

April 23, 2020

House Passes \$484 billion Bill “3.5” to Refill the PPP and EDL Loans, Hospitals, and Testing

The House of Representatives overwhelmingly passed a \$484 billion coronavirus relief bill to replenish a tapped-out small business loan program, bolster funding for hospitals and expand coronavirus testing. The measure, which passed the Senate on Tuesday, will now head to President Donald Trump, who's indicated that he will sign it into law.

Earlier this week it was reported that Speaker Nancy Pelosi and Democrats in the house were drafting a temporary overhaul of the chamber's rules that would permit lawmakers to cast votes by proxy for their colleagues, allowing them to go on record without leaving home during the coronavirus outbreak. The temporary overhaul of the rules was met with heavy resistance and opposition by Republican. "I think you'll see pretty close to universal Republican opposition," said Rep. Tom Cole, the top Republican on the House Rules panel, who has called on lawmakers to return to Washington. The rule change was expected to come to the floor today, until Speaker Pelosi announced on Wednesday that she was scrapping the plan. It is reported that Speaker Pelosi came to her decision after speaking with House Minority Leader Kevin McCarthy (R-Calif.) for over an hour. The House instead adopted a resolution to create a special congressional subcommittee that oversees the distribution of coronavirus relief funds vote. House Speaker Nancy Pelosi announced that Majority Whip Jim Clyburn will chair the committee.

\$484 billion coronavirus relief bill negotiated by congressional leaders and the administration would increase spending by about \$483 billion according to the Congressional Budget Office, including:

- \$321.3 billion in additional appropriations to support the Paycheck Protection Program, which the bill would modify to set some funds aside to support loans issued by smaller lenders.

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- \$60 billion for separate disaster loans to small businesses.
- \$75 billion for hospitals.
- \$25 billion for virus testing.

The measure omits additional funding sought by Democrats to support states and cities, and it wouldn't change the eligibility rules for businesses to receive loans under the Paycheck Protection Program.

The legislation would be designated as an emergency requirement for budgetary purposes.

Though the measure is the fourth major package to respond to the coronavirus pandemic, congressional leaders and the administration have described it as an interim step as they negotiate the next package, generally referred to as "phase four."

A full report of the \$484 billion coronavirus relief bill can be found [here](#).

The Phase 4 relief package that has the potential for \$1 Trillion dollar price tag is not expected soon. Leaders of both parties have acknowledged that more aid is needed to address the overwhelming economic fallout that's occurred during the pandemic, but McConnell appears increasingly reluctant to approve additional relief at the current scale. He also suggested that bankruptcy for some states might be preferable to bailouts — a process almost all states currently cannot use. Democratic lawmakers tried but failed to get \$150 billion for state and local governments included in the relief package that was just passed by the House and the Senate.

McConnell and other Republicans, including House Minority Leader Kevin McCarthy, meanwhile, have been stressing that continuing to approve relief packages at this rate could be detrimental to the national debt. They've argued that the best response to the economic downturn may not be ramping up the degree of relief, but to reopen parts of the economy strategically.

The Phase 4 bill is not expected to be passed until late May or early June and it is no longer clear to us that a fifth or sixth relief bill will also pass this year.

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