

United States Senate

WASHINGTON, DC 20510

February 4, 2021

The President
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

We appreciated your meeting with us on Monday to discuss how we can unite to pass a sixth bipartisan COVID-19 relief package to combat this persistent pandemic. To date, Congress has provided more than \$4 trillion to address the urgent health, societal, and economic consequences of the pandemic, including \$900 billion that was signed into law just five weeks ago. We have received some information and data from your office on your request for \$1.9 trillion for your American Rescue Plan, and we look forward to receiving additional information on your small business and tax proposals.

In the spirit of continuing to have an open and productive dialogue, we want to provide feedback on the documents we received to date. We remain committed to working in a bipartisan fashion and hope that you will take into account our views as the legislative process moves forward.

As we discussed at our meeting, our focus should be on meeting the immediate health needs of our country, which is why the proposal we presented to you includes your proposal for \$160 billion for Direct COVID Pandemic Response, including your request for \$50 billion to expand testing and \$20 billion to accelerate vaccination efforts. From the beginning of the pandemic, we have been strong supporters of robust funding for testing and vaccine development, production, and distribution, and we encourage your Administration to promptly distribute the remainder of the funding Congress previously appropriated for these purposes. For example, we understand that as of January 22, 2021, the Centers for Disease Control and Prevention (CDC) had only distributed \$3 billion of the \$8.75 billion appropriated for vaccine distribution, and nearly \$14 billion in previously appropriated funding for COVID-19 testing had still not been obligated. There are also opportunities to improve coordination and expand partnerships with existing laboratories that have unused capacity and have experienced supply diversions.

An important component of our proposal is an additional \$35 billion for the Provider Relief Fund, including a 20 percent set-aside for rural hospitals. We respectfully urge your support for replenishing this fund to help providers, including rural hospitals, long-term care facilities, and community health centers, to continue to care for their patients and play a central role in our vaccination and testing strategy. Many hospitals, which are often one of the largest employers in a community, are still recovering from revenue losses sustained in 2020, with some facing an uncertain future. This is especially true in rural areas, where the loss of physicians, specialty services, or the hospital itself can diminish the vitality of these communities. As states continue their efforts to implement vaccination programs quickly and equitably, they are relying heavily on the data, communications, and workforce infrastructure of hospitals. Not only should

existing balances within the Provider Relief Fund be expended quickly, but also more funding should be appropriated to help providers who are central to patient care and our vaccination and testing efforts.

We also agree that safely reopening schools and keeping them open is vital, which is why we supported more than \$113 billion last year for education at all levels, including nearly \$68 billion for K-12 schools and students. The emergency federal appropriations provided for public schools in 2020 far exceed the amounts the federal government spends annually on Title I and IDEA, the two largest sources of federal education funds for states. For reference, federal appropriations for these two programs have totaled approximately \$30 billion per year for the last several years.

According to the U.S. Department of Education, as of last month, states have spent only \$4.38 billion of the emergency \$68 billion in K-12 funding provided last year. Moreover, additional funding sources have benefitted schools: nearly \$7 billion was directed to governors to meet education needs in their states, of which only \$1.5 billion has been spent. Several governors also directed aid from the Coronavirus Relief Fund to their education systems. To provide states with more flexibility, in December 2020, Congress extended the deadline for spending those funds to December 31, 2021.

We have significant questions, therefore, about the size and scope of what is proposed in the American Rescue Plan given the amounts already appropriated by Congress and the more than \$60 billion in emergency funding that remains unspent by states and school districts for K-12 schools. On December 18, 2020, a report released by the CDC estimated that \$22.5 billion would be needed to implement school-based COVID mitigation strategies, and on December 27, 2020, the fifth bipartisan COVID relief package was signed into law providing \$54 billion for K-12 schools. According to the documents we received yesterday, the Administration's plan requests another \$37.5 billion for school-based COVID mitigation strategies and cites the December CDC report for its justification despite the lower average figure in that report. Furthermore, the additional \$50 billion the Administration requests for funding for social distancing, which is defined as reducing class sizes with additional staff, is based on an outdated estimate prepared last summer by the American Federation of Teachers – not the CDC or another federal health agency. Given the amount of funding already provided, the unspent appropriations, and the CDC's report, our proposal calls for an additional \$20 billion to support in-person learning for our nation's students.

The documents your staff provided included examples to illustrate how the American Rescue Plan's proposed direct payment would affect American families. Our goal is to target those direct payments to families with the greatest needs. As we expressed at our meeting, we do not believe that families making up to \$300,000 per year need these direct payments, which they would have received under the CASH Act passed by the House of Representatives last December and which is currently included in your proposal. We are encouraged by reports that your Administration is considering further targeting the direct payments to lower- and middle-income families. Economic studies, including by the National Bureau of Economic Research, have shown that "lower-income households were significantly more likely to spend their stimulus checks, as were households facing liquidity constraints." We want to help struggling

lower- and middle-income families as well as boost the economy; better targeting the direct payments would accomplish both goals.

Thank you for your consideration of our analysis and views. We look forward to receiving additional details on your \$1.9 trillion request and to a further discussion of how best to assist the American people during this difficult time.

Sincerely,



Susan M. Collins
United States Senator



Lisa Murkowski
United States Senator



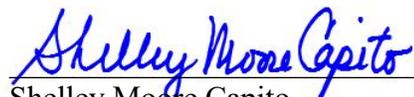
Bill Cassidy, M.D.
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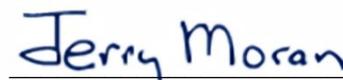
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