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COVID-19 Legislative Update

June 5, 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](#).

6.5.2020. COVID-19 Legislative Update

Legislation

Supplemental IV – The Heroes Act (HR 6800)

Timeline/Process/Politics: Bipartisan negotiations have yet to begin, and Republicans are beginning to put together priorities for the next package. Leader McConnell likely won't bring another COVID-19 supplemental to the floor until mid-July. If we consider how protracted the debate on the last bill was, negotiations may need a backstop like August recess to provide adequate pressure to move through the House and Senate. **The jobs numbers today may have taken some pressure off Congress** to move quickly, as the Trump administration touted the numbers as a [victory](#). However, critics [pointed out](#) that the current crisis has made it difficult to define who is employed and the Bureau of Labor Statistics has had to modify their methodology extensively. All of that being said, **the unemployment rate remains in double digits**.

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](#).

The Department of Defense (DOD) has been socializing a \$10.5 billion DOD-focused piece to be included in the next supplemental. The request is very similar to what was funding for

Legislation to Watch

[Paycheck Protection Program Flexibility Act](#): Earlier this week the Senate passed the House PPP bill by unanimous consent. **The bill was signed by the President earlier today.** 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}.

Passed Legislation

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

New Implementation Information and Guidance

- 6/5 – HHS leadership has indicated that they will begin distributed the remaining CARES Act funding soon. There will be **another round of funding for hotspots** soon, for hospitals that have had a certain level of COVID-19 inpatients between

that will be disbursed in the near future will go to hospitals with **high levels of Medicaid DSH percentages and uncompensated care**. HHS has also indicated that later down the line there will be funding distributed for the purpose of **offsetting revenue loss and additional costs** expended in preparing for and/or treating COVID-19 patients. HHS will likely set up a portal where hospitals can enter their lost revenue and expenses related to COVID-19. HHS has emphasized the necessity to keep all receipts and other records of expenses for preparing for COVID-19 patients.

Congress

Hearings/Floor Activity: House in pro forma session next week, no votes scheduled. It's unclear if the House will continue to remain out until the end of July, considering the nationwide Black Lives Matter 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. As of the current schedule, the House will return at the end of June for 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**. The schedule has been reported to be E&W, THUD, and Leg Branch on June 25; Interior, CJS, Ag, and DHS on July 2; and the remaining bills still have yet a subcommittee date to be set.

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.

House Appropriations Committee Chairwoman Nita Lowey sent out a Dear Colleague yesterday outlining that she plans to hold **subcommittee and full committee markups the weeks of July 6 and 13**. 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

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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