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**Subject:** COVID-19 Legislative Update 4.10.2020.  
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**Attachments:** [image001.png](#)

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Good evening,

Please see below for updates on legislation related to COVID-19. As legislative activity has slowed after the passage of the third bill, the cadence of this update will reflect that change and will be sent out on Monday, Wednesday, and Friday evenings (until circumstances change).

#### **4.10.2020. COVID-19 Legislative Update**

##### **Legislation**

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

Timeline: Yesterday morning, Leader McConnell attempted to pass the bill by unanimous consent in the Senate. Senator Cardin objected. Senator Van Hollen then attempted to pass by unanimous consent the Democratic bill, to which McConnell objected. The Senate then recessed until Monday.

**There's increasing urgency to pass additional funding for the SBA's Paycheck Protection Program.**

**As of yesterday, over a million loans had been approved for a total of \$133 billion.** At the current pace (\$30 billion/day), funding for the program will be exhausted in the coming week.

Process: **The hope is negotiations can begin between now and early next week that allow for a bipartisan agreement on what can move as part of an "interim package".** After a call with Secretary Mnuchin, Leader Schumer issued a statement earlier today indicating a level of hope for a bipartisan agreement to come together early next week. Speaker Pelosi and Chairman DeFazio also had a call today with Secretary Mnuchin. There is an openness on what could be included, and even an idea that **things could move in a piecemeal fashion**, with several mini-packages passing by unanimous consent or voice vote over the coming weeks, **while work continues on the larger CARES 2/Phase 4 package.** Passage in this way would allow Congress to continue to address emergent and changing needs until the Members are able to return and work on larger legislation.

Policy: Republican's have supported simply adding more funding to the SBA program, while Democrats have advocated for the inclusion of funding for hospitals and state and local governments among other things. Republican bill [here](#). Democratic bill [here](#). Summary of the Democratic bill [here](#). Speaker Pelosi and Leaders Schumer outlined the following to be included in the bill:

- **\$100 billion for hospitals**, community health centers, and health systems, as well as production and distribution of testing and personal protective equipment (PPE);
- **\$150 billion for state and local governments** for management of the crisis as well as to make up for lost revenue;
- A 15% increase to the maximum **SNAP** benefit;
- Removing obstacles to **voting**.

Something else to watch: Reps. Chris Pappas and Brian Fitzpatrick will be leading a letter to House and Senate leadership requesting the inclusion of language in the next coronavirus relief bill that would make **501(c)(6)s eligible** for Economic Injury Disaster Loans and the Paycheck Protection Program. They sent out a Dear Colleague requesting co-signers earlier this week.

### **Supplemental IV – CARES 2.0.**

Timeline/Process: The work on this bill continues and committees/members are pressing forward, with new requests from offices still coming in. Timing is still very up in the air. While the official calendar still has both chambers returning the week of April 20, there's certainly increasing awareness of that time frame possibly coinciding with when D.C. may reach the peak, so floor schedules are increasingly likely to shift.

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.

The **New Democrat Coalition** has outlined three main priorities for the next supplemental: CARES Act plus-ups (i.e. automatic stabilizers, automatic payroll protection loans), a national recovery strategy (national testing, virus tracing, preparedness efforts for those reentering workforce), and healthcare coverage and affordability.

The **Congressional Progressive Caucus** sent a [letter](#) to Speaker Pelosi asking for the following to be included in the next supplemental:

- Support for Small Business and Workers
  - Repealing waiver authority that overrides prohibitions on stock buybacks and other limits on companies that receive economic stabilization money;
  - Create a federal Paycheck Guarantee program.
- Individual/Families Relief
  - Provide monthly direct cash assistance of at least \$2,000/month per person, \$1,000 per child for up to a year;
  - Provide at least \$30k in student loan debt cancellation for individuals;
  - Extend moratorium on evictions/foreclosures to include all types of housing (including commercial evictions);
  - Prevent utility/internet shutoffs;
  - Limits on small business debt collection.
- Public Health
  - Include hazard pay, increase PPE, childcare assistance;
  - Funding aimed at developing protocols/production of testing/contract tracing etc;
  - Ensuring health care coverage and no out of pocket costs;
  - Expand support for state/local/tribal/territorial governments, including those smaller than 500,000 and D.C.;
  - Emergency funding for CHCs.
- Safe Elections
  - Implement vote-by-mail option for federal elections in 2020;
  - Passage of certain parts of the Voting Rights Advancement Act;
  - Investments in state election efforts (\$3.6 billion).
- Assistance for people regardless of tax or immigration status, age, or disability status;
- Parity for tribal, U.S. territory, and D.C. residents;

### **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:

- House Ways and Means factsheet on Economic Impact Rebate portal [here](#)
- IRS guidance on deferral of payroll taxes [here](#)
- Cornerstone memo on CARES Act and Airports [here](#)
- Cornerstone memo on the status of business operations in Mexico [here](#)

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**Treasury and Federal Reserve Policies:** Yesterday, the Treasury Department and the Federal Reserve Board jointly announced ([Treasury](#), [Fed](#)) several new policies implemented through § 13(3) of the Federal Reserve Act, aimed at **promoting \$2.3 trillion** in business liquidity.

These policies appear to include liquidity **both related and unrelated to the CARES Act**, but in many cases the Federal Reserve and Treasury have taken amounts allocated by CARES and [leveraged](#) those amounts to issue larger volumes of liquidity. Some highlights and additional details on these policies:

- **Main Street Lending (MSL):** New Fed facility will provide **\$600b** in new loans to mid-size businesses, using leverage from **\$75b** of the \$454b emergency stabilization fund capital allocated through CARES to small and mid-size businesses:
  - Fed will offer four-year loans through banks, with payments deferred for up to one year;
  - Eligible businesses are those with 10,000 or fewer employees OR revenues of less than \$2.5 billion;
  - Subject to stock buyback, dividend, and compensation restrictions **but apparently not to the workforce retention requirements from CARES;**
  - Firms that have received SBA/PPP loans will be eligible to seek MSL loans as well;
  - Two separate term sheets under the program:
    - [Main Street New Loan Facility \(MSNLF\)](#) maximum loan up to lesser of (i) \$150m, (ii) 30% of existing undrawn debt, or (iii) amount when added to outstanding undrawn debt does not exceed 6x 2019 EBITDA;
    - [Main Street Expanded Loan Facility \(MSELF\)](#): maximum loan of up to lesser of (i) \$25m, (ii) amount when added to outstanding undrawn debt does not exceed 4x 2019 EBITDA;
- **Municipal Liquidity Facility (MLF):** New Fed facility will provide **\$500b** in short-term debt to US states, using leverage from **\$35b** - that may or may not come from the CARES \$454b emergency stabilization fund but probably does not come from the § 5001 \$150b state and local fund

Term sheet [link](#);

- **Paycheck Protection Program Liquidity Facility (PPPLF)**: New Fed facility will extend credit to lenders issuing components **the existing volume of \$350b** in PPP loans, through term financing and taking the loans as collateral at face value;
  - Term sheet [link](#);
- **Asset liquidity**: Enhancements of existing programs to purchase debt:
  - **Primary and Secondary Market Corporate Credit Facilities (PMCCF and SMCCF)**:
    - Existing programs used by the Fed to purchase corporate debt;
    - **\$750b** in liquidity, using leverage from **\$75b** (up from a previous **\$20b**) in equity investment from Treasury;
    - PMCCF term sheet [link](#); SMCCF term sheet [link](#);
  - **Term Asset-backed securities Lending Facilities (TALF)**:
    - Existing program whereby Fed lends money to investors to buy consumer debt-backed securities;
    - New classes of debt now allowed which were generally excluded in 2008;
    - **\$100b** in liquidity, using leverage from **\$10b** in equity investment from Treasury - an amount previously allocated which was not increased in today's announcement;
    - term sheet [link](#).

**Education Department**: Secretary DeVos indicated 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 will be distributing the funding to colleges, which will 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.

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**HHS Hospital Funding**: HHS issued guidance earlier this morning announcing the formula and mechanism in which hospitals will receive the first \$30 billion in relief funding. The money will not have to be repaid and can be used for a variety of uses. The first tranche will go 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  $(Y \div 484) \times 30 =$  amount of relief. State by state breakdown of first payment [here](#).

HHS is working on developing a plan in the next seven to ten days for how to disburse another \$30 billion for Medicaid-heavy providers and potentially a focus on pumping money to providers in hotspots.

#### **Title I – Small Business Loans**

- 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. **Applications opened last Friday** for eligible entities and opened today

for independent contractors and the self-employed. **With such high demand, it's likely that funding will be exhausted within the next few days. As of 4pm on Thursday, over have a million loans had been approved for a total of \$133 billion. At that pace (\$30 billion/day), funding for the program will be exhausted in the coming week.** See [here](#) for a memo Cornerstone put together on the interim final rule.

- Treasury FAQs on the Paycheck Protection Program
  - Top-line overview of the program [here](#)
  - Lender information [here](#), Borrower information [here](#), borrower application [here](#)
  - April 8 FAQ [here](#)

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

- IRS has indicated that the **earliest Americans could receive relief payments from CARES is next 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](#)
- Senate Finance Committee FAQ on the Employee Retention Tax Credit [here](#)
- House Ways and Means FAQ on Rebates [here](#)
- House Ways and Means FAQ on Unemployment Compensation [here](#)

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

- Factsheet on accelerated and advance payments for providers/suppliers [here](#)
- House Energy and Commerce Republican Factsheet on relief for hospitals [here](#)

#### **Title IV – Economic Stabilization**

- 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](#).
- Treasury Q&A on Loans to Air Carriers and Eligible Businesses and National Security Businesses [here](#). Loan application [here](#).

#### **Division B – Appropriations**

- 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 can be found [here](#).
- House Appropriations overview for local governments/nonprofits [here](#)

#### **Oversight**

- Speaker Pelosi [announced](#) the creation of a House Select Committee on the Coronavirus Crisis, which will be focused on oversight of how the funds appropriated in CARES and other supplementals is spent. Majority Whip Clyburn will chair the committee. Other members of the committee have yet to be announced.
- Leader Schumer announced on Monday that he will appoint Bharat Ramamurti to the Congressional Oversight Commission. The Commission was created by CARES to oversee implementation of the economic relief provisions in the bill. Ramamurti was the Deputy Policy Director for Economic Policy on the presidential campaign of Sen. Elizabeth Warren (D-MA).

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](#)

Other resources:

- Speaker Pelosi COVID toolkit [here](#)
- Updated Senate Republican Policy Committee memo [here](#)

- Senate Republican COVID Policy Response overview [here](#)
- Leader Schumer coronavirus resources page [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: House is in a pro forma session until April 20. D.C. is currently under a shelter-in-place 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: As of right now, the appropriations markup schedule is unchanged. This week, House appropriators received **topline numbers yesterday**. Subcommittees are working through requests, while those with less COVID-19 related jurisdiction have the most bandwidth to work through requests. **The schedule will likely slip** as attention has been focused on coronavirus relief legislation. The House may try to hold markups soon after whenever the next package is passed, when members have returned D.C. 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.**

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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. 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](#) earlier this 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 guidance also pointed out that committees must vote in-person to report legislation or nominations. 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 (2): Rep. Mike Kelly (R-PA), Rep. Nydia Velazquez (D-NY), **Rep. Neal Dunn (R-FL)**

Recovered (4): Sen. Rand Paul (R-KY), Rep. Joe Cunningham (D-SC), Rep. Ben McAdams (D-UT), Rep. Mario Diaz-Balart (R-FL)

Currently Self-Quarantined (9): Rep. Josh Gottheimer (D-NJ), Rep. Ayanna Pressley (D-MA), Rep. Mikie Sherrill (D-NJ)

Completed Quarantine (34): 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)

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