

From: [Sierra Fuller](#)
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Subject: COVID-19 Legislative Update 03.25.2020.
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Attachments: [image001.png](#)

Good evening,

Please see below for updates on legislation related to COVID-19.

3.25.2020 - COVID-19 Legislative Update

Legislation

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

Timeline: The Senate is expected to vote on the passage of the bill imminently, following a likely-to-fail vote on an [amendment](#) by Sens. Sasse, Scott, and Graham to limit some of the UI provisions. The House is expected to attempt unanimous consent sometime Thursday or Friday, with fallback options developing if such an attempt fails.

Process and Politics: Leaders McConnell and Schumer announced a deal on the bill early this morning (late last night). After multiple texts and summaries being circulated throughout today, final text of the bill was released this evening. Before text was *officially* released (but after a deal had been announced), some Republicans expressed reservations about the unemployment insurance provisions in the bill, leading to Sen. Sasse offering an amendment to the bill tonight. Sen. Sanders pushed back, threatening to block the bill if the provisions were removed.

Since yesterday, negotiations had shifted the bill in Democrats' favor, leaving some Republicans frustrated. While this context might not matter for this bill's passage, Republicans may be less willing to compromise and include Democratic priorities in later supplementals.

Policy: Despite the multiple texts and summaries circulating today, *official* text was released at 10pm. Some items (unemployment insurance, nonprofit eligibility in certain programs) that appeared to have been settled yesterday, were again subject to negotiations today. Final text [here](#). Democratic summary [here](#). Republican section by section [here](#). Some highlights of the bill below.

Small Business Loans (Title I) – Committee section by section [here](#) and one pager [here](#), minority one pager [here](#)

- **\$350 billion for new Paycheck Protection Program**, which would provide small businesses 8 weeks of cashflow assistance. The portion of the loan are used for payroll support (employee salaries, paid sick or medical leave, and other overhead like mortgage interest, rent, and utility payments) would be forgiven if employees (and salaries) are retained.
 - Defines eligibility as businesses, nonprofits, veterans' organizations, and Tribal businesses up to 500 employees and **includes self-employed, independent contractors, sole proprietors.**
- \$17 billion for SBA to cover 6 months of payments for small businesses with existing SBA loans.

Individual Relief (Title II) – summary [here](#)

- Pandemic Unemployment Assistance **program for individuals not usually eligible for UI** (self-

employed, independent contractors, as well as individuals who are unable or unavailable to work (but not actually laid off or unemployed) because their place of employment is closed “as a direct result of the COVID-19 public health emergency”) through 12/31/2020.

- **Four months of \$600/week boost to individuals’ unemployment insurance** (benefits per recipient varies by state).
- **2020 Recover Rebates:** \$1,200 to each person with a social security number (nondependents), with a grant of \$500 per child with an income phase out for those with incomes over \$75,000.
- **Waiver of early withdrawal penalties for withdrawals (up to \$100,000) from certain retirement accounts for COVID-19-related purposes.**

Business Tax Relief (Title II) – summary [here](#)

- Delays OASDI payroll taxes, payable over two years with half due by 12/31/21 and the remainder due by 12/31/22;
- Provides refundable payroll tax credit for 50% of wages paid to employees during the COVID-19 crisis (tax-exempt 501(c) organizations excluded);
- Relaxes limitations on net operating losses;
- Increases the amount of interest expense businesses are allowed to deduct (Increases limitation threshold increased from 30% to 50% of EBITDA for tax years beginning in 2019 and 2020);
- Treats corporate AMT credits as refundable for 2018 onward; and
- TCJA technical correction on QIP (confirms repairs and improvements are eligible for a 15-year class life and eligible for bonus depreciation/full expensing);
- Temporary exception for excise taxes on alcohol when used to produce hand sanitizer.

Health Care Infrastructure Support (Title III) – summary [here](#)

- Provisions to address medical product supply shortages, including drug and device shortages;
- Mandates COVID-19 testing is free, requires private insurance to cover COVID-19 treatments and vaccines;
- \$1.3 billion for community health centers;
- Reauthorizes HRSA grant programs that promote the use of telehealth technologies;
- Expands liability protections for PPE manufacturers as well as doctors practicing across state lines;
- Requires HHS guidance on protected health information sharing.

Education (also Title III) – one pager [here](#)

- Allows students to defer student loan payments for 6 months and to keep their Pell grants;
- Allows colleges/universities to continue to pay students for work-study;
- Waives federal testing/accountability rules for K-12.

Senate Finance Jurisdiction Health Provisions (still Title III) – summary [here](#)

- Temporary suspension of Medicare Sequestration (5/1/2020 – 12/31/2020);
- Increases DRG weighting factor for those diagnosed with COVID-19;
- Expand an existing Medicare accelerated payment program, where qualified hospitals would be able to receive up to six months advanced payment (based on net reimbursement of unbilled discharges/unpaid bills);
- Allows HSAs to cover telehealth prior to deductible as well as over-the-counter medical

products without a prescription;

Economic Stabilization (Title IV) – summary [here](#)

- Federal Reserve lending program to provide liquidity for industry in the form of loans, loan guarantees, and other investments.
 - \$500 billion in treasury-administered loans with specifically:
 - \$25 billion for passenger air carriers,
 - \$4 billion for cargo air carriers, and
 - \$17 billion for businesses “critical to maintaining national security”,
 - The remaining **\$454 billion would be dedicated for all other businesses.**
 - Oversight regulations, including restrictions on exec salaries, establishment of IG within Treasury for Pandemic Recovery, disqualifies companies with ties to President/VP/Department head/Congress from eligibility, and creates a Congressional Oversight Committee.
 - Specific worker protections (see [here](#) for summary) and limits on stock buybacks, dividends, furloughs, and worker pay cuts.
- Air Carrier Worker Support: **\$32 billion in grants to be used explicitly for employee wages, salaries, and benefits:**
 - \$25 billion to passenger air carriers,
 - \$4 billion to cargo air carriers,
 - \$3 billion to contractors.
- Housing support in the form of a **temporary ban on eviction filings**, ban on foreclosures of federally-backed mortgage loans, forbearance for certain borrowers.
- **\$150 billion Coronavirus Relief Fund** for states, territories, and Tribal governments, with \$1.25 billion minimum for small states. Formula includes county size and population.

Appropriations (majority section by section [here](#)):

- \$117 billion for hospitals and Veterans Health Care, with \$16 Billion dedicated to the Strategic National Stockpile
- \$45 billion for the FEMA Disaster Relief Fund
- \$4.3 billion for the CDC, with \$1.5 billion toward state and local preparedness grants;
- \$15 billion for SNAP;
- \$10.5 billion for DOD, with \$1 billion for implementation of the Defense Production Act, over \$3 billion for defense health programs, and \$1.5 billion for National Guard support for states/territories;
- \$400 million for election security grants for states.

Supplemental IV and onward

Leadership has agreed on drafting a fourth and fifth supplemental – unclear what will be included yet.

Passed Legislation

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

The Senate passed the bill 90-8 Wednesday afternoon 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

House is currently in recess but will be called back when votes are needed on the next supplemental (with 24-hour notice). House Democratic leaders have said that members will not have to return until after a deal the supplemental is reached.

Senate is in session. Leader McConnell has said the Senate will stay in session until a third supplemental has passed. After passage of the third supplemental, the **Senate plans to recess until April 20.**

As of right now, the **appropriations markup schedule is unchanged.** Most House bills have subcommittee markup dates the weeks of April 21 and April 28, while the Senate has not yet set its markup dates.

Remote voting: Speaker Pelosi and Leader McConnell have both voiced opposition to members' voting remotely, but as more members of Congress have begun self-quarantining and the pandemic makes travel more treacherous, in-person voting may become more difficult. Remote voting is being discussed to some extent in both chambers. On Monday, 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 Attending Physician of Congress is working on a plan ensure members are able to vote on the floor safely. Similarly, in its notice of the vote Sunday, the Senate Cloakroom encouraged members to socially distance during votes. In the Senate, Sens. Durbin, Portman, and Klobuchar working on a way for Senators to vote remotely, but Leader McConnell, as of right now, is not supportive.

Virtual hearings: 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.

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

Tested Positive (3): Sen. Rand Paul (R-KY), Rep. Ben McAdams (D-UT), Rep. Mario Diaz-Balart (R-FL)
Currently Self-Quarantined (31): Rep. Paul Gosar (R-AZ), Rep. Julia Brownley (D-CA), Rep. Jason Crow (D-CO), Rep. Matt Gaetz (R-FL), Rep. Mario Diaz-Balart (R-FL), Rep. Doug Collins (R-GA), Rep. Steve Scalise (R-LA), Rep. Ann Wagner (R-MO), Rep. Sharice Davids (D-KS), Rep. Ben Ray Lujan (D-NM), Rep. Kathleen Rice (D-NY), Rep. Kendra Horn (D-OK), Rep. Matt Cartwright (D-PA), Rep. Ben McAdams (D-UT), Rep. Gwen Moore (D-WI), Rep. Frederica Wilson (D-FL), Rep. Stephanie Murphy (D-FL), Rep. Drew Ferguson (R-GA), Rep. Joe Cunningham (D-SC), Rep. Tom Cole (R-OK), Rep. David Schweikert (R-AZ), Rep. Anthony Brindisi (D-NY), Rep. David Price (D-NC), Rep. Andy Kim (D-NJ), Sen. Rick Scott (R-FL), Sen. Cory Gardner (R-CO), Sen. Mike Lee (R-UT), Sen. Mitt Romney (R-UT), **Rep. Katie Porter (D-CA), Rep. Josh Harder (D-CA), Rep. Seth Moulton (D-MA)**

Completed Quarantine (4): Sen. Ted Cruz (R-TX), Rep. Mark Meadows (R-NC), Sen. Lindsay Graham (R-SC), Rep. Don Beyer (D-VA)

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