

# **A Summary of Current COVID-19 Stimulus Bills**

## **CORONAVIRUS**

While businesses and schools across the U.S. are keeping people home amid coronavirus fears, Congressional leaders are forging ahead to negotiate and pass legislative packages to address the virus' impacts. So far, this process has been conducted through a series of three legislative proposals, with a fourth proposal becoming more likely.

### **SUPPLEMENTAL ONE**

On Friday, March 6, the President signed the Coronavirus Preparedness and Response Supplemental Appropriations Act (Public Law 116-123). This measure was the first legislative response to the coronavirus and provided \$8.3 billion in emergency funding for federal agencies to respond to the coronavirus outbreak. The \$8.3 billion is divided into \$7.8 billion in discretionary appropriations and \$500 million in mandatory spending. Broken down by category, the bill provides funding for the following purposes:

- More than \$3 billion for "research and development of vaccines, as well as therapeutics and diagnostics"
- \$2.2 billion "in public health funding to aid in prevention, preparedness and response efforts — including \$950 million to support state and local agencies"
- Almost \$1 billion for "medical supplies, health-care preparedness, Community Health Centers and medical surge capacity"
- \$1.25 billion for international efforts to combat coronavirus.

### **SUPPLEMENTAL TWO**

On Wednesday, March 18, the President signed the Families First Coronavirus Response Act (Public Law 116-127). This legislation mandates up to two weeks of paid leave for employees affected by the coronavirus if those employees are unable to work or telework or are caring for someone affected by the coronavirus (i.e. a sick family member, children out of school). This law applies to employers with less than 500 employees and expires at the end of the year. Specifically, the law provides:

- Up to two weeks (80 hours) of paid sick time at the employee's full regular rate of pay, subject to dollar caps; this is reduced to two-thirds pay if the leave is due to caring for others (e., a sick or quarantined family member or a child whose school is closed or whose childcare provider is unavailable due to the coronavirus).
- Ten additional weeks of FMLA leave, but only for those who must stay at home to care for a child whose school is closed.
- This legislation provides payroll tax credits to offset all costs of providing these paid leaves.
- Ensures that individuals, including those with private insurance, Medicare Advantage or Original Medicare, Medicaid, CHIP, VA, FEHBP, and Tricare, as well as the uninsured will have access to COVID-19 tests at no cost.
- More than \$1 billion is provided in food assistance to low-income pregnant women and mother with young children (WIC), help food banks, and provide meals to seniors. It also protects students' access to school meals in the event of school closures.

- An increase in the federal medical assistance percentage (FMAP) the federal government provides to state and territorial Medicaid programs to prevent states from cutting Medicaid benefits.
- Enhanced unemployment aid by giving states resources and flexibility to provide unemployment benefits to laid off and furloughed workers, as well as those workers who exhaust their allotted paid leave.

### **SUPPLEMENTAL THREE**

On March 24, Senate Republicans released the Coronavirus Aid, Relief, and Economic Security (CARES) Act, a \$1 trillion legislative proposal to bring emergency relief to sectors of the economy affected by the coronavirus pandemic. After days of negotiations between Senate Republican and Democratic leaders, House Speaker Nancy Pelosi, and Treasury Secretary Steven Mnuchin, a \$2 trillion deal was reached to provide aid to the American economy. The bill is broken into four main sections: small business loans; direct relief for individuals, families, and businesses; assistance to severely distressed sectors of the economy; and a fourth division of health care and other provisions.

Notable provisions in the third supplemental include:

- Assistance for small businesses, including \$350 billion in SBA loans, \$10 billion in SBA grants of up to \$10,000 for small business costs, and \$17 billion for SBA to cover six months of payments for businesses with current SBA loans.
- \$260 billion for an extended unemployment insurance program that increases the maximum unemployment benefit by \$600 per week and ensures that laid-off workers will receive their full pay for four months.
- "Recovery checks" of up to \$1,200 for taxpayers earning under \$75,000 (or \$2,400 for joint filers earning less than \$150,000) plus an additional \$500 per child, with phased down payments to individuals earning above the threshold.
- An employee retention credit for employers whose operations were fully or partially suspended or whose gross receipts declined by more than 50 percent due to a COVID-19-related shut-down order.
- \$500 billion to Treasury's Exchange Stabilization Fund to provide loans, loan guarantees, and other investments for air carriers and other affected industries.
- Significant oversight for federal funding going to corporations. The bill bans stock buybacks for the term of the government assistance plus 1 year for any company receiving a government loan and establishes a Treasury Department Special Inspector General for Pandemic Recovery to provide oversight of Treasury loans and investments.
- \$150 billion for hospitals and the health care sector - \$100 billion for hospitals and medical facilities and billions for investments such as personal and protective equipment for health care workers, testing supplies, increased workforce and training, and Medicare payment increases.
- \$11 billion in funding for research on vaccines, therapeutics, and diagnostics.
- Provisions to enhance manufacturer reporting requirements to protect against potential drug or device shortages.
- Establishment of industry user fees to increase FDA oversight of over-the-counter (OTC) products.
- Extension of certain health care "extenders", including Community Health Centers, through November 30, 2020.

### **LOOKING AHEAD**

Congress and the Administration are expected to turn their attention to potential "Phase 4" legislation within a month:

- Members and staff for the House and Senate Appropriations Committee are expected to play key roles in any future COVID legislation, which consumes a considerable amount of Committee bandwidth. Committee hearings regarding the FY 2021 budget request have been cancelled for the foreseeable future and the Senate is likely to adjourn until April 20. We expect that the House and Senate Appropriations Committee's schedules will shift to the right, making it increasingly difficult for the House to meet its previously stated goal of considering all twelve appropriations bills on the House Floor before the July 4 recess.
- We expect that the Administration and Congress will advocate for the inclusion of energy specific provisions in the next COVID package. We expect the proposals to run the gamut from funding for the strategic petroleum reserve purchases, infrastructure related policies such as electric grid modernizations and electric vehicle infrastructure, renewable energy tax credits, Superfund and Department of Energy project cleanups, moratoriums directed towards the utilities prohibiting shut-offs, and an indefinite suspension of late fees and fees associated with reconnections.
- Surprise medical billing and drug pricing policy were not included in the package and we anticipate there will be pressure to act on these reforms before the end of the year.
- The President signed an executive order on Monday to curb hoarding and manipulative pricing associated with essential health and medical supplies and the House Democratic COVID 3 proposal included provisions granting the Federal Trade Commission (FTC) and State attorneys general the authority to pursue civil penalties from individuals and companies engaging in price gouging of goods and services during the COVID-19 emergency. We expect a heightened focus on price gouging as Congress turns to a COVID 4 package.
- While the House draft legislation included expanded funding for at-home connectivity, the compromise package in the Senate focused more on telehealth services. We expect the next legislative vehicle may include enhanced funding for E-Rate, Lifeline programs, and potentially additional funds for small rural ISPs who may be harmed by the slowing economy.