



BGOV OnPoint

Congressional & White House Coronavirus Actions

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About This Presentation

- **President Donald Trump issued four executive actions responding to the ongoing coronavirus pandemic on Aug. 8**
 - Talks between the White House and Democrats reportedly broke down the day before
 - House Democrats and Senate Republicans proposed their own response measures
 - The House passed the “Heroes Act” (H.R. 6800) largely along party lines on May 15
 - Senate Republicans introduced a package of bills called the “HEALS Act” on July 27
- **This OnPoint examines key portions of the legislative and executive actions, including:**
 - Trump’s memoranda and executive order
 - Emergency appropriations
 - Unemployment insurance
 - Small business loans
 - State and local aid
 - Direct payments and tax credits
 - Education, health, and child care
 - Liability protections for businesses and schools

Trump Issued Executive Actions Aug. 8 As Talks Broke Down

- **With bipartisan negotiations imploding, President Donald Trump took action targeting evictions, payroll taxes, unemployment, and student loans**
 - Actions included three presidential memoranda and one executive order
 - Trump [speculated](#) that issuing the orders could bring Democratic negotiators back to the table
 - Moves [criticized](#) as unconstitutional extensions of presidential power and could be challenged in court
- **The [executive order](#) calls on federal agencies to identify federal funding and take action to help renters avoid eviction during the Covid-19 pandemic**
 - Includes HHS, CDC, HUD, the Treasury Department, and the Federal Housing Finance Agency
 - States that the policy of the U.S. is to minimize evictions and foreclosures during the pandemic

Memos Target Payroll Taxes, Unemployment, Student Loans

- **Trump's other executive actions on Aug. 8 included three memoranda that would:**
 - **Defer** employees' federal payroll tax payments from Sept. 1 through Dec. 31 for workers earning less than \$4,000, before taxes, every two weeks
 - The taxes would be due, without penalties or interest, when the deferral expires
 - Treasury Department would "explore avenues," such as legislation, to forgive the deferred taxes
 - Congress deferred employers' portion of certain payroll taxes through Dec. 31 under the CARES Act
 - **Direct** FEMA to use as much as \$44 billion from the Disaster Relief Fund for "lost wage assistance" to those receiving unemployment or other short-term benefits
 - Individuals could receive as much as \$400 per week – 75% from federal funds, 25% from state funds
 - CARES Act provided \$600 per week through July 31
 - The assistance would be available until Dec. 6 or when funds run out, whichever is earlier
 - **Extend** the repayment and interest pause on federal student loans through Dec. 31
 - The moratorium enacted under the CARES Act is scheduled to expire Sept. 30

Bills Have \$1 Trillion Difference in Emergency Appropriations

Department/Fund (in billions)	House bill	Senate bill
Total	\$1,513	\$306
• State and local fiscal relief funds	\$915	--
• HHS Public Health and Social Services Emergency Fund	\$180	\$78
• Housing and Urban Development Department	\$124	\$3
• Education Stabilization Fund	\$90	\$105
• Transportation Department	\$31	\$10
• Defense Department	--	\$29

- **House bill also would provide:**

- \$75 billion for homeowner assistance
- \$25 billion for Postal Service
- \$10 billion for small business grants
- \$4.7 billion for the NIH

- **Senate bill also would provide:**

- \$20 million for agricultural producers
- \$15.5 billion for the NIH
- \$10 billion for “Back to Work” child care grants

Proposals Differ on Federal Pandemic Unemployment Program

- **House bill would:**

- Extend pandemic jobless benefits provided under the CARES Act through Jan. 31, 2021
 - Benefits could continue through March 2021 for individuals who haven't exhausted them
- Extend interest-free federal loans for state unemployment trust funds
- Provide \$925 million to support states in processing claims
- Extend funding for states to reimburse nonprofits, government agencies for 50% of costs of providing benefits

- **Senate measure would:**

- Extend and reduce the Federal Pandemic Unemployment Compensation program
 - Additional \$200 per week, instead of \$600, between July 31 and Oct. 5
 - After that, until Dec. 31, payment would be based on 70% of lost wages, if states can calculate
- Increase reimbursement to nonprofits, governments for benefit costs to 75%
- Provide \$2 billion to states to upgrade their unemployment insurance systems

Both Bills Would Extend PPP; Senate Would Increase Funds

- **House bill would:**

- Extend the Paycheck Protection Program through Dec. 31
- Set aside some remaining funds for smaller borrowers and community lenders
- Expand program eligibility to include local news outlets, nonprofits of any type or size
- Permit spending on personal protective equipment for employees

- **Senate measure would:**

- Extend program to Dec. 31 and increase total lending authority to \$749 billion
- Offer second loans to businesses with 300 or fewer workers and 50% revenue drop
- Set aside second-round funds for smaller borrowers and community lenders
- Expand program eligibility to include some 501(c)(6) groups and tourism bureaus
- Bar publicly traded companies, lobbying and financial firms, Chinese-owned entities
- Permit spending on virus-related costs and property damages caused by looting

Bills Diverge on State and Local Aid

- **House bill would:**

- Provide \$500 billion for states, \$375 billion for cities and counties, \$20 billion each for tribes and territories
- Permit spending to address revenue losses that weren't projected as of Jan. 31
- Allocate funds to smaller towns
- Include D.C. in funding streams for states, compensate for underpayment in CARES Act

- **Senate measure would:**

- Provide no new funds to state and local governments
- Extend authorized period to spend CARES Act funds
- Let state and local recipients use previous funds for some revenue shortfalls
- Bar use of CARES Act money for pension or “rainy day” funds
- Require states to distribute money to downstream governments and smaller towns

Both Bills Include Additional Direct Payments

- **Would provide refundable “recovery rebates” based on 2019 tax returns in same amounts, income limits, and phase-outs as CARES Act payments:**
 - As much as \$1,200 per adult and an additional amount per child or other dependent
 - Senate measure would provide \$500 per dependent, the same amount as the CARES Act
 - House bill would provide \$1,200 per dependent, with a maximum of three
 - Payment would be reduced by 5% of a taxpayer’s income beyond:
 - \$150,000 for joint returns, resulting in a full phase-out at \$198,000
 - \$112,500 for heads of households, resulting in a full phase-out at \$146,500
 - \$75,000 for individual filers, resulting in a full phase-out at \$99,000

Expanded Tax Credit to Keep Workers on Payrolls in Both Bills

- **House bill would:**

- Expand employee retention credit under the CARES Act to cover 80% of qualifying wages, instead of 50%
 - Credit would be for as much as \$15,000 of wages per quarter, limited to \$45,000 for the year, including health benefits
- Provide a partial credit for businesses with a 10% to 50% decline in revenue
- Allow employers with more than 1,500 workers, instead of 100, and revenue more than \$41.5 million in 2019, to receive credits for wages paid while employees aren't working
- Allow state and local governments, certain federal entities, and employers of domestic workers to claim the credit

- **Senate measure would:**

- Expand employee retention credit to cover 65% of qualifying wages, instead of 50%
 - Credit would be for as much as \$10,000 of wages per quarter, limited to \$30,000 for the year, including health benefits
- Reduce rate of decline in revenue for credit eligibility to 25% from 50% for employers
- Allow employers with more than 500 workers, instead of 100, to receive credits for wages paid while employees aren't working
- Allow employers to qualify for the credit and Paycheck Protection Program loans without duplicating benefits

Refundable Coronavirus-Related Credits Proposed in Both Plans

- **House bill would:**

- Create a 50% payroll tax credit for as much as \$50,000 per quarter for an employer's qualifying fixed costs
 - Expenses could include mortgage, rent, or utility
- Establish a 90% income tax credit for certain self-employed workers whose income declined significantly
- Create a payroll tax credit to reimburse as much as \$5,000 per employee for personal, living, or funeral costs

- **Senate measure would:**

- Establish a 50% payroll tax credit for an employer's costs related to preventing the spread of the virus
 - Credit could be used for testing, PPE, modifications to workspaces
 - Maximum allowable expenses would be based on the average number of employees
 - Federal, state, and local government employers wouldn't be eligible

Democrats, Republicans Push for Other Tax Changes

- **House bill would:**

- Suspend a \$10,000 cap on the state and local income tax deduction for 2020 and 2021
- Expand the earned income, child, and dependent care tax credits in 2020
- Extend payroll tax credits for paid sick and family leave under second coronavirus relief law ([Public Law 116-127](#)) through end of 2021
- Allow health FSA participants to carry over to 2021 as much as \$2,750 in contributions
 - Participants in dependent care FSAs could carry over as much as \$5,000
- Allow participants in cafeteria benefit plans to carry over to 2021 all unused paid time off

- **Senate measure would:**

- Expand the Work Opportunity Tax Credit to include employers that hire individuals receiving pandemic unemployment benefits
 - Increase maximum value of the credit to cover 50% of the first \$10,000 of qualifying wages
- Allow digital platform companies to provide virus-related benefits to gig workers without affecting workers' tax status
- Allow businesses to deduct 100%, instead of 50%, of the cost of restaurant meals until Jan. 1, 2021
- Allow participants in health, dependent care FSAs to carry over unused contributions

Senate Plan Would Shield Schools, Businesses from Liability

- **HEALS Act would limit potential liability faced by schools, businesses, and other organizations related to Covid-19**
 - Would preempt suits under state laws by creating exclusive federal causes of action for personal injuries related to coronavirus exposure and medical care for Covid-19
 - Would shield employers from agency investigation and civil liability for actions to comply with stay-at-home orders and other health guidance, as well as injuries from workplace Covid-19 testing
- **The package also would:**
 - Allow defendants to be found liable only if they didn't make reasonable efforts to follow public-health guidelines and committed gross negligence or intentional misconduct
 - Require plaintiffs to meet stricter pleading standards and higher evidentiary thresholds
 - Limit compensatory damages to economic losses and limit availability of punitive damages

House Democrats Want to Expand Aid for Renters, Homeowners

- **Heroes Act would provide funds to help eligible households pay for rent and prevent mortgage defaults and to assist people experiencing homelessness**
 - \$100 billion to establish an Emergency Rental Assistance program
 - \$75 billion for Homeowner Assistance Fund
 - \$11.5 billion for homelessness assistance through Emergency Solutions Grants program
- **It also would extend moratoriums on mortgage payments, foreclosures, and evictions**
 - Additional six-month ban on foreclosures, 12-month ban on evictions
 - Automatic mortgage forbearance for borrowers with loans that are 60 days delinquent
 - Assistance for additional residential properties, not just those with federally backed mortgages

Bills Split on Education-Related Provisions & Student Loans

- **House bill would:**

- Authorize \$300 million Institutional Stabilization Program
- Cancel or repay as much as \$10,000 of each distressed borrower’s student loans
- Extend pause on federal student loan repayment through Sept. 30, 2021
- Make health-care professionals working as contractors eligible for PSLF program
- Cancel or repay the full amount of loans for students at schools that defrauded them
- Provide \$1.7 billion for HBCUs and MSIs

- **Senate measure would:**

- Authorize “emergency education freedom grants” to support private school tuition and home school expenses
- Reduce to two, from nine, the number of student loan repayment options and allow PSLF participants to use either plan
- Provide \$2.9 billion for HBCUs and MSIs

House Democrats Push for Additional Worker Pay & Protections

- **Heroes Act would direct OSHA to issue an emergency standard to protect front-line workers from the coronavirus**
 - Employers would be prohibited from retaliating against workers for reporting violations or for using equipment with a higher level of protection than is provided
- **Measure would include \$180 billion for grants to most employers to provide “pandemic premium pay” to essential workers**
 - \$10 billion for premium pay for certain federal employees
 - Premium pay would be capped at \$10,000 for essential workers earning less than \$200,000 annually and \$5,000 for those earning \$200,000 or more per year
- **Bill would extend for one year, through Dec. 31, 2021, emergency family and sick leave programs created under second coronavirus relief package ([Public Law 116-127](#))**

Health Funding, Policies Differ Between Bills

- **House bill would:**

- Provide \$100 billion for Provider Relief Fund, \$75 billion for testing and tracing initiative
- Increase Medicaid funding, DSH allotments
- Increase Medicare hospital payments for costly patients
- Lower interest rates and extend deadline for Medicare accelerated payment program
- Require special ACA enrollment period
- Provide full COBRA premium subsidies for employees who lose their jobs
- Prohibit cost-sharing for Covid-19 treatments
- Fund nursing home “strike teams”
- Create risk corridor program for insurers

- **Senate measure would:**

- Provide \$25 billion for Provider Relief fund, \$26 billion for vaccines, \$16 billion for testing
- Hold Medicare Part B premiums steady for 2021, add \$3 surcharge
- Extend Medicare repayment deadlines for accelerated payment program
- Extend telehealth flexibilities for certain health centers for five years
- Fund nursing home “strike teams”

Medical Supplies, Supply Chain Addressed in Both

- **House bill would:**

- Deem tests, PPE, ventilators, drugs critical materials under Defense Production Act
- Require BARDA contracts for vaccine manufacturing
- Allow HHS contracts for stockpile equipment maintenance services
- Authorize funding for HHS to enhance medical supply chain elasticity

- **Senate measure would:**

- Require HHS to purchase domestic products for national stockpile, with some exceptions
- Create \$7.5 billion tax credit program for PPE manufacturing projects
- Provide tax incentives for companies that bring PPE-related intangible property to U.S.
- Allow HHS contracts to purchase reserve amounts of drugs and supplies for stockpile
- Authorize \$1 billion annually for 10 years to support state stockpiles

Notes: BARDA – Biomedical Advanced Research and Development Authority; HHS – Health and Human Services Department; PPE – personal protective equipment

Sources: [H.R. 6800](#), [S. 4322](#), and [S. 4324](#)

Both Proposals Back Emergency Social Services Programs

- **House bill would:**

- Suspend minimum federal work participation requirements and time limits for TANF
 - States that don't comply with the changes would have their grants reduced by 5% in fiscal 2021
- Provide \$9.6 billion to the SSBG program for disadvantaged households and \$850 million for child care for essential workers
- Increase the federal poverty line to 200% for Community Services Block Grant program funds
- Increase funding for the John H. Chafee Foster Care Independence Programs by \$50 million
- Allow child welfare programs to conduct virtual services, including court proceedings

- **Senate measure would:**

- Provide \$2 billion through fiscal 2021 for a TANF emergency fund
 - Would reimburse states for 80% of excessive TANF costs
- Increase funding for the John H. Chafee Foster Care Independence Programs by \$50 million
- Provide \$10 million to help state courts facilitate remote hearings for child welfare cases and other coronavirus-related needs

House Democrats Push for Additional Nutrition Aid

- **Heroes Act would expand nutrition aid by:**
 - Temporarily increasing monthly SNAP benefits by 15%
 - Current benefit is capped at \$646 per month for a family of four in most states
 - Boosting minimum benefit to \$30 per month, from \$16
 - Waiving federal work requirements for two years
 - Excluding pandemic unemployment benefits from income for eligibility purposes
- **Measure also would:**
 - Grant a blanket waiver to allow SNAP beneficiaries to buy hot and prepared foods from authorized retail stores during the Covid-19 health emergency
 - Block implementation of three rules changes advanced during the Trump administration that would effectively limit SNAP enrollment

Both Bills Tackle Other Issues, House Measure Addresses More

- **House bill would address:**

- Retirement plans
- Marijuana banking
- Credit reports
- Immigration issues
- Broadband funding
- Prison requirements
- Election changes
- Inspector general rules
- Federal employees and contractors
- Price gouging

- **Senate measure would address:**

- Domestic production of critical minerals, semiconductors
- Foreign influence on federal research
- Trust fund solvency
- FBI headquarters replacement