



Advancing a Robust & Equitable Response to COVID-19

HIGHLIGHT OF THE BUDGET & TAX CENTER'S WORK





Overview of our format

- All participants are on mute by default.
- We are recording the presentation and will share it with all registered guests within 24 hours following the presentation.
- We will be pivoting to Q&A about halfway through the hour – please enter your questions in the chat box.
- If you have further questions about today's presentation, please contact kim_marie@ncjustice.org.



Agenda

Where we are now

Rick Glazier, Executive Director

The work of the Budget & Tax Center in COVID-19 Response

Alexandra Forter Sirota, Director

Q&A - 20 MINUTES

Kim-Marie McLellan, Deputy Director of Gifts and Endowments





Budget & Tax Center Team



We think big.



We know details matter.



We partner & collaborate.



Overview

NC can't lose another decade

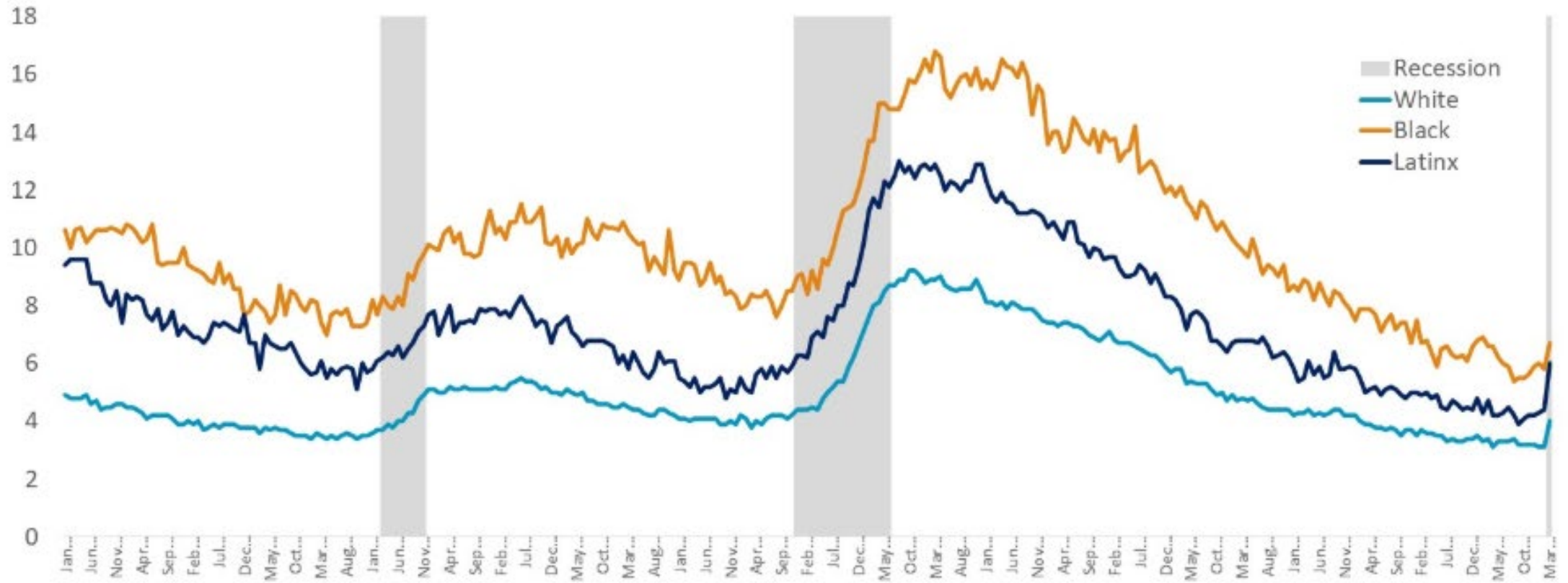
Length and severity of recession will depend on policy actions taken

Targeted and inclusive policies are crucial in the response

Building the will to act requires broad-based engagement and strategic communication

Recessions are harder on people of color

HEADLINE UNEMPLOYMENT RATE OVER LAST TWO RECESSIONS



Black workers are **at greater risk from COVID-19** than their white peers.



More likely to have

- Preexisting health conditions
- Limited access to health care



More likely to live in

- Multi-generation households
- Dense housing



More likely to work

- In front-line industries
- Without health insurance
- Without paid sick days
- Without the ability to work at home

Public institutions
must deliver
anti-racist
outcomes



DEFUND THE SCHOOL-TO-PRISON PIPELINE

BUDGET FOR DURHAM'S
YOUTH DETENTION CENTER

\$1.28M



COST OF PUTTING POLICE
OFFICERS IN DURHAM PUBLIC SCHOOLS

\$ 2.74M

INVEST IN EDUCATION.

**PROVIDE DPS WORKERS
WITH A \$15/HR MIN. WAGE.**

SOURCE: DURHAM COUNTY APPROVED BUDGET, FY 2019-2020

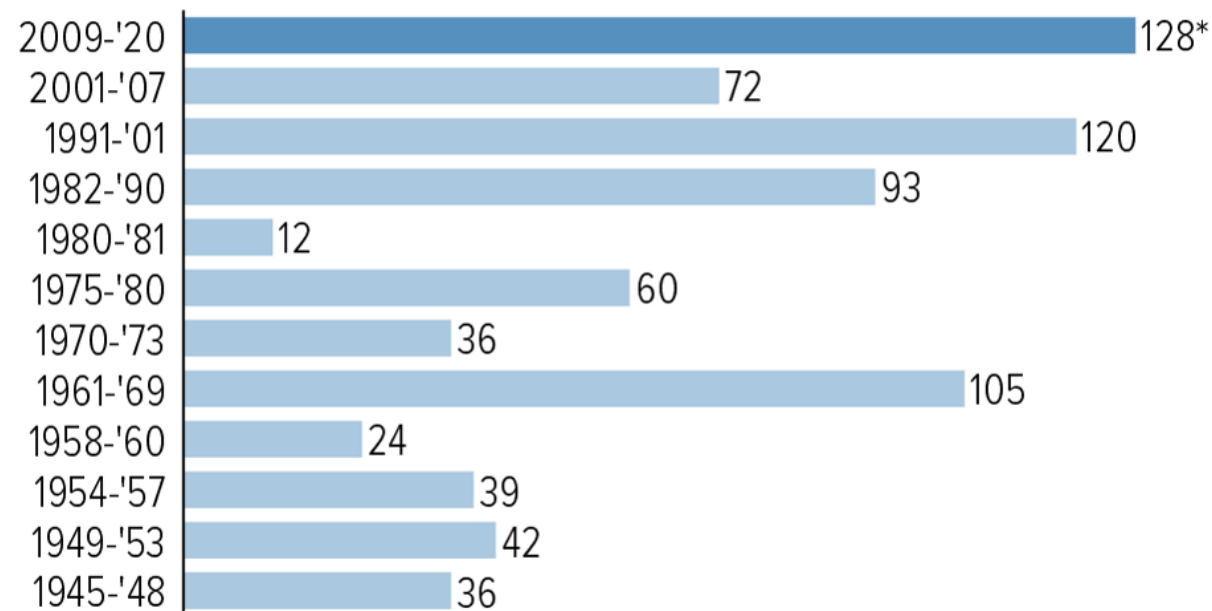


Current economic and fiscal projections remain uncertain. Policy choices that support **people first can deliver certainty and stronger recovery.**

The End of Economic Expansion

Longest Economic Expansion on Record Ended by COVID-19

Length of expansions in months



*Through February 2020

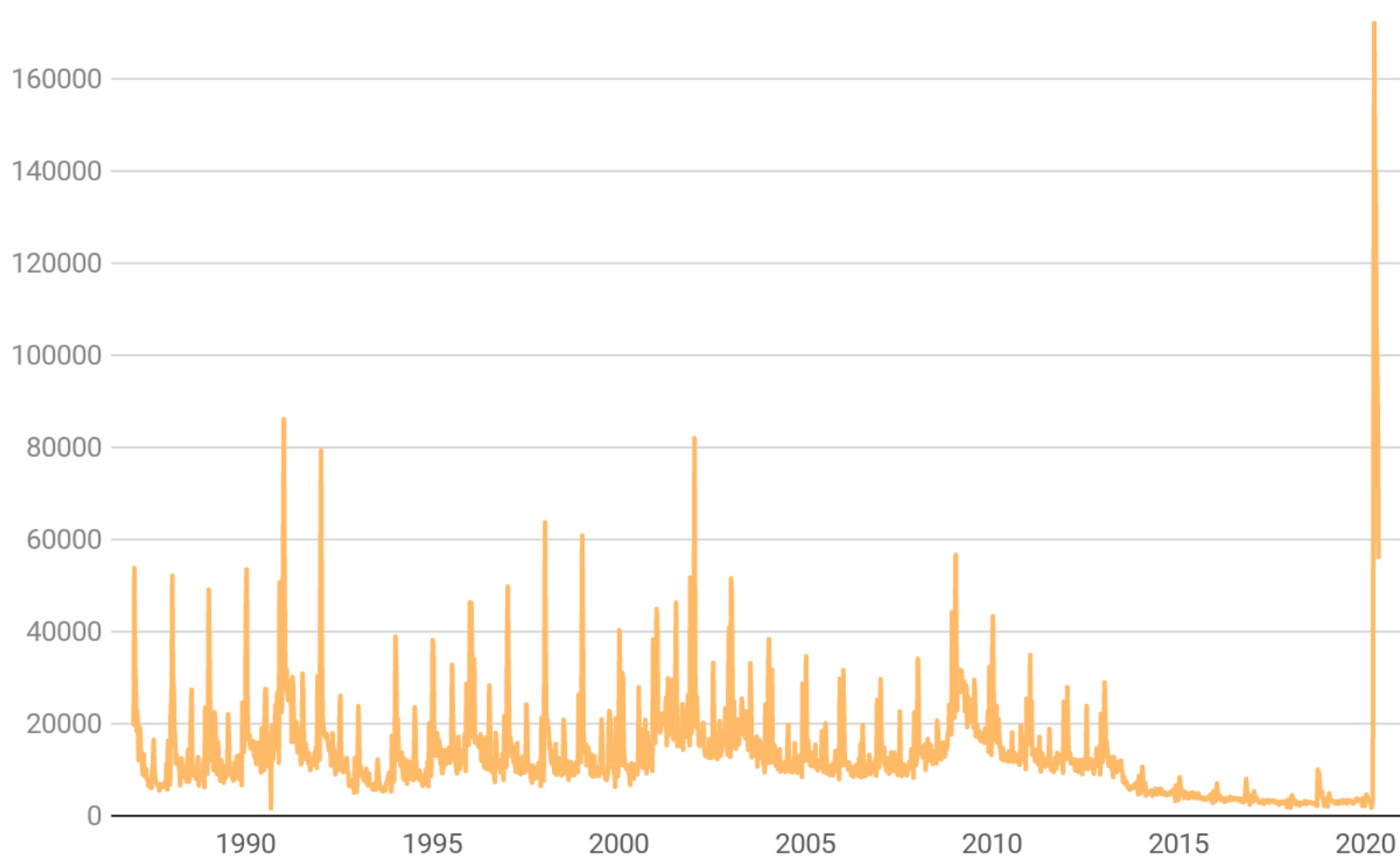
Source: National Bureau of Economic Research

CENTER ON BUDGET AND POLICY PRIORITIES | CBPP.ORG





Unemployment Insurance initial claims unprecedented, underrepresent harm



Weekly Initial Claims,
May 9, 2020





Economic harm and length of recession still being quantified

Deeper initial losses of work and wages than originally projected

CBO PROJECTION, Q2 2020	APRIL UNEMPLOYMENT RATE
14%	14.7%

Risks of permanent closures of small businesses heightened

- Data from FEMA during natural disasters suggest 40 percent of businesses won't re-open
- Survey data in NC of child care providers suggest 1 in 3 would not be able to re-open without public support.





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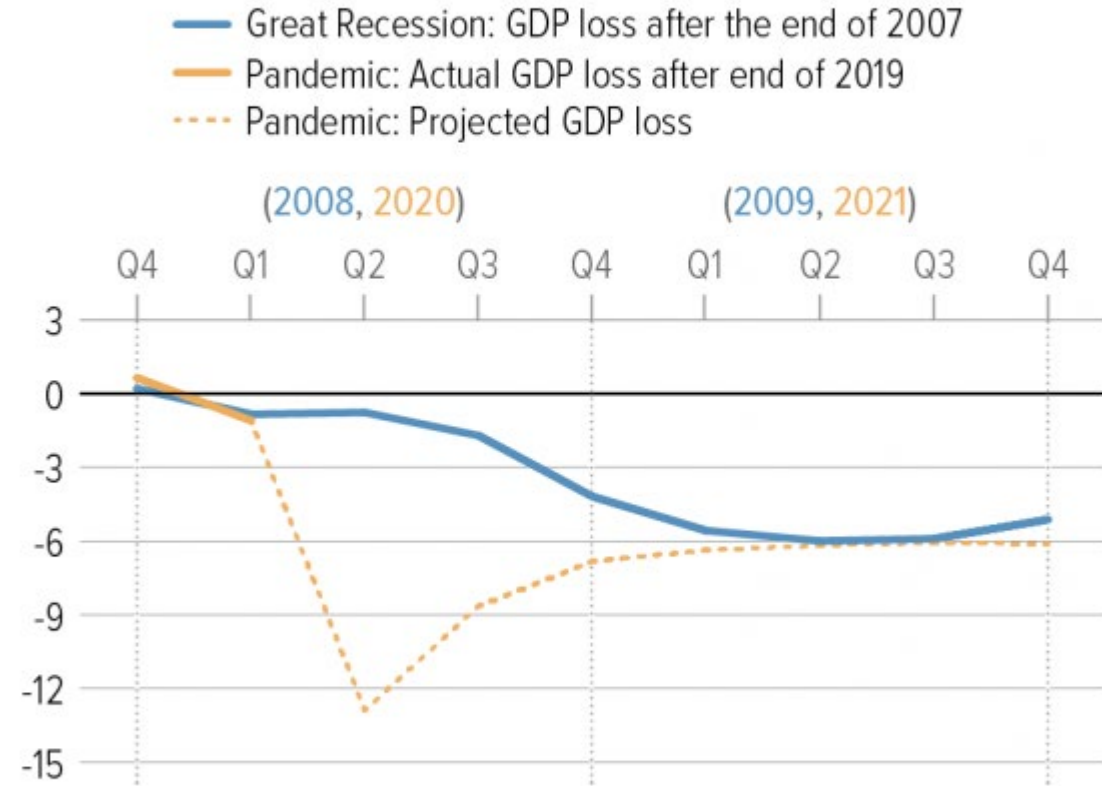
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Projected GDP Losses Due to COVID-19 Far Larger Than Losses in Great Recession

Percentage difference between potential and actual GDP



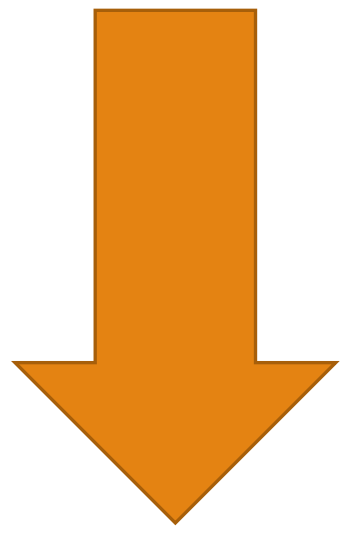
Note: GDP = Gross Domestic Product

Source: CBPP analysis of Congressional Budget Office data and Bureau of Economic Analysis data



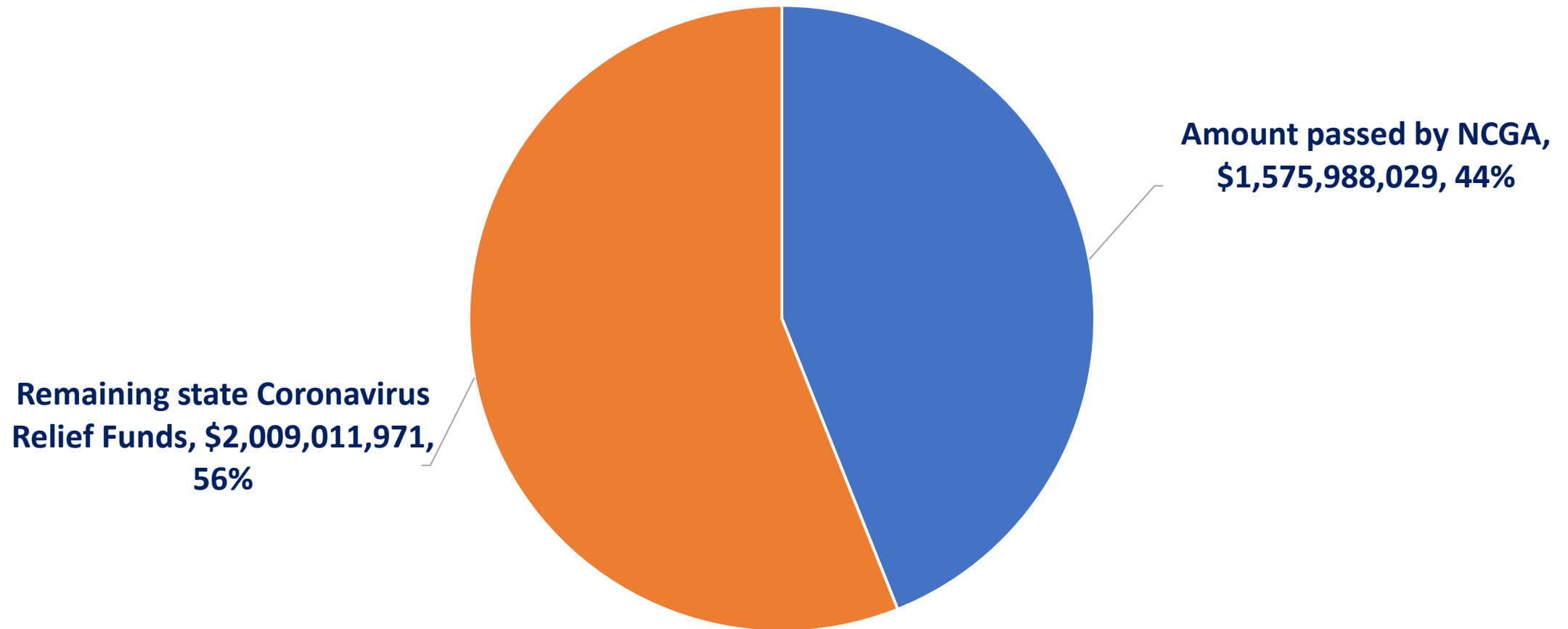
NC revenue losses estimated at \$4.2 b.

FY 2019-20
\$1.6 billion (6.6%)



FY 2020-21
\$2.6 billion (9.9%)

\$2 Billion in federal funds remain for N.C.



Source: NC Budget & Tax Center analysis of HB 1043



Federal Fourth COVID-19 Package

- Aid to state and local governments
- 15% Increase in SNAP benefits for all North Carolinians who use SNAP
- Extension of UI programs
- Rent assistance and inclusive cash assistance
- Increase in federal share of Medicaid costs





Smart public policies will matter to the economic recovery

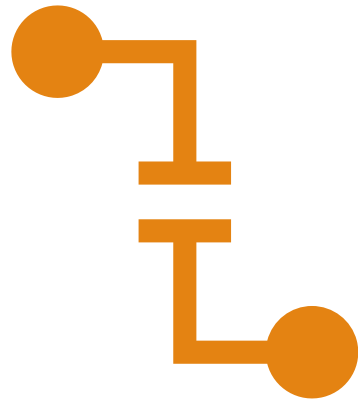


- Providing additional weeks of unemployment insurance, raising weekly benefit level
- Increasing access to food assistance
- Providing cash assistance to people facing economic insecurity
- Implementing a subsidized jobs program for low-income workers
- Increasing housing assistance to prevent a sharp rise in evictions and homelessness
- Ensuring budget stabilization through a combination of federal and new state dollars that maintains public services





Unmet needs & gaps in existing response



- Nearly 1 million North Carolinians have filed Unemployment Insurance claims to date
- Over 100,000 more people received food assistance in April
- An estimated 723,000 have lost employer-sponsored health insurance
- At least 1 in 5 work in occupations that put them at greater risk of contracting COVID-19
- One-third of child care providers say they will have trouble re-opening





Connecting the dots to address the gaps

Administrative policy—hazard pay for early childhood workers, increases in TANF and SNAP benefit levels, flexibility in application and recertifications

Legislative policy— cash assistance, remove barriers to food assistance and long-term systemic changes to anti-poverty programs



Local direct cash assistance for those left out of CARES Act

More than **670,000** North Carolinians missing out

More than **370,000** dependents aged 17 or older claimed on their parents' tax returns.



\$563 million in cash to North Carolina households at risk



**Healthy people
build a healthy
economy.**



Discussion

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