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Subject: COVID-19 Legislative Update 4.24.2020.
Date: Friday, April 24, 2020 9:06:09 PM
Attachments: [image001.png](#)

Good evening,

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

4.24.2020. COVID-19 Legislative Update

Legislation

Supplemental IV – CARES 2.0. / Phase 4

Timeline: As COVID 3.5 was signed into law this morning, Congress will likely take a (brief) breather. Next week attention will turn to the next spending bill, termed “CARES 2.0” by some and “COVID 4” by others. The House is still scheduled to return on May 4, but **likely won’t be ready for a vote until mid- or late-May. Speaker Pelosi may unveil the next coronavirus supplemental as early as mid/late next week.** Further conversations between House Dems may push introduction back.

Process/Politics: All indicators point to Speaker Pelosi taking the lead on this supplemental and introducing a bill to begin negotiations from. However, getting Republicans to the table quickly likely will prove more difficult on this bill than past ones. Republicans have [said](#) they want to slow down and see how the spending so far has been used before moving forward. **There is a sense that Republicans are beginning to have “[spending fatigue](#)”,** and Leader McConnell has signaled his [opposition](#) to providing additional funding to states. However, some Republicans have [disagreed](#) with that position, and earlier this week, the President [called](#) for another bill that would include aid to state and local governments, infrastructure investment, a payroll tax cut, and tax breaks for restaurants, sports ,and entertainment interests.

Policy: This will likely be a large bill, at least \$1 trillion. The bill Speaker Pelosi introduces **will likely heavily mirror many of the priorities reflected in the “Take Responsibility for Workers and Families Act”**, which Speaker Pelosi and House Dems introduced prior to Senate passage of CARES. Text [here](#), summary [here](#), and one pager [here](#). The bill will also likely include significant funding for state/local/tribal governments and additional priorities may include funding for Medicaid and FMAP, election security/vote by mail, protecting frontline and emergency services workers, and funding for the Postal Service.

Highlights from the Democratic “Take Responsibility for Workers and Families Act”, some of which were implemented in CARES include:

- **\$150 billion for hospitals, CHCs, government medical systems**, including \$80 billion in low-interest loans to hospitals;
- \$1,500 to individuals in direct cash payment, up to \$7,500 for family of five;
- Expansion of Earned Income Tax Credit, Child Tax Credit;
- **Expands paid sick days and family medical leave** (extends to 12/31/2021, paid sick leave

- required regardless of size of the company);
- Health extenders extended to end of the fiscal year;
- **\$500+ billion grants and interest-free loans (some forgivable) for small businesses**, additional \$184 billion for low-interest disaster loans;
- **\$200 billion state stabilization fund**, \$15 billion in Community Development Block Grant for local governments;
- \$60 billion for schools/universities (\$50 billion for states' school funding and \$10 billion for higher education);
- **\$10 billion in grants to airports, \$40 billion in grants to airlines and ground support contractors (\$21 billion in loans)**, \$100 million in grants to maintain service to small communities.
- Housing support, including **\$100 billion for emergency rental assistance** to low-income renters at risk of homelessness, \$32 billion for state housing agencies, and \$1.1 billion for HUD multi-family housing programs;
- \$25 billion for **public transportation** to ensure continued operations;
- Over \$250 million for investments in **telemedicine** (ReConnect, Distance Learning and Telemedicine), \$2 billion for broadband **hotspots/devices** to for distance learning, and \$1 billion for the expansion of **broadband access** to low-income Americans.

As mentioned above, the President has [called](#) for aid to state and local governments, infrastructure investment, a payroll tax cut, and tax breaks for restaurants, sports, and entertainment interests. Some Republican members have said they want a more **economic stimulus and recovery-focused bill, with funding for infrastructure like broadband, roads, and bridges**. Republicans have also voiced concern around **energy industry losses** and its implication for the broader economy.

Passed Legislation

Supplemental 3.5 – Interim Emergency Coronavirus Relief, formally titled “Paycheck Protection Program and Health Care Enhancement Act” (HR 266)

Yesterday, the House passed the bill by a vote of 388-5, with Reps. Biggs (R-AZ), Buck (R-CO), Hice (R-GA), Massie (R-KY), and Ocasio-Cortez (D-NY) voting against the bill and Rep. Amash (I-MI) voting present. The President signed the bill into law this morning. Text [here](#). Section by section [here](#). Summary of hospital and testing provisions [here](#). DPCC one pager [here](#). Senate Democrats [summary](#) of health provisions. Overview of [commitments](#) regarding health funding and Medicare advance payments the Administration made as part of negotiations.

Highlights include:

- **\$310 billion total for PPP** with \$250 billion unrestricted and a \$60 billion set aside for smaller institutions:
 - \$30 billion for assets less than \$10 billion;
 - \$30 billion for assets between \$10 billion and \$50 billion.
- \$50 billion for EIDL loans;
- \$10 billion for EIDL Advance grants;
- \$2.1 billion for SBA administrative expenses.
- The bill also **clarifies agriculture enterprises are eligible for PPP** (they were eligible for 7(a) in the past, but they weren't eligible for EIDL because they received disaster relief from USDA in the past).
- The bill did not expand PPP eligibility to 501(c)(6)s and 501(c)(7)s, but lawmakers have

brought up the issue with Secretary Mnuchin, specifically regarding local and regional chambers of commerce. **Treasury is currently looking into is whether they have enough regulatory authority to expand eligibility** or if that requires a legislative fix.

- **\$75B for hospitals and providers** (summary of hospital and testing provisions [here](#));
- **\$25 billion for testing**, broken into the following categories:
 - **\$11 billion for states, localities, territories, and tribes** to develop, purchase, administer, process, and analyze COVID-19 tests, scale-up laboratory capacity, trace contracts, and support employer testing.
 - \$2 billion for **states** using the Public Health Emergency Preparedness grant formula;
 - \$4.5 billion provided to **hotspot** areas;
 - \$750 million for **tribes, tribal organizations, and urban Indian health organizations** in coordination with IHS.
 - \$1 billion for the **CDC** for surveillance, epidemiology, laboratory capacity, contact tracing, public health data, and analytics infrastructure modernization;
 - \$1.8 billion to **NIH** for testing and associated technologies and for partnerships to research and implement the activities;
 - (Note: This bill will roughly double the amount that Congress has appropriated for NIH for COVID-19 purposes so far.)
 - \$ 1 billion for **BARDA** for advanced research, development, manufacturing, production and purchase of COVID-19 tests and related supplies;
 - \$22 million for the **FDA** for diagnostic activities;
 - \$825 million for **Community Health Centers** and **rural health clinics**;
 - \$1 billion to cover costs of testing for the **uninsured**;
 - \$6 million for the HHS **Office of Inspector General**.

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:

- 4/23 – Treasury issued an updated PPP FAQ [here](#)
- 4/23 – The Treasury Department has [asked](#) all publicly traded companies that received funds under the Paycheck Protection Program to return the funds within two weeks.
- 4/24 – FEMA announced the application deadlines for fire service organizations to apply for the \$100 million provided in the CARES Act for grants to local fire departments for PPP and other supplies. Fact sheet [here](#). Advisory [here](#).
- 4/24 – HHS announced that the deadline for hospitals to submit data that will affect how HHS distributes funding for high impact areas is now **3:00 p.m. EST, Saturday, April 25**.

Small Business Loans

- 4/3 – The Treasury Department released [affiliation guidelines](#) for the small business loan program.
 - On April 23, the Treasury Department [asked](#) all publicly traded companies that received funds under the program to return the funds within two weeks.

The Treasury Department released an [interim final rule](#) on the small business provisions in the bill. 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. .

- Treasury FAQs on the Paycheck Protection Program
 - Top-line overview of the program [here](#)
 - Lender information [here](#), Borrower information [here](#), borrower application [here](#)
 - PPP FAQ [here](#) (as of 4/23)
 - [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
- 4/20 – SBA/WH data on Economic Injury Disaster Loans [here](#), EIDL Advance [here](#).

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 was the week of April 13th. 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](#)

Public Health Systems, Education, and Healthcare

- 4/23 – As part of negotiations on 3.5, the Administration made [commitments](#) on **how the next \$60 billion in the health relief fund will be distributed**. HHS has committed that it will send out an additional \$60 billion dollars in the coming weeks, much of it coming within the next 10 days. That funding will be distributed as follows:
 - \$10 billion for hotspots, which will be for the **top 100 counties with Covid-19 cases** to date. Payments are expected to be **distributed by next Wednesday, April 29**. The funding will be based on total ICU beds and Covid-19 patient admissions, cumulatively for the period from January 1 to April 10. An additional weighting factor, using Medicaid DSH status, will provide a greater proportion of this funding to those that treat underserved patients.
 - \$10 billion in additional hotspot funding, expected to go out in the next 45 days.
 - \$10 billion for **rural health care**.
 - \$400 million for **Native American health care systems**. Payments are expected to be distributed on Friday, April 24.
 - \$20 billion to reconcile the inequities from the initial \$30 billion, which was based on Medicare fee-for-service payments and left out providers that rely heavily on non-FFS payers. When combined with the initial \$30 billion, this **total will be calculated based on the provider's portion of 2018 net patient revenue**. Of this total, \$9.3 billion will be released by Friday, and the remaining \$10.7 billion **will require providers to submit an application attesting to their revenue**. Those payments will go out weekly on a rolling basis.
 - \$10 billion to cover the **cost of providing treatment for the uninsured. Applications will be accepted within 10 days**, with payments going out within 30 days.
- 4/22 – CARES Act Provider Relief Fund overview [here](#).
- Factsheet on accelerated and advance payments for providers/suppliers [here](#)
- 4/23 – As part of negotiations on 3.5, the Administration made [commitments](#) on changes to

Medicare advance payment policies. The administration committed that, by the end of this week, Secretary Mnuchin and Chief of Staff Meadows will release a letter stating that they will:

- Use their administrative authority to **reduce the interest rate** down from what is currently 10.25 percent to a rate that is more in line with a traditional federal interest rate.
- Use their administrative authority to **extend the repayment period** beyond 12 months.
- Work with Congress and support legislation in Corona 4 that will **place the liability for these payments in Treasury's General Revenue fund**, rather than the Medicare Hospital Insurance and Supplemental Medical Insurance Trust Funds. The expansion of these programs must not adversely affect Medicare's solvency or result in premium increases for seniors.
- 4/10 – HHS issued guidance, announcing the formula and mechanism in which hospitals will receive the first \$30 billion in relief funding. State by state breakdown of first payment [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.

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](#).

State, Local, and Tribal Government Funding

- 4/13 – Treasury 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. While consultation has been completed, **more than a dozen tribes have sued the Treasury Department** over its guidance identifying Alaska Native Corporations (ANCs) as eligible entities for the fund. On Wednesday, Secretary Mnuchin said that the department would not be releasing funding until Tuesday, April 28 – two days after the deadline outlined in the CARES Act.
- 4/22 – Treasury issued guidance on the state/local/tribal governments fund [here](#)
 - The guidance further defines what expenses qualify as “necessary expenditures” and provides examples as well as examples of ineligible expenses.

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: Congress has announced that it will not reconvene before May 4. D.C. is currently under a stay-at-home order, and Maryland and Virginia have similar orders in place. Speaker Pelosi has advised members to keep their schedule flexible and said that the House may meet during weeks previously scheduled as District Work Periods.

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 first markups were slated to begin April 22. The House may try to hold markups soon after the next package is passed, when all members have returned D.C. for a more extended period. **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: **After pushback from Republicans, Speaker Pelosi pulled a proxy voting proposal, and instead tasked a bipartisan group to review proposals for proxy voting and procedures to reopen the House.** The group includes Majority Leader Hoyer, Minority Leader McCarthy, Chairman McGovern (Rules), Ranking Member Cole (Rules), Chairwoman Lofgren (House Admin), and Ranking Member Davis (House Admin). The resolution proposed by Chairman McGovern [here](#) and includes protocols for proxy floor voting, and remote committee hearings and markups. Rules Majority proxy voting FAQ [here](#). Leader McConnell, as of right now, is not supportive of any form of remote voting.

Other Floor Action: The House has issued [guidance](#) 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 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's proxy voting proposal would also allow remote hearings and markups.** 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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