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**AMERICAN SUSTAINABLE BUSINESS COUNCIL POLICY RESPONSE TO COVID-19**

The coronavirus pandemic is a public health threat to all of us that requires a response from all of us: from the public and private sectors, from every citizen. By following the guidance of [public health experts](https://www.cdc.gov/coronavirus/2019-ncov/index.html), each of can help control the spread of this disease and mitigate its impact.

But in a sad irony, the very steps we must take to slow the spread of this virus are a dramatic brake on our economy as well. With businesses and schools closing to stem community transmission of COVID-19, employees are suddenly at risk of devasting loss of pay or being laid off. Business leaders, especially of smaller businesses, are afraid they may not be able to keep their businesses open or re-open once the crisis subsides.

It is also clear that while we all share the threat and share a responsibility to respond, the sacrifice that is required, especially across our economy, is not being shared equally. Government’s response to the imminent health threat and the immediate and on-going economic impacts must account for those inequities. Responding responsibly also will make sure that critical health, safety and other regulations are not unduly repealed, waived or disregarded. Finally, we must not allow this crisis or any other to undermine or alter our basic form of government, so steps must be taken to protect our fundamental rights, including the [right to vote](https://messaging-custom-newsletters.nytimes.com/template/oakv2?uri=nyt://newsletter/c8fec6a1-9a40-410a-a366-6230e10971f4&productCode=TY&te=1&nl=david-leonhardt&emc=edit_ty_20200318&campaign_id=39&instance_id=16872&segment_id=22348&user_id=762f6caebde578852072d06a41dc07a6&regi_id=9879628edit_ty_20200318).

We need urgent action to reduce both the public health and economic impacts of COVID-19 on our local and national economies and potentially stave off a longer-term economic crisis or recession. And we should not repeat the mistakes of past crises when bailouts went to support only shareholders and C-suite executives of the largest companies, while small and medium businesses and workers were left to fend for themselves.

ASBC calls for immediate emergency actions to be taken across the following major areas of policy:

* Fully engaging the private sector to meet the current and potential public health crisis
* Earned sick leave and paid family and medical leave
* Affordable healthcare and emergency measures to protect coverage, including Medicare and Medicaid
* Unemployment insurance and other income supports
* Immediate cash flow assistance for workers
* Immediate and targeted support for business

**Engaging the Private Sector**

Much like WWII, this global crisis requires the public and private sectors to be working in partnership. So many at the local, state and national level are stepping up, but more needs to be done in responding to the increasing demands on our health care system, as well as easing some of the economic impacts, including invoking the [Defense Production Act](https://www.fema.gov/defense-production-act-overview), which enables the government to procure or even invest in the industrial base to secure critical materials.

Meeting the demands on testing, hospital beds, medical supplies and equipment, even non-medical support positions, as well as maintaining critical supply chains for food and other necessities can be met by a private sector with support and direction from the government. In certain cases, individuals who find themselves unemployed during this crisis may be able to find re-employment in meeting these needs.

**Earned Sick Leave and Paid Family and Medical Leave**

Earned sick leave and Paid Family and Medical Leave are “[first-line-of-defense”](https://www.nytimes.com/2020/03/03/opinion/trump-coronavirus-sick-leave.html) policies that ensure that workers can take time away from work if they are ill or need to care for a sick family member without fear of lost income or a lost job.

A good first step is the [Families First Coronavirus Response Act (HR 6201)](https://www.congress.gov/bill/116th-congress/house-bill/6201) that guarantees 10 paid sick days and 12 weeks paid leave for many of the workers who are and will be impacted by coronavirus and the regulatory measure to ensure the cash advances small business needed to be able to deliver this needed benefit to impacted employees.  The House overwhelmingly passed this bill [363-40-1](http://clerk.house.gov/evs/2020/roll102.xml) on March 13 and the Senate was scheduled to take it up on March 18.

But there are still major gaps in this bill, with companies over 500 employees exempt from it, and small businesses with less than 50 employees able to receive a hardship waiver, so millions of workers could potentially not be covered. A second bill, the [PAID Act](https://www.help.senate.gov/ranking/newsroom/press/paid-leave-act-murray-delauro-gillibrand-to-introduce-updated-emergency-paid-leave-small-business-support-bill-in-response-to-worsening-coronavirus-crisis), which was unveiled March 17, is aimed at filling gaps, including providing financial assistance to businesses impacted by expanded leave.

The current health crisis is also a frightening demonstration of the need for permanent national sick leave and paid family and medical leave policies, for which ASBC has advocated for some time. Even in normal times, when all employees have time to heal themselves, or time to care for sick family members, productivity increases, profits rise, our economy grows and our nation becomes stronger.

During this crisis, states with paid leave policies are finding them beneficial to dealing with this crisis. Workers need to have access to paid leave so they have support while dealing with personal or family health issues, and a job to come back to once the issues have been resolved.

Nationally, over [1 in 4](https://default.salsalabs.org/Tae49c558-c62b-4eb5-9ac3-5461a7cf9e24/73e56995-13fa-4c8b-9745-413462fa1e95) private sector employees lack access to earned sick days, and 60 percent of workers lack employer-provided personal medical leave for a longer illness. The arguments against adopting such policies often rely on anecdotal economic assumptions, but a recent [study by ASBC and Panorama](https://default.salsalabs.org/T2aabbf2d-dcb1-4d8b-b95d-dddf9fa86e68/73e56995-13fa-4c8b-9745-413462fa1e95) found a generally positive, or at worst neutral, impact on return on investment for businesses that offer paid leave.

**Investment in Affordable Health Care & Emergency Measures to Protect Coverage**

Access and affordability of healthcare are key to making sure employees can heal and not spread the disease further, particularly for the nearly [28 million people](https://www.kff.org/uninsured/issue-brief/key-facts-about-the-uninsured-population/) who lack access to health insurance. Handing the Pharma monopoly full power in setting prices for a needed vaccine that already has over $700 billion of public investment, betrays the public trust and will put the burden of this epidemic directly on communities to line the pockets of giant for-profit pharma corporations.

* COVID-19 testing and, ultimately, any vaccine must be free and treatment must be widely accessible and affordable.
* States should work with insurance providers to help ensure that employer policies are extended through this crisis, even if an employer experiences cash flow issues in their businesses that make paying short-term payments difficult.
* Federal and state governments must increase investment in public health programs, including Medicare and Medicaid.

**Unemployment Insurance and Other Emergency Income Supports**

To avoid both a short-term financial crisis and long-term economic recession, federal and state governments should coordinate to provide immediate and improved income supports for small businesses and their employees.

Unemployment insurance eligibility should be expanded to include:

* + Those with reduced hours due to decreased demand
  + Those whose wages come primarily from tips
  + Those who have run out of sick days
  + High-risk populations who stay home to protect themselves
* Disaster unemployment insurance should be implemented to apply to a broader set of impacted workers.
* Washington state’s expanded assistance to vulnerable workers could be a [model](https://esd.wa.gov/newsroom/covid-19) for the nation.
* Worker advocacy groups have also called for other[innovative income supports](https://medium.com/@workingwa/preserve-healthcare-halt-evictions-prevent-utility-shut-offs-provide-emergency-income-b7080357db3) including options for policymakers on[unemployment insurance.](https://www.nelp.org/publication/unemployment-insurance-helps-mitigate-job-loss-during-pandemics-options-for-policymakers/)
* Small business experience rating should not be impacted by layoffs related to COVID-19  The Vermont legislature is working on such a [measure](https://legislature.vermont.gov/Documents/2020/WorkGroups/House%20Commerce/Bills/H.681/Drafts/H.681~Damien%20Leonard~Clean%20Floor%20Amendment~3-13-2020.pdf).
* Deferring or a one-time waiver of local business and property taxes
* Encouraging commercial landlords to defer or amortize commercial rent payments
* Utility payment relief (reducing penalties for late payments or discounts)
* A moratorium on business evictions and utility shut-offs

**Immediate Cash Flow Supports to Business**

Included in the [Families First Coronavirus Response Act (HR 6201)](https://www.congress.gov/bill/116th-congress/house-bill/6201) is an emergency package that expands loans available for small businesses impacted by COVID-19. But at this point in the crisis, loans and tax breaks are not the answer. Impacted businesses across the country need an immediate cash infusion to weather this crisis.

Short-term cash flow relief measures are needed such as:

* Immediate cash injections from US Treasury direct to businesses impacted by COVID-19 to cover immediate business expenses (rent, salaries, paid sick time, insurance premiums, utilities, and vendor contracts).
* Direct cash payment to all low-income and middle-income individuals for emergency relief (salary, rent, utilities, etc.), expanded Earned Income Tax Credit, and Refundable tax credits.
* The federal government should make up the gaps in revenue through direct payments. As noted previously, the Defense Production Act can be used to secure supply chains and provide loan guarantees for infrastructure and homeland security needs.
* Ensure expanded funding for social safety net (SNAP, Medicaid, etc.). Move Federal money to states to cover costs of fighting the epidemic.
* Strengthen tax enforcement for corporations and wealthy individuals to generate revenue to fund stimulus.
* Expand the recently passed SBA loan program to be more responsive with immediate funding to Community Development Financial Institutions (CDFIs) cities and states to conduct outreach and help small businesses apply for SBA and other emerging funds.  Urge banks to rapidly approve low-cost loans and then back fill with money from SBA and CDFI funds.
* Loan payments developed in a way to avoid end of year balloon payments.