

**From:** [Sierra Fuller](#)  
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**Subject:** COVID-19 Legislative Update 4.20.20.  
**Date:** Monday, April 20, 2020 9:23:37 PM  
**Attachments:** [image001.png](#)

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Good evening,

Please see below for updates on legislation related to COVID-19. Updates come out every Monday, Wednesday, and Friday evening.

#### **4.20.2020. COVID-19 Legislative Update**

##### **Legislation**

##### ***Supplemental 3.5 – Interim Emergency Coronavirus Relief***

Timeline: Once a deal is reached, **the hope is passage by UC in the Senate tomorrow with a vote in the House later this week.** A The bill will likely be voted on shortly after text is revealed. In today's Senate pro forma session, Leader McConnell asked consent to schedule an additional pro forma session for tomorrow, lining up a potential Senate vote if a deal is reached tonight. Senate is hoping to avoid a "real vote", but if needed will give at least 24 hours' notice (and would shift the vote to later this week). If a deal is reached tonight, **the earliest the House could vote would be Wednesday morning.** If no deal is reached tonight, the House would likely move to Thursday.

**Leader McCarthy has signaled that Republicans are likely to call a roll call vote.** House Rules is slated to meet at 5:00 tomorrow afternoon on the rule(s) for the PPP package, Chairman McGovern's remote voting recommendations, and Whip Clyburn's Rural Broadband Taskforce, though it's unclear whether the latter items stay on the agenda.

Process/Policy: While a deal has yet to solidify, negotiators have moved passed the "stalled" phase and have a limited number of issues to wrap up before moving forward. See below for a few major highlights of the **widely reported, but still-developing package** so far. The biggest open issue appears to be hospital allocations. Topline is around \$500 billion.

- SBA programs;
  - **\$250 billion for SBA PPP** (still talking to Secretary Mnuchin about transparency/protection language on how and to who the money will be given out),
  - \$60 billion for PPP to small lenders and community banks,
  - \$30 billion for CDFIS,
  - \$60 billion for SBA disaster programs (\$50 billion for Economic Injury Disaster Loan [EIDL] program and \$10 billion for an economic injury grant program);
- **\$75 billion for hospitals** (unclear whether just for hospitals or broader health providers);
  - Dems are still pushing for money for rural hospitals that accept Medicaid, hoping to get money for this on top of the \$75 billion for hospitals;
- **\$25 billion for testing** (still working out language. Administration does not want this to be a "national" testing program);
  - It is unclear how much of what Senate Democrats released last week is included in this deal, but it's worth a look for an idea of what policies/programs may have ended up in the deal. See [here](#) for the report. See [here](#) for the white paper. See [here](#) a one pager;

- Still working out flexibility language for lost revenue language from CARES;
- Still negotiating for a higher FEMA match.

What's left out of this package that may be in later bills:

- No state/local government relief for now – there is a consensus that state/local governments will need additional funding, but the question still being debated is *when*;
- No money for SNAP.

#### ***Supplemental IV – CARES 2.0.***

Timeline/Process: Presumption is the sooner Congress can pass 3.5, the sooner we can move to the next package. Discussions will begin again once 3.5 is done. Timing is still very up in the air. It's unclear whether the scope of the interim package—like whether additional funding for hospitals and state and local governments is included—will affect the timing and scope of the next package. **If the SBA program continues to burn through funding at the same rate, the interim funding from 3.5 will run out by early May. The thinking is that Speaker Pelosi will take the lead on crafting the CARES 2.0./Phase 4 bill.**

Policy: While the next package will likely stay within the outline of CARES, including plus ups for programs funded and created under the bill, the increasingly grave impacts of coronavirus may push lawmakers to consider the inclusion of other provisions and the creation of new programs. The bill Speaker Pelosi introduced while CARES was being negotiated included multiple provisions and funding increases that did not make it into the final bill. Some of those provisions and increases are being considered for the next package.

#### ***Supplemental V – Economic Stimulus***

While Chairman DeFazio (T&I) has said he aims to introduce an infrastructure bill by May, that timeline is looking increasingly optimistic. The House Transportation and Infrastructure Committee is moving forward with that timeline and is aiming to have the bill be as comprehensive as possible as a starting place. A large package like this needs to be legislated in regular order, so moving forward while remote is a challenge. WRDA may be included in the package but is moving through an appropriations-like process already, with requests coming in from various offices.

#### **Passed Legislation**

##### ***Supplemental III – Coronavirus Aid, Relief, and Economic Security (CARES) Act***

After a unanimous vote by the Senate, the House passed the bill on March 27 and the President signed the bill into law shortly after. Final text [here](#). Democratic summary [here](#). Republican section by section [here](#).

#### **New information and guidance:**

- Treasury updated the FAQ on the Paycheck Protection Program [here](#)
- SAMHSA has begun awarding Emergency COVID-19 grants that were funded in CARES. The law provides \$110 million for Emergency Grants to Address Mental and Substance Use Disorders During COVID-19 (Short Title: Emergency COVID-19). SAMHSA will provide up to \$2 million for successful state applicants and up to \$500,000 for successful territory and tribal applicants for 16 months. Press release [here](#). Grant information [here](#).

- The Treasury Department has released [affiliation guidelines](#) for the small business loan program.
- The Treasury Department released an [interim final rule](#) last week on the small business provisions in the bill. **Treasury and the SBA announced earlier this evening that the Paycheck Protection Program ran out of funding this evening. Press release [here](#).**
  - Note: “By law, the **SBA will not be able to issue new loan approvals** once the programs experience a lapse in appropriations.”
- See [here](#) for a memo Cornerstone put together on the interim final rule. See [here](#) for a report from SBA on approvals through 4/13.
- Clarification regarding loan forgiveness: the **forgiveness period triggers on day of loan closing**. Forgiveness on the loan is available for the 8 weeks after the loan closes. Businesses can use the funds to pay payroll prior to that 8 week period, but it won’t qualify for forgiveness.
- Treasury FAQs on the Paycheck Protection Program
  - Top-line overview of the program [here](#)
  - Lender information [here](#), Borrower information [here](#), borrower application [here](#)
  - Updated (as of 4/17) FAQ [here](#)

#### Title II – Individual and Business Tax Relief

- IRS guidance on deferral of payroll taxes [here](#)
- House Ways and Means factsheet on Economic Impact Rebate portal [here](#)
- IRS has indicated that the **earliest Americans could receive relief payments from CARES is this week**. Those who will receive their relief through paper checks could take as long as 20 weeks to receive payment.
- IRS’s FAQ page on individual economic relief [here](#).
- Treasury Guidance on Employee Retention Tax Credit [here](#)
- Treasury FAQ on Employee Retention Tax Credit [here](#)

#### Title III – Public Health Systems, Education, and Healthcare

- 4/10 - HHS issued guidance, announcing the formula and mechanism in which hospitals will receive the first \$30 billion in relief funding. The money does not have to be repaid and can be used for a variety of uses. The first tranche went to hospitals based on their Medicare FFS reimbursements in 2019. As total FFS payments were approx. \$484 billion in 2019, a provider can estimate their payment by dividing their 2019 Medicare FFS (not including Medicare Advantage) payments they received by 484 and multiply that ratio by 30. If the providers total 2019 Medicare FFS payments were Y, then  $(Y \div 484) \times 30 = \text{amount of relief}$ . State by state breakdown of first payment [here](#).
  - HHS is working on developing a plan for how to disburse another \$30 billion for Medicaid-heavy providers and potentially a focus on pumping money to providers in hotspots.
- Factsheet on accelerated and advance payments for providers/suppliers [here](#)
- 4/9 – Secretary DeVos indicated that she would be moving to “immediately distribute” the \$6 billion in CARES for emergency financial aid grants to college students. The grants can be used by college students for technology, course materials, food, housing, and healthcare. DeVos distributed the funding to colleges, which are meant to then distribute the aid among students. The Department did not issue guidance on how colleges are to structure the program, but colleges will be required to sign a form certifying that the funds were used in accordance with the law. See [here](#) for the specific allocations for each college.

#### Title IV – Economic Stabilization

- 3/30 – The Treasury Department released guidance on payroll support to airline industry employees, and on loans to the airline industry and businesses critical to national security. Guidance for payroll support [here](#). Guidance on procedures and minimum requirements for loans [here](#). Treasury press release [here](#).
- 4/10 – Treasury Q&A on Loans to Air Carriers and Eligible Businesses and National Security Businesses [here](#). Loan application [here](#).

#### Division B – Appropriations

- 4/8 – Last week the FCC announced a two-part, \$200 million COVID-19 telehealth program.

The press release may be found [here](#); and the FCC order approved on Wednesday (4/8) can be found [here](#).

- 4/13 – Treasury officially launched its [web portal](#) for payments to state, local, and tribal governments. Treasury announced that eligible **government entities must provide required information by Friday, April 17** to receive payment within the 30-day window allowed under CARES and **those that miss that deadline may not receive funding**. Submission page [here](#).

Some highlights from the announcement below:

- Funds are only allowed to be used for expenses which:
  - Are necessary expenses during the coronavirus emergency;
  - Were not accounted in the most recent budget (as of March 27, 2020);
  - Were incurred between 3/1/2020 – 12/30/2020.
- Eligible local governments are those below the state level (county, municipality etc.) with a population higher than 500,000. See [here](#) for data sources and the distribution methodology. See [here](#) for a list of eligible local government units.
- Amounts paid to governments will be based on population and the amounts allocated to states will be reduced by the total amount provided to local governments in the state.
- Payments to Tribal Governments will be determined by the Treasury Secretary in consultation with the Interior Secretary and Tribes. Consultation has not yet been completed.

Cornerstone resources on certain areas of the bill:

- Memo for **health care** providers [here](#)
- Memo on the **Small Business Administration loan programs** [here](#)
- Memo outlining the **workers and families** assistance programs [here](#)
- Memo outlining **technology** opportunities [here](#)
- Memo outlining **FEMA** opportunities [here](#)
- Memo on the bill's **higher education** provisions [here](#)
- Memo for **non-profits** [here](#)
- Memo on CARES Act and **Airports** [here](#)
- Memo on the status of **business operations in Mexico** [here](#)

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#### Supplemental II – Families First Coronavirus Response Act (HR 6201)

The Senate passed the House bill on March 18 and the President signed the bill into law that evening. Bill text [here](#). Factsheet [here](#). Bill section by section [here](#). A summary of paid leave provisions, incorporating changes made by technical correction, is [here](#).

#### Supplemental I – Coronavirus Supplemental

Signed by the President March 6. Text [here](#), summary [here](#).

### **Congress**

Session: **The House announced on Monday that it would not reconvene before May 4.** D.C. is currently under a stay-at-home order, and Maryland and Virginia have similar orders in place. In a Dear Colleague last week, Speaker Pelosi advised members to keep their schedule flexible and said that, in order to make up for lost time, the House may meet during weeks previously scheduled as District Work Periods. The Senate is in recess until April 20.

Appropriations/NDAA: **Subcommittee markups have officially been postponed.** While timing continues to be unclear, House Appropriations Committee (HAC) will likely stick to the original subcommittee order of markups, just shifting everything back by 2-3 weeks. The House may try to hold markups soon after whenever the next package is passed, when members have returned D.C. The Senate Appropriations Committee (SAC) has floated two different allocations to subcommittee

clerks, the differentiating factor between the two allocations being how VA Choice is treated. **SAC has given subcommittees direction to stick with the original plan of marking up all of the bills in June.**

This year's NDAA markup has been "indefinitely postponed". Reps. Adam Smith and Thornberry (HASC Chair and RM) sent a [letter](#) to the committee members saying that they will schedule the date of the markup once the House schedule for the next few months becomes clear. **SASC Chairman Inhofe has said he aims to writing the FY21 NDAA by the end of May but is flexible considering the circumstances.**

- **Remote voting:** Speaker Pelosi and Leader McConnell have both voiced opposition to members' voting remotely, but as the pandemic makes travel more treacherous, in-person voting has become more difficult. Remote voting is being discussed to some extent in both chambers. **House Rules is slated to meet at 5:00pm tomorrow on the rule(s) for the PPP package and possibly Chairman McGovern's remote voting recommendations. The McGovern proposal currently lacks bipartisan consensus and Republican members of the House have expressed significant opposition to remote and/or proxy voting.** The House Committee on Rules Majority released a staff [report](#) on voting options. The [report](#) discusses unanimous consent, proxy voting, as well as the logistics (and security concerns) of remote voting. Additionally, the House Sergeant at Arms and the Attending Physician released [guidance](#) for voting in-person, including procedures for voting in shifts for roll call votes. Leader McConnell, as of right now, is not supportive of any form of remote voting.

**Other Floor Action:** The House issued [guidance](#) last week indicated that Floor materials are to be submitted through a secure email address instead of dropped off at the Speaker's Lobby or Cloakrooms. Members are still allowed to drop off materials in person. Speaker's Dear Colleague on the guidance [here](#).

**Hearings and Meetings:** While most hearings and markups for the next week or so have been cancelled, some committee staff are working to see whether holding hearings virtually is possible. **The Senate Rules Committee Democrats released a one-pager guidance on "paper hearings", which stated "paper hearings" are not official hearings.** The Senate Sergeant at Arms is exploring technology that would allow for remote hearings, though Leader McConnell remains opposed to any form of remote voting. Under current rules, the House does not allow virtual hearings. Chairman McGovern has been contemplating changing the rules on this and could issue guidance soon. The House Administration Committee is working on a report on best tools to be able to do virtual meetings. **The Senate has [advised](#) offices to avoid using the video conferencing app Zoom over data security concerns.** The Senate has not yet officially banned the application though.

#### **Members of Congress in Quarantine or Treatment** (new additions in bold)

Tested Positive (1): Rep. Neal Dunn (R-FL)

Currently Self-Quarantined (0):

Recovered (6): Sen. Rand Paul (R-KY), Rep. Joe Cunningham (D-SC), Rep. Ben McAdams (D-UT), Rep. Mario Diaz-Balart (R-FL), Rep. Mike Kelly (R-PA), Rep. Nydia Velazquez (D-NY)

Completed Quarantine (37): Sen. Ted Cruz (R-TX), Rep. Mark Meadows (R-NC), Sen. Lindsay Graham (R-SC), Rep. Don Beyer (D-VA), Rep. Sharice Davids (D-KS), Rep. Doug Collins (R-GA), Rep. Paul Gosar

(R-AZ), Sen. Cory Gardner (R-CO), Sen. Rick Scott (R-FL), Rep. Matt Gaetz (R-FL), Rep. Jason Crow (D-CO), Rep. Julia Brownley (D-CA), Rep. Ben Ray Lujan (D-NM), Rep. Gwen Moore (D-WI), Rep. Stephanie Murphy (D-FL), Rep. John Yarmuth (D-KY), Rep. Adam Schiff (D-CA), Rep. Vincente Gonzalez (D-TX), Rep. Drew Ferguson (R-GA), Rep. David Schweikert (R-AZ), Rep. Anthony Brindisi (D-NY), Rep. David Price (D-NC), Rep. Ann Wagner (R-MO), Rep. Kathleen Rice (D-NY), Rep. Matt Cartwright (D-PA), Rep. Tom Cole (R-OK), Rep. Steve Scalise (R-LA), Rep. Frederica Wilson (D-FL), Rep. Andy Kim (D-NJ), Rep. Kendra Horn (D-OK), Sen. Mike Lee (R-UT), Sen. Mitt Romney (R-UT), Rep. Katie Porter (D-CA), Rep. Seth Moulton (D-MA), Rep. Lizzie Fletcher (D-TX), Rep. Josh Gottheimer (D-NJ), Rep. Ayanna Pressley (D-MA), **Rep. Mikie Sherrill (D-NJ)**

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