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## COVID-19 Legislative Update

*June 3, 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](#).

### **6.3.2020. COVID-19 Legislative Update**

#### **Legislation**

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

Timeline/Process/Politics: While internal discussions between Republicans have begun, some have said that Leader McConnell likely won't bring another COVID-19 supplemental to the floor until mid-July. Notably, some **committees have not been told by Republican leadership to begin compiling priorities** for the next bill. If we consider how protracted the debate on the last bill was, negotiations may need a backstop like August recess to provide pressure.

The Senate passing the Paycheck Protection Program Flexibility Act today took some pressure off to move quickly. However, outside groups that usually side with Republicans (i.e. the Chamber of Commerce) have pushed Congress to move quickly on passing another bill,

Policy: Republicans continue to push for liability protections and are working on strategies to combat the incentive structure of the federal boost to unemployment insurance. While the Heroes Act will not be taken up by the Senate (as Sen. McConnell has indicated), it can serve as an outline of Democratic priorities. 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***

now on its way to the president for signature. Bill text [here](#). PPP Loan Forgiveness Application [here](#).

Details of the bill below:

- **Extends the PPP loan forgiveness period** to include costs incurred over 24 weeks after the loan is issued (or through 12/31/20 – whichever comes first). Those businesses who received a loan prior to passage of this bill can choose to keep the 8-week forgiveness window under the original program structure.
- **Extends from June 30, 2020 to December 31, 2020 the date by which businesses must restore staffing or salary levels** previously reduced in order to have the full loan amount forgiven. This provision applies to worker and wage reductions made from February 15 through 30 days after enactment of the CARES Act (3/27/20).
- Allows forgiveness amounts to be maintained for **companies that can document their inability to rehire workers** employed who were employed as of February 15 or their inability to find similarly qualified workers by the end of the year. Likewise, forgiveness amounts can be maintained if business can **show that they could not resume business levels** from before February 15 because they were following federal requirements for sanitization or social distancing.
- **Extends the deadline to apply for a PPP loan** from June 30, 2020 to December 31, 2020.
- Lowers the required percentage of **forgiven loan amounts** that come from payroll expenses from 75% to 60%.
- Repeals a provision from the CARES Act that barred companies with forgiven PPP loans from deferring their **payroll tax payments**.
- Allows borrowers to **defer principal and interest payments** on PPP loans until the SBA compensates lenders for any forgiven amounts (rather than the previous 6-month deferral period). Borrowers that don't apply for forgiveness would be given at least 10 months after the program expires to start making payments.
- Changes from 2 years to 5 years the **minimum loan maturity period** following an application for forgiveness {this only applies to PPP loans issued after enactment of this bill, though borrowers and lenders can agree to extend current loans}.

Infrastructure: The **House Transportation and Infrastructure Committee released its piece of an infrastructure package**. The Committee plans to mark up its part of the package on June 17. Text [here](#). Bill summary [here](#). Section by section [here](#).

Other committees that will have a say in an infrastructure package include Ways and Means (financing), Energy and Commerce (water, broadband), Education and Labor Committee (school construction), and House Financial Services (Housing). The Ways and Means piece will likely include members' priorities (items in the bonding/tax credit space) and possibly parts the Green Act (press release [here](#), section by section [here](#), text [here](#)). On a Ways and Means call the committee indicated that because the infrastructure package is a stimulus, they will **not be expected to include payfors**.

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

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

- 6/2 – Treasury expects that the next round of **payments to tribes from the Coronavirus Relief Fund will be delayed by a week** after problems with the data request. Per a court document filed yesterday, Treasury indicated that as of the May 29 deadline for the data request, 61 tribes had not made submissions and many submissions that were received were incomplete or had errors. As of 6/2, Treasury was missing submissions from 57 tribes, and 336 submissions contained incomplete/incorrect information.
- 6/2 – HHS/ASPR published a website giving an overview of hospital funding put out to date. Website [here](#).
- 6/2 – CDC published a website outlining the funding that has gone to state, local, tribal and territorial health departments. Website [here](#). For tribal funding, the column is blank for CARES funding, but at the bottom you see the total is \$125 million for tribal health departments. CDC explained on a call that this is due to the fact that tribal funding is going out on a rolling basis based on applications, and is not a set formula.

### **Congress**

Hearings/Floor Activity: House in pro forma session this week, no votes scheduled. It's unclear if the House will continue to remain out until the end of July, considering the nationwide protests following the murders of George Floyd, Breonna Taylor, and Ahmaud Arbery. The Congressional Black Caucus and House Judiciary Committee have been working with Rep. Clyburn on legislation.

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 will 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.

**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 mark up 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.

**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.

**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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