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Subject: COVID-19 Legislative Update 4.17.2020
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Attachments: [image001.png](#)

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).

4.17.2020. COVID-19 Legislative Update

Legislation

Supplemental 3.5 – Interim Emergency Coronavirus Relief

Timeline: Not much has changed since Wednesday (or even last week) on the status of negotiations. There was some hope earlier this week that a deal could come together before the Senate's pro forma session yesterday, but that has come and gone with no deal. **Discussions are expected to continue through the weekend.** Each side seems to be waiting to see which party will pay the political price for inaction. There remains a sense of urgency to act, particularly given extended time period before Congress returns to session and the announcement that the SBA's Paycheck Protection Program [ran out of funding](#) on Wednesday evening.

Process/Policy: While the public line is that negotiations "remain stalled", it seems like quiet conversations are continuing about what Republicans may be willing to add to a potential package that provides the additional funding for PPP. The main disputes center on how to allocate the money in PPP and provide additional relief for state and local governments, hospitals, and low-income households.

- **Leader McConnell may have some fractures in his caucus on additional funding and wants support from the Administration for any possible deal** before he goes to sell his members on the deal.
- For background, Republicans 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 (as of 4/9) [here](#). Democratic bill (as of 4/9) [here](#). Summary of the Democratic bill (as of 4/9) [here](#).
- 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 last week. A similar letter for **501(c)(3)s** is in the works. Similarly, Speaker Pelosi sent around a Dear Colleague yesterday encouraging members to weigh in with the Federal Reserve in favor of including nonprofits and universities in its Main Street Lending Program.

Supplemental IV – CARES 2.0.

Timeline/Process: While negotiations continue on 3.5, **Congress is actively writing the next bill.** Timing is still very up in the air. The House announced earlier this week that the House will now reconvene May 4, instead of April 21, as was originally intended. There's an awareness that timing

may coincide with when D.C. may reach the peak, so floor schedules are could shift further. 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.

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.

- On Wednesday, Senate Democrats simultaneously **released a report on the lack of testing capacity in the United States** and a white paper outlining strategies to build capacity and develop a national strategy on the issue. See [here](#) for the report. See [here](#) for the white paper. See [here](#) a one pager. It is unclear in which supplemental a policy proposal regarding testing would be included.

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:

- 4/16 - HHS opened a portal to guide providers who received part of the \$30 billion in general funding from CARES last week through accepting the terms and conditions of the funds. The CARES Provider Relief Fund Payment Attestation Portal is accessible [here](#). Providers who have been allocated a payment from the initial \$30 billion general distribution that was distributed last week must sign an attestation confirming receipt of the funds and agree to the terms and conditions within 30 days of payment. The portal functionality is to guide providers through accepting the terms and conditions and attesting receipt or attesting receipt and beginning the return process.
- 4/17 – OMB sent a [memo](#) today giving agencies guidance on the implementation of section 3610 of the CARES Act. Section 3610 provides agencies an additional discretionary authority to reimburse costs of paid leave to federal contractors and subcontractors. DNI and DOD released guidance last week on implementation of Section 3610. See [here](#) for DNI guidance and [here](#) for DOD guidance.
- 4/17 – The Federal Aviation Administration issued [guidance](#) about the CARES Act for airport sponsors. Under normal circumstances, an airport sponsor contributes a matching percentage of an eligible project's cost. The CARES Act is unique in that it provides funds to increase the federal share to 100 percent and eliminates the local share or match. The Act also draws from the General Fund and NOT the Airport and Airway Trust Fund (where Airport Improvement Program funding normally originates).
 - CARES Act Grants [here](#)
 - 4/17 – CARES Act Airport Grants FAQ [here](#)
 - 4/14 – CARES Act Grant Amounts to Airports [here](#)
 - 4/14 – Map of CARES Act Airport Grants [here](#)
 - 4/14 – CARES Act Airport Grants Presentation [here](#)

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. **Treasury and the SBA announced earlier this evening that the Paycheck Protection Program ran out of funding Wednesday evening. Press release [here](#).**

The SBA has been approving approx. \$40 billion/day. 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.

- 4/15 – Treasury press release on lapse in funding for PPP [here](#)
 - Note: “By law, the **SBA will not be able to issue new loan approvals** once the programs experience a lapse in appropriations.”
- Treasury FAQs on the Paycheck Protection Program
 - Top-line overview of the program [here](#)
 - Lender information [here](#), Borrower information [here](#), borrower application [here](#)
 - 4/13 – Treasury issued an updated FAQ on the PPP [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

- HHS issued guidance last Friday 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.
- Factsheet on accelerated and advance payments for providers/suppliers [here](#)
- Secretary DeVos indicated last week 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 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.

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 (4/8) can be found [here](#).
- On Monday (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 midnight tonight** 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. **As of earlier this week, HAC majority had distributed 302bs to clerks but has not shared with the minority.** HAC subcommittees are continuing to work at basically the same schedule they had planned before COVID-19 and believe they can get to a 95% solution once members get back in town. 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.**

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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.** On a members-only call for House Democrats, **Chairman McGovern announced they would like to do proxy voting via phone and email and noted doing so will require a rule change.** House Rules Committee subsequently released a [statement](#) with additional details. 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 (1): Rep. Mikie Sherrill (D-NJ)

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 (36): 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)

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