



Congress of the United States
House of Representatives
Washington, DC 20515-0906

April 27, 2020

The Honorable Nancy Pelosi
Speaker of the House
United States House of Representatives
H-232, U.S. Capitol
Washington, D.C. 20515

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
H-204, U.S. Capitol
Washington, D.C. 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
S-230, U.S. Capitol
Washington, D.C. 20510

The Honorable Charles Schumer
Minority Leader
United States Senate
S-220, U.S. Capitol
Washington, D.C. 20510

Dear Speaker Pelosi, Minority Leader McCarthy, Majority Leader McConnell, and Minority Leader Schumer:

The Republican Study Committee's American Worker Task Force has been closely monitoring the current COVID-19 crisis facing everyday Americans. In the days ahead, perhaps more than ever before, our nation must cultivate a labor market that eases the transition from unemployment to a paycheck.

For more than a year, the Task Force has been examining policy ideas to target the problems and factors that adversely affect America's job market. While the main reason many people may find themselves out of a job at this time has changed, many of the institutional and legal barriers that have hindered employment opportunities will unfortunately remain unmoved. That is, unless we work together to reduce and eliminate them.

As our nation will soon begin the process of reviving the economy, we believe the adoption of our proposals is more important than ever. Our solution-oriented policies take a worker-centric approach to achieve strong employment outcomes for American workers, and they can provide a platform as we move forward.

While we have developed, collected and reviewed hundreds of ideas, we believe the following are practical and innovative strategies to mitigate the pandemic's impact and facilitate our nation's economic and employment recovery:

1. Enact the NEW GIG Act. The COVID-19 crisis has highlighted the gig economy's importance like never before and hit many of these workers particularly hard. At a time when many gig economy workers are struggling to make ends meet, Congress should reduce barriers that hinder them from making a living. One way to do so would be to enact the NEW GIG Act, sponsored by Rep. Tom Rice (SC-07). The bill would ensure that a worker is classified



as an independent contractor for income and employment tax purposes so long as they meet three objective tests set forth by the legislation: (1) the worker is treated as an independent contractor and not an employee; (2) the customer is not treated as the employer; and, (3) if a third party facilitates payments and transactions, the third party is not treated as the employer.

2. Promote Worker Upskilling Opportunities through Tax Deductibility. While federal tax policy allows for large deductions for some types of investment spending, these deductions are very limited for education services for workers, such as upskilling. The imbalance for these deductions harms workers and disincentivizes hiring and job training. Congress should equalize the tax treatment of all types of investment by allowing businesses to deduct their investments in education services for their workers that train them for higher employment. This would move the tax code further towards pro-growth optimization and would remove this harmful imbalance against employees.

3. Enact the Restoring Board Immunity Act. Every day across the country, thousands of people are prevented from entering industries due to onerous occupational licensing laws. Members of the regulatory boards who establish the standards for the licenses are often members of the regulated profession. Moreover, strict occupational licensing laws are regressive making it difficult for “the most economically disadvantaged among us to acquire a license due to the time, fees, and education necessary to acquire one. The result is that millions of would-be workers are locked out of the workforce because they lack the means to obtain a license.”¹ Thus, the Task Force recommends enactment of the Board Immunity Act, introduced by Sen. Mike Lee (R-UT), which would grant anti-trust immunity to actions by these boards only if they adopt reforms designed to prevent runaway occupational licensing restrictions.

4. Suspension of Occupational Licensing Requirements for Health Care Workers Across State Lines. In the present health care crisis, occupational licensing barriers put up by states can mean life or death since key personnel cannot easily shift between outbreak epicenters. For nurses and doctors, their credentials are already certified by a trusted national organization in addition to states’ individual licensing boards. A number of states have already taken the wise step of reducing licensure barriers for practicing medicine within their borders.² The Task Force stresses the importance of other states undertaking these actions as well.

5. Enact the Working Families Flexibility Act. While many employees seek higher pay as their top priority, a growing number of American workers place a higher value on the ability to spend more time with family. During an emergency, employers may need certain workers to perform longer hours. Under current law, private employers are required to pay employees overtime at 1.5 the employee’s regular rate of pay, and do not have the opportunity to offer comp time instead. To provide employees with more options, the Task Force recommends implementing the Working Families Flexibility Act, introduced by Sen. Mike Lee (R-UT), to provide more flexibility for employers and employees with regard to compensatory time off. Under the bill, employers would have the option of offering comp time or overtime pay. Employees could voluntarily elect to receive comp time in lieu of overtime pay, which would empower employees to select the option that best fits their individual needs. This could allow employees significant time off that may be needed to address issues at home during the present crisis or in its aftermath.

6. Enact the RAISE Act to Reward High Performing Workers. In times of emergency, certain industries and their employees are in higher demand and endure higher levels of stress than normal. Under current law, union

¹ Shosana Weissman & C. Jarrett Dieterle. Moving to a new state and finding a job could soon be a lot easier, R STREET INSTITUTE (Feb. 14, 2020) <https://www.rstreet.org/2020/02/14/moving-to-a-new-state-and-finding-a-job-could-soon-be-a-lot-easier/>.

² Federation of State Medical Boards, COVID Advocacy Summary, (accessed Apr 20, 2020) <http://www.fsmb.org/advocacy/covid-19/>.



contacts set both a wage floor and a wage ceiling. As a result, individual workers cannot be given raises, including performance-based raises, by their employers. The Task Force recommends allowing employers operating under a union contract to award bonuses and pay raises to employees without having to obtain permission from union bosses. The Rewarding Achievement and Incentivizing Successful Employees Act (RAISE Act), introduced by Rep. Dusty Johnson (SD-AL), would allow employers to pay individual workers more than is specified in the union contract, which could provide much-needed compensation during the current crisis and eventual economic recovery.

7. Enhance Portability of Housing Vouchers. Presently, portability restrictions on the Housing Choice Voucher program make it difficult for beneficiaries to use their benefit outside of the jurisdiction of their local Public Housing Authority (PHA). These restrictions can limit the ability of an individual to accept employment that would offer a path to self-reliance and economic stability, if the job offer requires the individual to move outside of their local PHA jurisdiction. Congress should temporarily relax restrictions on Housing Choice Voucher portability, so that Americans who are economically displaced by government policies related to the COVID-19 pandemic may use vouchers to secure housing where they are able to secure job opportunities. Specifically, HUD should be temporarily required to grant portability requests, even when the 12-month residency requirement is not met, if the move is required for a new job (i.e., a “special family need”). Any costs that may be associated with this pro-work proposal can be addressed through the \$1.935 billion in additional FY 2020 funding made available for Tenant-based Rental Assistance and the Public Housing Operating Fund in the CARES Act.

Additionally, Congress should allow a certain portion of a recipient’s Section 8 vouchers to be used to cover moving expenses and to put down a security deposit to acquire housing. This expanded use would alleviate burdens on people who seek to move to new communities to better their economic livelihood and become more self-reliant.”

8. Extend Financial Aid Eligibility for Short-Term Programs. Congress should allow short-term career and technical education programs to access the same federal funding opportunities, especially Pell Grants, for which traditional four-year college students and long-term technical education program students qualify. In times of economic uncertainty, lawmakers should seek ways to afford Americans ample opportunities to develop their talents in a way that results in a meaningful career with less student loan debt. These faster programs could help more people transition from the swollen unemployment rolls into well-paid jobs much more efficiently and serve as a better response to crisis than traditional 4-year degree programs. In particular, the Task Force recommends enactment of the Pell Flexibility Act, introduced by Rep. Jim Banks (IN-03).

9. Allow Access to 529 Education Savings Accounts for Homeschooling Expenses. The COVID-19 outbreak revealed the relative weakness in the ability of many school systems to provide educational services and instruction while students are forced home. Parents have been required to fill the need with their own resources, which were already stretched due to the economic downturn. A smart and relatively easy-to-implement solution would be to allow Internal Revenue Code Section 529 educational savings plans to pay for these unexpected homeschooling expenses. Gaps in a student’s educational development can be detrimental and this could help many parents address critical homeschooling needs with funds already set aside for education.

10. Expand the Rental Assistance Demonstration (RAD) Program under HUD. In times of crisis such as these, local public housing authorities may not be nimble enough, or may be too overwhelmed, to properly service their increased volume of requests. To encourage private investment in public housing, Congress should expand the Rental Assistance Demonstration (RAD) Program and remove the statutory cap on the program to continue to allow



housing authorities to leverage public and private debt and equity to reinvest in public housing stock. Congress should also explore other ways to increase the rate of voluntary conversions by PHAs of their public housing units to voucher-based housing.

11. Ensure an All-of-the-Above Approach to Ending Homelessness. Congress should not allow this crisis to further prevent successful providers of homelessness assistance from serving their communities. The CARES Act includes language preventing homeless service providers funded by the HUD Emergency Solutions Grants (ESG) program from requiring program participants to utilize supportive services (e.g., job training, financial literacy, substance abuse treatment). This excludes emergency shelter programs and faith-based organizations who successfully rely on a model of accountability. Data suggest an exclusive reliance on the 'Housing First' model may not be as successful as a comprehensive approach that includes wraparound services. Congress should embrace an all-of-the-above approach, and direct funding through a competitive process based on history of transitioning people out of homelessness. Additionally, Congress should reject efforts by some to cancel HUD's Continuum of Care (COC) grant competition in a veiled effort to require an exclusive reliance on 'Housing First' policies.

The RSC's American Worker Task Force believes these practical solutions can offer hope and stability to our nation and its workers now and as it begins the path to recovery. We will continue our work in developing many more ideas and strategies to help expand and enhance the American job market.



Rep. Mike Johnson (LA-04)
Chairman, Republican Study Committee



Rep. Andy Barr (KY-06)
Chairman, RSC American Worker Task Force

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