

CED Public Policy Watch

04.23.2021

- 1. UNEMPLOYMENT CLAIMS CONTINUE TO FALL, HITTING NEW PANDEMIC ERA LOWS**
- 2. CORONAVIRUS NEWS**
- 3. VACCINE NEWS**
- 4. INFRASTRUCTURE: GOP SENATORS RELEASE \$568 B CONTER PROSPOSAL**
- 5. AMERICAN FAMILIES PLAN EXPECTED NEXT WEEK**
- 6. REMOTE LEARNING IMPACT ON STUDENT ACHIEVEMENT**
- 7. REPUBLICAN ADDRESS FOLLOWING PRESIDENT'S REMARKS WEDNESDAY**
- 8. SPOTLIGHT ON REOPENING: INDIA'S VICIOUS SECOND WAVE, AND VACCINE CHALLENGE**

1. UNEMPLOYMENT CLAIMS CONTINUE TO FALL, HITTING NEW PANDEMIC ERA LOWS

New weekly unemployment insurance claims fell for the week ending April 17, falling past last week's levels to new post-pandemic lows. The headline seasonally adjusted number fell by 39,000 to 547,000 (and was revised slightly higher for the previous week). The four-week moving average also fell, continuing its overall downward trajectory since early February. Throughout the crisis, data on initial jobless claims have been volatile from week to week and have been mired by backlogs, outdated systems, and fraud. Yet the continued drop in initial claims provides some evidence that last week's massive improvement was not an anomaly, but perhaps the start of true labor market improvement.

Continuing claims for regular state benefits also declined, while those under the new pandemic-rescue programs increased. The total number of continued claims for combined state and pandemic-related federal programs rose by nearly half a million to 17.4 million, reminding us once again of the long road to recovery ahead.

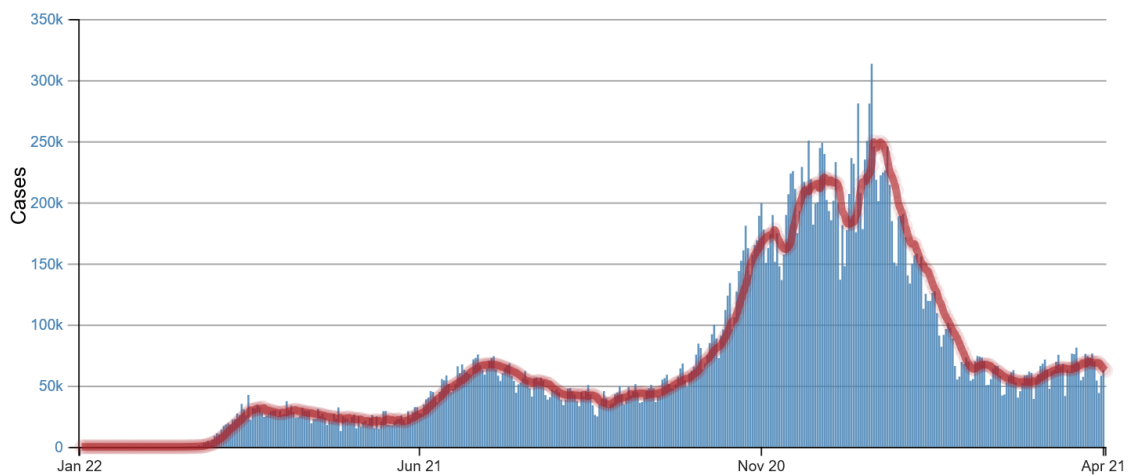
2. CORONAVIRUS NEWS

COVID cases in the United States continue to linger at a worryingly high level. There is not yet a new wave, but the virus is not dying out, either.

☒ 7-Day moving average

Blue bars show daily cases. The red line is the sum of cases over the last 7 days, divided by 7. Averages are used to reduce reporting differences.

Daily Trends in Number of COVID-19 Cases in the United States Reported to CDC



The number of people hospitalized in the United States remains on a similar sideways path, rising slightly in the past week.

Prevalent Hospitalizations of Patients with Confirmed COVID-19, United States



August 1, 2020 – April 20, 2021

38,876

Hospitalized Patients
Apr 20, 2021

38,541

Current 7-Day Average
Apr 14, 2021 – Apr 20, 2021

37,271

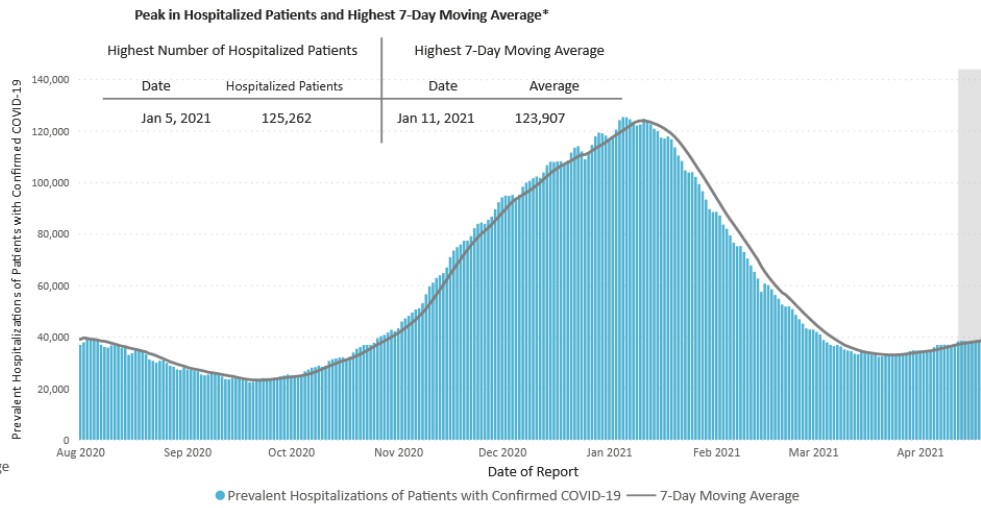
Prior 7-Day Average
Apr 7, 2021 – Apr 13, 2021

+3.4%

Change in 7-Day Average

-68.9%

Change Since Peak 7-Day Average



Based on reporting from all hospitals (N=5,255). Due to potential reporting delays, data reported in the most recent 7 days (as represented by the shaded bar) should be interpreted with caution.

*Small shifts in historic data may occur due to changes in the CMS Provider of Services file, which is used to identify the cohort of included hospitals.

Last Updated: Apr 22, 2021

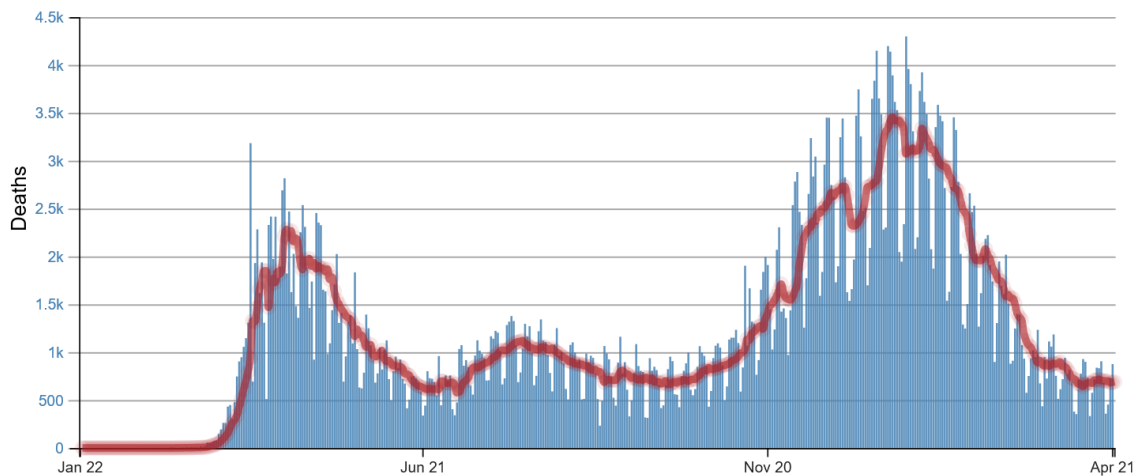
Unified Hospital Dataset, White House COVID-19 Team, Data Strategy and Execution Workgroup

With respect to deaths, the picture is more of the same: sideways but with a slow upward trend.

☒ 7-Day moving average

Blue bars show daily deaths. The red line is the sum of deaths over the last 7 days divided by 7. Averages are used to reduce reporting differences.

Daily Trends in Number of COVID-19 Deaths in the United States Reported to CDC



The picture is worrying in that the rapid progress on vaccinations (see below) is not yet showing discernable progress on cases or other indicators. When infections begin to decline, we can have some measure of security and relief. But so long as the infection process continues, here or in the

rest of the world for that matter, there will remain the possibility of a renewal of the entire crisis through mutations.

One bit of good news has been reaffirmed, in that the Centers for Disease Control and Prevention (CDC) has [repeated](#) its finding that the virus has not been transmitted with any frequency by contamination of surfaces. That removes one potential risk. Of course, the virus has been propagating itself very well through the air, thank you.

And in the spilled (but pungent) milk department, the Government Accountability Office (GAO) has [issued](#) a [report](#) explaining that turf wars and a lack of preparation led to significant public health risk in the United States evacuation (some called it a repatriation) of our citizens who were in harm's way in Wuhan, China, at the discovery of the pandemic.

3. VACCINE NEWS

The United States has delivered 200 million vaccine doses, and approaching 50 percent of Americans have received at least one dose. About 80 percent of seniors are fully vaccinated. However, there is growing concern that vaccination progress may have [topped out](#). The people who are willing and eager to be vaccinated have volunteered themselves; the remainder of the population appear to be hanging back. Social media and conspiracy theories about the efficacy or side-effects of vaccine, coupled with the reality of warnings regarding the incidence of rare blood clots, may be taking their toll. In more rural and politically conservative parts of America, inoculations are slowing. In some areas, people are failing to show up for second shots in distressing numbers. That requires time-consuming contacts with individual persons who are hanging back—a potential cost drain, given that cost control and efficiency have dictated shipping 1,170 doses of the Pfizer vaccine in one pallet, or 10 vials of 10 doses per vial in a packet of Moderna. The best way to reach many people who are hesitant or indifferent may be through vaccination by a trusted personal physician, but that rural physician may have no capacity to deal with 1,170 doses without throwing away the extra 1,169. Concern about the safety of the Johnson & Johnson vaccine is particularly unfortunate, given that some reluctant persons might be significantly more willing to accept a single shot than two.

And on that topic, J&J has stoked a certain amount of controversy with a press release that [asserted](#) that blood clotting has been detected in trials of all COVID vaccines. The authors of the study that J&J cited to make that assertion have denied that their work even attempted to identify clotting from the other vaccines. A concern is that such a statement could be repeated in social media to the ultimate effect that more people refuse to be vaccinated, which, to repeat, would allow the virus to replicate and mutate further, possibly becoming more virulent and more transmissible along the way.

4. INFRASTRUCTURE: GOP SENATORS RELEASE \$568 B COUNTER PROSPOSAL

A group of Senate Republicans released the outline for a \$568 billion infrastructure plan as an alternative to President Biden's \$2.3 trillion proposal. [The GOP plan](#) includes spending on roads, transit systems and broadband internet over five years. While the GOP plan does not provide specifics on how it would cover the cost, it does call for collecting user fees for electric vehicles and repurposing existing federal spending, while opposing [President Biden's plan](#) for a corporate tax increase. President Biden is planning to meet with lawmakers sometime next week after his speech to Congress on Wednesday.

The group of Senate Republicans included Sens. Shelley Moore Capito (R., W.Va.), Roger Wicker (R., Miss.), Pat Toomey (R., Pa.) and John Barrasso (R., Wyo.).

The Republican outline would set aside:

- \$299 billion for roads and bridges
- \$65 billion for broadband
- \$61 billion for public transit
- \$44 billion for airports
- \$35 billion for drinking water and waste water systems
- \$20 billion for railways
- \$17 billion for ports and inland waterways
- \$14 billion for water storage
- \$13 billion for safety measures

[President Biden's \\$2.3 trillion dollar plan](#) includes \$621 billion to modernize transportation infrastructure, \$400 billion to help care for the aging and those with disabilities, \$300 billion to boost the manufacturing industry, \$213 billion on retrofitting and building affordable housing and \$100 billion to [expand broadband access](#), among other items. It would also [raise the corporate tax rate](#) to 28% from 21% and increase taxes on U.S. companies' foreign earnings to cover the cost of the eight-year spending plan over 15 years.

5. AMERICAN FAMILIES PLAN EXPECTED NEXT WEEK

[Bloomberg reported](#) that the President's Family Plan expected next week would boost the capital gains rate to 39.6% for those earning \$1 million or more, an increase from the current base rate of 20%.

6. REMOTE LEARNING IMPACT ON STUDENT ACHIEVEMENT

[According to a report from Renaissance Learning Inc.](#), an online testing program used in thousands of U.S. schools, on average, students are performing below pre-pandemic expectations, but the [learning gaps](#) that existed for many at the start of the 2020-21 school year are shrinking, particularly in math,

7. REPUBLICAN ADDRESS FOLLOWING PRESIDENT’S REMARKS WEDNESDAY

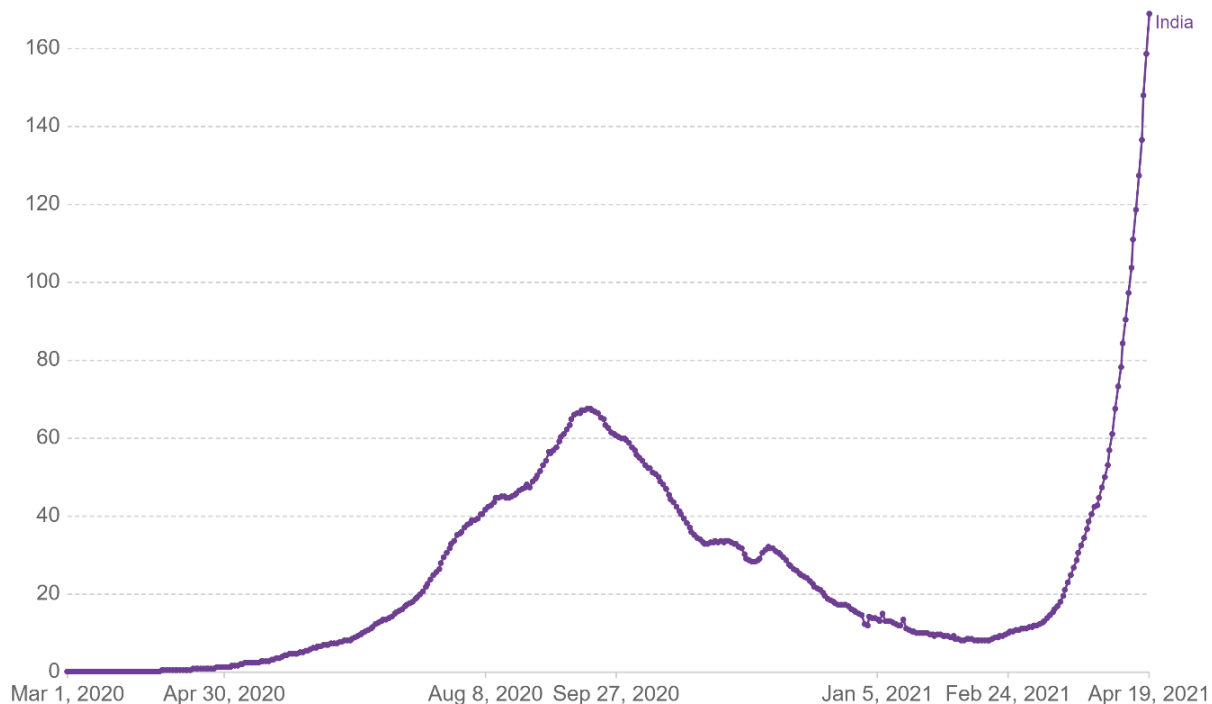
will be delivered by Senator Tim Scott (R-SC).

SPOTLIGHT ON REOPENING: INDIA’S VICIOUS SECOND WAVE, AND VACCINE CHALLENGE

In the past few weeks, India has been faced with a dramatic increase in COVID-19 cases as the country experiences its second wave. The threat of a second wave was [largely underestimated](#); people lowered their guard concerning social distancing and the government allowed mass election campaign events and large religious gatherings. The climb in cases has been so severe (see chart) that [experts are worried](#) about the threat this dramatic increase in cases poses to the rest of the world.

Daily new confirmed COVID-19 cases per million people

Shown is the rolling 7-day average. The number of confirmed cases is lower than the number of actual cases; the main reason for that is limited testing.



Source: Johns Hopkins University CSSE COVID-19 Data

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Doctors are calling this second wave a tsunami, as hospital beds fill up and many patients therefore cannot be admitted. India's capital city of [Delhi](#), the hardest hit by the second wave, announced a week-long lockdown to combat the shortage of ICU beds and oxygen supplies. Public health experts suspect that a new, highly infectious, Indian-origin double-mutant strain may be behind the dramatic increase in cases. The new variant, called B.1.617, has been discovered in ten countries, including the US. This is precisely the kind of development that could threaten the entire world with reinfection, and the reason why authorities everywhere are rushing their vaccination programs.

Last week, India decided that it would grant emergency authorization to [COVID-19 vaccines](#) approved by the World Health Organization or regulators in the US, Europe, Britain, or Japan. The new round of approvals includes Russia's Sputnik V vaccine. Despite controversy surrounding its distribution prior to the release of final trial data, and a claim that some vaccines that were distributed did not match the versions that were tested, scientists are now confident that its benefits have been demonstrated. The Russian Direct Investment Fund (RDIF) and India's pharmaceutical companies have plans to produce over [850 million doses](#) of Sputnik V annually. So far, India has given more than [100 million doses](#) of two approved vaccines: the AstraZeneca vaccine which in India is branded under the name Covishield; and COVAXIN, from India's Bharat Biotech.

The government of India recently announced that vaccines will be available to all adults beginning May 1. This eligibility expansion will strain the vaccine campaigns of other countries reliant on vaccines made in India. India has already greatly [scaled down](#) its vaccine shipments abroad, exporting only 2 million doses in past weeks compared to 64 million doses prior to the beginning of India's second wave. This cutback is proof that despite the acceleration of vaccine administration around the world, we are nowhere near out of the woods.