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# CORNERSTONE

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## COVID-19 Legislative Update

*June 1, 2020*

Please see below for updates on legislation related to COVID-19. Updates are sent every Monday, Wednesday, and Friday evening. For past updates, click [here](#). For updates before May 8, click [here](#).

### **6.1.2020. COVID-19 Legislative Update**

#### **Legislation**

##### ***Supplemental IV – The Heroes Act (HR 6800)***

Timeline/Process/Politics: Republicans continue to assert they want to take more time before taking up another coronavirus supplemental. **Internal Republican conversations are ongoing, but bipartisan negotiations have yet to begin.** The timing of the next supplemental could be sped up with pressure from PPP exhausting funds, rising unemployment, finding agreement on liability protection, and other economic data. A final bill could come in June, July, or even as late as August, depending on how negotiations go.

Policy: **Republicans remain adamant that liability protections must be included in the next supplemental.** Language has yet to be shared but has been drafted. Liability protection provisions could be a window (2019-2024) that covers all employers, though it will likely not be universal.

As mentioned previously, **Senate Republicans are increasingly concerned about the expanded unemployment insurance becoming a disincentive for employees to return to work.** Sen. Portman and others have been working on ideas to prevent and mitigate that disincentives. Disincentive mitigation may end up in the tax space or unemployment insurance space.

The Heroes Act passed the House on May 15 and can serve as an outline of Democratic priorities (to a certain extent). Heroes Act text (as of 5/12/2020) [here](#). Section by section [here](#). One pager [here](#). State and Local one pager [here](#). NCAI's summary on tribal provisions [here](#). Manager's amendment [here](#). House Rules Committee report [here](#).

### ***Legislation to Watch***

Paycheck Protection Program Flexibility Act: Last week, the House passed the Paycheck Protection Program Flexibility Act (HR 7010) 417-1. **additional funding for the program is included in the bill – its focus is to make the program more flexible.** Senate Republicans have voiced concern that the bill disincentives rehiring workers and taking out loans. **Senator Rubio has talked about hotlining the House-passed bill this week.** There have been conversations with Treasury on clarifying some parts of the House bill and seeing if some fixes can be made administratively. The Senate may not be able to hotline the bill as-is.

Text [here](#). Highlights below.

- Allow loan forgiveness for expenses beyond the 8-week covered period.
- Lowers the limitation that restrict non-payroll expenses (rent, utilities) to 40% of the loan.
- Eliminate limitations that restrict loan terms to 2 years.
- Allow businesses that take PPP loans to be eligible for payroll tax deferment.
- Extend the rehiring deadline to align with the enhanced Unemployment Insurance to offset its effects.
- Clarify safe harbor language, specifically that an “inability to return to the same level of business activity,” refers to compliance with HHS, CDC, OSHA standards or any other worker/customer safety requirement related to COVID-19.
- Allows borrowers to defer payments until SBA has made forgiveness determination.

Infrastructure: On Wednesday, the **House Transportation and Infrastructure Committee plans to propose their piece of a surface transportation reauthorization bill.** The proposal will likely include almost \$500 billion in funding. Expected highlights below:

- Temporary limits on local match requirements (due to pandemic)
- Climate and Safety:
  - \$6.25 billion for states to prepare for and respond to climate change impacts
  - \$1.75 billion for EV charging
  - \$6.25 billion for bicycle and pedestrian infrastructure
  - Investments in materials that assist with carbon reduction
  - Carbon pollution reduction program aimed at flexibility for eligible expenses
- \$311 billion for highways (42% increase):
  - \$28 billion for bridge investments
  - Gridlock reduction program

- New discretionary grant programs with strict evaluation criteria
- Large increases for tribal programs/federal lands/territories
- \$105 billion for transit (57% increase):
  - Changes to the urban formula fund
  - Give transit agencies flexibility to spend funding on mobility services
  - Buy America provisions
  - Priority to agencies with oldest buses
  - Program for zero emission buses
  - Direct funding to focus on low-income users
  - New office in FTA to aid governments with coordinating housing and transit planning
- \$60 billion for rail:
  - New grant program for expansion of passenger rail
  - CRISI program would receive \$7 billion over 5 years
  - New grant program for grade separation projects (\$2.5 billion over 5 years)
  - Rail safety awareness grant program (\$5 million every year).

### **Passed Legislation**

Moving forward, this section will only include new information and guidance. For past information and guidance and passed legislation, please refer to the [archives](#).

### ***New Implementation Information and Guidance***

- None

### **Congress**

**Hearings/Floor Activity:** The Senate will be in session this week and will be in session until the July 4 recess. The Senate's focus will be nominations, hearings and committee business, Paycheck Protection Program technical changes, COVID-19 supplemental(s), NDAA, surface transportation reauthorization, WRDA, FISA, appropriations, and legislation relating to China.

Leader Hoyer released an updated House calendar last week (calendar [here](#)) – it shows no voting days until June 30. In the [Dear Colleague](#) accompanying the calendar, Leader Hoyer explained that committee work will be the primary focus, outlining NDAA, appropriations, surface transportation reauthorization, WRDA, and expansion of the ACA as “must-pass” legislation. Leader Hoyer also noted that should additional votes be necessary for COVID-19 related legislation, members will be given 72 hours' notice before votes.

**Appropriations:** The Senate Appropriations Committee has released its 302(b) allocations to the subcommittee clerks. **SAC plans to markup bills June 15-19, though it may slip to July.** SAC will likely not markup the Homeland Security and MilCon/VA bills.

Subcommittees may poll their member rather than meet in person and save the in-person markups for full committee, to minimize the number of times that committee members have to gather. to minimize the number of times that committee members have to gather.

**The House Appropriations Committee aims to begin its FY21 markups after July 4 recess, with subcommittees marking up on July 6-7.** Full committee will markup later that week or the next. From there, the committee is aiming to push all the bills to the House floor during the last two weeks of July, likely in two minibuses. Majority Leader Hoyer has said he wants to pass all the appropriations bills before the August recess.

House, Senate, and the White House have settled on an agreement for Veterans Affairs funding to exempt the Veteran's Choice health care program from the budget caps and categorize it as emergency spending. This would save \$11-\$12 billion on the discretionary side and increase the odds of producing bipartisan bills.

**NDAA: SASC is set to markup subcommittees next week (June 8-9) and hold the full committee markup June 10.** MLAs have received their books and will be briefed tomorrow. Amendments are due 6 p.m. on Thursday, June 4.

The HASC markup is tentatively scheduled for the end of June. **Subcommittees will likely go on the week of June 22-26 and full committee will markup the last week of June or the week after.** Markups will likely take place in a larger hearing room than normal. Aim is to pass the bill before August recess.

Remote voting/virtual protocols: Last week was the first week the House allowed proxy voting and remote hearings and markups. There were no noticeable glitches for proxy voting, but no House Republicans voted by proxy. Last week, House Republicans [sued](#) House officials in attempt to block remote voting. The Senate has not moved forward with any proxy voting or remote procedures.

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

Tested Positive (0):

Currently Self-Quarantined (0):

Recovered (7): 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), Rep. Neal Dunn (R-FL)

Completed Quarantine (38): 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 Luján (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), Sen. Lamar Alexander (R-TN)



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