The legislature is now considering bipartisan legislation to establish a paid family and medical leave program, for which we have advocated, paid for by a small tax on employees. However, we need such a program now, before those taxes have been paid into the fund set up for this purpose. We should thus enact this program and provide an immediate infusion of public resources into the fund which is set up to pay claims for paid family and medical leave. Over the long term, we should ask employers as well as employees to make a small contribution to the program.

3. **Benefits under the Temporary Assistance to Needy Families Program (TANF) and General Assistance** have provided relief for those who are facing an immediate financial crisis. But TANF benefits have not been raised in a year and General Assistance was eliminated last year. It's time to raise TANF benefits and restore General Assistance.

4. **Ramp up investment in public infrastructure.** Pennsylvania has a serious public infrastructure investment deficit. This moment, when interest rates are near or at zero and construction costs will decline, is the ideal time for the state to expand its capital budget to invest more in roads, bridges, public transit, and broadband access. Doing so would address our infrastructure deficit, ensure that building trades workers remain employed during the crisis, generate consumption that will restore economic vitality, and boost state tax revenues.