Statement: Republican Plan Doesn’t Meet Needs of Virginia Families, Match Scope of Unprecedented Economic Challenges

Richmond, VA – The U.S. Senate Republican COVID-19 relief plan unveiled Monday doesn’t meet the needs of Virginia families and doesn’t address our unprecedented state fiscal crisis, which means it will make the recession longer and more painful, The Commonwealth Institute for Fiscal Analysis said in a statement today.

"Nearly 1 in 8 Virginians are behind on rent and 1 in 10 do not have enough to eat because of the public health crisis and recession."1 This crisis is bigger than any in our lifetime, but the Republican proposal doesn’t meet the needs of our state or the moment.

There is no increase in SNAP benefits to help people buy food for themselves and their families, no funding for homelessness services or additional rental vouchers, and substantially less money for laid-off workers even though high numbers of COVID cases mean that many people are unlikely to be able to return to work soon.

And it does not include nearly enough aid to state and local governments to prevent layoffs of teachers and public workers and cuts to schools, Medicaid, or critical public services. Resources that are available to schools are largely tied to in-person reopening.2 This is the wrong approach, because all schools, whether they reopen in-person, virtually, or a hybrid model, will have to undergo significant changes to meet student needs. Federal aid is especially critical since many of the new state investments, which were included in Virginia’s General Assembly-approved state budget, have now been frozen and will be reconsidered when the special session convenes on August 18.3

Sens. Warner and Kaine have rightly been critical of the scale of the current proposal.4 They should continue to put people first by calling on congressional leaders to do more and pass a better relief package, especially for state and local governments and people in Virginia with low incomes who have been hit the hardest by the pandemic and are facing the greatest financial hurdles."

- Michael Cassidy, Institute President & CEO

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1 https://www.cbpp.org/research/poverty-and-inequality/more-relief-needed-to-alleviate-hardship
New research released last week by the Center on Budget and Policy Priorities shows the number of people struggling to get enough to eat has increased dramatically and a huge number of people are falling behind on rent — just as the national moratorium on evictions expires. Nearly 1 in 5 adult renters across the country, and 1 in 8 in Virginia, were behind on rent for the week ending July 7.\(^5\) Almost 11% of adults nationally, and 10% of Virginians, reported that their household sometimes or often didn’t have enough to eat in the last seven days.\(^6\) While tens of millions of people are facing serious financial hardship, Black, Latinx, Indigenous, and immigrant communities have been hit the hardest because of racist policies that create disparities in education, employment, housing, and health care. While the national unemployment rate fell from May to June for all demographic groups, the unemployment rates for Black and Latinx workers remain particularly high at 15.4% and 14.5%, respectively, compared to 10.1% for white workers and 11.1% for all workers.\(^7\)

During these negotiations, Congress must prioritize support for people hard-hit by the crisis by making sure they get the help they need and work to prevent states, cities, and towns from making deep budget cuts that will hurt tens of millions.

TCI is calling on Congress to immediately negotiate a bipartisan agreement that:

- Provides additional federal funding for Medicaid programs and direct grants to states, territories, and tribes to protect core public services such as education, in addition to aid for local governments;
- Continues expanded unemployment benefits;
- Temporarily increases SNAP benefits and housing assistance so people can get enough to eat and keep a roof over their heads;
- Creates an emergency fund for states to help people who are falling through the cracks and to create subsidized jobs programs when workers can participate safely; and
- Temporarily makes the Child Tax Credit available to the lowest-income children and expands the Earned Income Tax Credit for low-paid workers not raising kids in their homes;

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\(^5\) [https://www.cbpp.org/research/poverty-and-inequality/more-relief-needed-to-alleviate-hardship](https://www.cbpp.org/research/poverty-and-inequality/more-relief-needed-to-alleviate-hardship) appendix table 3

\(^6\) [https://www.cbpp.org/research/poverty-and-inequality/more-relief-needed-to-alleviate-hardship](https://www.cbpp.org/research/poverty-and-inequality/more-relief-needed-to-alleviate-hardship) appendix table 1