

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Steny Hoyer
Majority Leader
U.S. House of Representatives
Washington, D.C. 20515

Dear Madam Speaker and Mister Leader,

Our country faces an unprecedented challenge. Just as we have passed legislation to meet some immediate needs related to medical equipment, sick leave, and unemployment insurance, I believe we must continue our work to pragmatically address the problems faced by families and small businesses. As we work to develop an economic stimulus, I ask that you keep in mind the following priorities. They are important to the country, and also to my state and district, which has yet to feel the full impact of this pandemic. Please keep in mind that states like Kansas need support and assistance, as well.

I believe any stimulus package should contain the following:

- Protecting workers – Any stimulus package must provide appropriate guardrails to protect workers and ensure large corporations put the needs of those workers ahead of their executives and shareholders. As an example, companies receiving government grants or loans should be willing to guarantee all workers are kept on with a health plan and at least 70% of their present salary.
- Accountability — Lessons learned from the 2008 and 2009 stimulus and relief programs include the need for accountability where the lending and granting of federal money is involved. Strong systems for accountability must be present at every level at which federal money is being lent or dispersed, including the Treasury, the Department of Transportation, the Small Business Administration, the Department of Health and Human Services, and the Department of Commerce. Provisions for independent bodies of oversight should be made, as well as GAO and congressional reporting requirements. Agency inspectors general should receive allocations in the stimulus, as their investigative burden will increase exponentially to closely monitor these activities. All money that is distributed should also be publicly accounted for in open-source data, including tracking websites maintained by the Administration. Those receiving federal funds should be prohibited from conducting stock buybacks, lobbying until debt has been

repaid, and increasing executive compensation.

- Small business relief – The average American small businesses operating cushion with is 27 days, and that average is being driven down daily as the financial crisis grows and extends. A major focus of this economic stimulus package should be the immediate and significant relief of small business pressure. In this case, we need to find simple, direct ways to help small businesses survive this looming recession in the near term. Assisting small businesses in this way also helps those businesses keep employees employed longer and provide them benefits (which were also bolstered in the last COVID-19 supplemental). According to experts, the most effective small business stimulus in this case would be zero or near-zero interest rate loans to provide for continuity of operations for businesses with 500 employees or fewer. Two other avenues for small business relief to consider are grant authority for loans to be converted into grants in instances of extreme economic hardship caused by coronavirus pandemic, and to advance no interest SBA loans to businesses to fund paid leave before the tax credit arrives.
- Hospital support — As hospitals work on the frontlines to solve the COVID-19 crisis, they must be fully supported by the federal government. These hospitals will be operating at decreased margins, forgoing all elective surgeries and delaying most non-essential procedures, to focus on the current pandemic, so consistent support from the federal government will be crucial. Making sure they have personal protective equipment, salaries for an already-overburdened workforce, and access to immediate capital to build emergency facilities as needed will be critical to their success through this crisis.
- Student loan debt relief – Our country is in a student debt crisis, with more than \$1.6 trillion in debt outstanding. Last week, the Trump Administration announced its plans to waive student loan interest payments. This announcement, while encouraging, falls far short of the urgent need for immediate relief for millions of workers and families that must weather this crisis, and does little to help them keep their money. Proposals that would simply delay payments, like forbearance or deferment, are also inadequate. These payment pauses are not true relief and are insufficient to meet the needs facing student loan borrowers. Enacting stimulus to directly forgive or relieve debt for these borrowers would mean more money staying with borrowers through this crisis.
- Family support:

- Childcare — Schools and care facilities across the country have sent children home, with some states, like Kansas, cancelling the remainder of the school year. This has increased pressure on families, some of whom are working from home and providing childcare at the same time. To whatever extent possible, provisions must be made in the stimulus to fully support children, ensure distance learning is enacted where requested, and childcare facilities are given the opportunity to apply for small business relief during this crisis.
- Food assistance — Programs like SNAP, WIC, and free lunch programs should be expanded, both in funding and eligibility, so families have as much flexibility in access to nutrition programs as is needed.
- Direct payments — The Administration plan, echoed in the draft Senate stimulus, suggests two rounds of direct payments to taxpayers, on April 6 and May 18, costing \$250 billion each. The amounts would be based on income level and family size, but this would basically mean \$1,000 payments to individuals and \$500 payments for children and dependents. Economists disagree as to the effectiveness of direct stimulus like this, but the opportunity to put more money in the hands of consumers, combined with other stimuli, is certainly a force multiplier.
- Suspend all consumer and credit payments for small businesses - This step would enable consumers and small businesses, including small farms, to weather the crisis by eliminating debt payments for the duration of the crisis at a time when many Americans will be confined to their homes and unable to work or earn income. Borrowers who make payments during this period, should have their payments applied to their accounts as timely. Borrowers with payment suspensions should not accrue any interest or fees during the payment suspension period and should be provided with affordable options to repay arrearages.
- Ban evictions and foreclosures during the pandemic — Because businesses are closing and many people do not have access to unemployment insurance or paid sick leave, an eviction and foreclosure ban is needed to ensure that people can safely quarantine in their homes, if necessary. Vehicles should not be repossessed during the pandemic as Americans will need their transportation in order to obtain food or medical care. A foreclosure moratorium should include a ban on initiating judicial or non-judicial

foreclosures, moving for order of sale, continuing any foreclosure process, or executing foreclosure sales and post-foreclosure evictions.

- **Broadband** — While much of the workforce has been able to temporarily transition to a work-from-home situation, that's simply not an option for many who still lack high-speed internet access at home. Even in the Kansas Third District, single-digit percentages of residents lack this service in their homes. Broadband becomes even more important, as school districts and entire states stop operations. Students need high-speed, dependable broadband access to fully-embrace distance education. Any number of broadband proposals could be considered, but the end goal remains the same for all of them — expand access to service. And during the beginning of this recession, consumers could receive free or reduced service by way of a federal grant program.
- **EMS, firefighter, first responder, and police care** — These frontline workers are often exposed to COVID-19 multiple times per shift, and usually in situations where complete hygiene is difficult to maintain. So, while they face the same equipment needs of their medical colleagues, they also have an added layer of peril in their line of work because one infected EMS technician or firefighter means the quarantine of their colleagues, as well. It's been widely reported in situations across the country that two positive diagnoses in a firehouse could mean quarantining 100 firefighters, shutting down entire districts for up to two weeks. These professionals could benefit from extended sick leave, additional hiring resources to allow for more workers and more shifts, and emergency use of existing grant programs, like AFG and SAFER grants.
- **Mental and behavioral health** — The toll of this pandemic is far and wide, but it can be felt on the personal level even more acutely. Social distancing can be disruptive and stressful. Combined with the stress of job loss, mounting debt, and uncertainty, people may increasingly feel frustrated, bored, angry, or confused. According to a new poll from the PBS NewsHour, NPR and Marist, nearly a fifth of Americans said they have lost their job or had their work hours cut due to novel coronavirus, and 48 percent said they, or someone in their household, canceled plans to avoid crowds. I urge leadership to add provisions to the stimulus to help address the toll on mental and behavioral health caused by this recession.
- **Transit support** — As both chambers work on additional stimulus measures to mitigate the severe economic disruption caused by COVID-19, including financial assistance to

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impacted industries, we must keep in mind the needs of public transit agencies and their workforce, like that of the Kansas City Area Transportation Authority that serves Wyandotte and Johnson counties. Billions will be needed across the country for operational costs to sustain the financial viability of our country's transit systems. Further, financial support for transit agencies must be available to cover operational needs rather than capital investments. The Federal Transit Administration's increased flexibility in using capital investment funds is helpful only in the short-term. Ultimately, using capital funds to cover operational costs will only increase maintenance backlogs and negatively impact the safety and viability of our transit systems. Additionally, protections must be put in place so that decreased ridership does not negatively impact transit agencies due to federal funding formulas that are based on a previous year's ridership totals.

Thank you for your tireless work, and for the work of your staff, to ensure we are meeting this challenge head-on. Our country has faced difficult times before, and we will overcome this challenge just as we always have — together. Thank you for your consideration.

My Warmest Regards,



Sharice L. Davids
Member of Congress