



Brief Overview of the Foundation's Rehire America Workplace Recovery Act (Recovery Act)

Since March, when the lockdowns ordered by state and local governments began due to the novel coronavirus, Congress has passed [\\$3.8 trillion](#) in four COVID-19 response bills. While the economic damage continues from these lockdowns, Congressional discussions about more action is at a stalemate. In lieu of other Congressional action, the Foundation's proposed [Recovery Act](#) would narrowly target resources temporarily to aid businesses operating and workers working.

\$3.8 trillion in COVID-19 response bills so far, with an estimated \$1.5 trillion available.

- \$8.3 billion emergency funding package (March 5): Mostly funding for vaccines & R&D.
- \$105 billion Families First Act (March 18): Primarily funded testing, initiated paid sick leave, and provided additional unemployment benefits.
- \$2.8 trillion CARES Act (March 25): Includes \$349 billion for businesses through the Paycheck Protection Program ([PPP](#)), \$352 billion for delay of employer payroll tax, \$337 billion for \$600 per week enhanced unemployment insurance, \$292 billion for tax rebates, at least \$150 billion for state & local governments, and \$2.6 trillion to Federal Reserve for lending programs to businesses and governments.
- \$735 billion PPP & Health Care Enhancement Act (April 24): Includes \$321 billion and improved flexibility of PPP, \$366 billion to Economic Injury Disaster Loans (EIDL), and \$25.8 billion in health spending.

Details of the Recovery Act show that it is a targeted approach during lockdowns.

- The Recovery Act starts on the 1st day of the month of passage (assumed to be July 1, 2020, for our analysis) or thereafter on the 1st day of the month of initiation as determined by the applicant and terminates at the latest on February 28, 2021.
- The program pays eligible operating costs, including payroll costs and other cash expenses necessary to maintain a business's operational viability incurred during the covered period up to 90% of the historical average of the revenue.
- The program covers 80% of current employee costs to the business, up to an annualized total compensation of \$100,000. For rehires, the program covers 120% of their costs, up to the same annualized amounts.
- Collectively, the program would promptly get businesses operating and workers working.



Texas Public Policy Foundation

The Recovery Act could result in large economic gains and be paid with available funds.

Summary of Findings with Weighted-Average Recovery Depending on Duration of RAWRA

Cost-Benefit Metric	Lower Estimate: Until September 2020	Upper Estimate: Until February 2021
Total Cost	\$450 Billion	\$1.3 Trillion
GDP Contribution (%)	2.17%	6.08%
GDP Contribution (\$)	\$498.4 Billion	\$1.4 Trillion
Increased Jobs	1.8 Million	5.6 Million
Federal Tax Receipt Contribution (\$)	\$534 Billion	\$1.5 Trillion
Payback Period Via Federal Tax Revenue	Less than 6 years	Less than 6 years

Recommendation: Congress should pass TPPF’s Recovery Act, while working to not excessively grow government, to support families until society is reopened so families have the best opportunities to flourish.