

## Congressional Update

### State of Play

Negotiations for the next round of stimulus are slowly ramping up in the Senate and we expect that Republicans will reveal their opening bid early this week. However, we do not anticipate that the final product will look much like what Senate Republicans unveil this week. Democrats have a very different vision of what is needed to help the economy and contain the virus and we expect negotiations to be difficult and take several weeks.

One sticking point is what to do about the enhanced unemployment benefits that will expire at the end of July. Republican leadership has stated that they will not extend the program and that the overall stimulus package will be significantly smaller than previous proposals, including House Democrats' HEROES Act. Democrats are pushing for additional funding to state and local governments, education, and some are proposing an unemployment boost with "automatic stabilizers" that will adjust the rate based on the state's unemployment percentage.

This is what we know so far:

- Some amount of additional direct payments to individuals/families, likely with a much lower income threshold than the last one.
- Recently, the Administration and GOP have warmed to the idea of continuing a federal unemployment insurance bump, but reduced from the current \$600, something in the \$200-400 range has been discussed.
- Additional federal dollars for testing, though the Administration has pushed back on this proposal by its own party.
- A little over \$100 billion for education with \$70 billion for K-12 and \$30 billion for colleges and universities.
- The Sen. McConnell redline issue is liability shield. He is currently circulating a proposal that would provide a 5-year shield to liability for businesses and employers if they take steps to comply with public-health guidance; also makes any cause of action for personal injuries from coronavirus exposure a federal one. Significant pushback from Dems is expected.
- There is bipartisan support for expanding employment retention tax credit.
- There is bipartisan support for automatically forgiving PPP loans of under \$150,000.
- There is bipartisan support for being allowed to deduct expenses that were paid for with PPP dollars.

There is not a lot of emphasis by Republicans for a large investment in state and local budgets; that is going to be a major sticking point. The business liability issue will also be a major issue. Overall, the cap that Senate GOP leadership has proposed is \$1 trillion for the entire measure; that is a long way off from the House Democrats' \$3 trillion plan. As was mentioned earlier, we expect these negotiations to drag on for several weeks.

## **Medicaid Inmate Exclusion Policy**

The primary focus of our advocacy this past month has been to ask Congress to place language in the upcoming stimulus that would eliminate the exclusion policy partially or, ideally, fully. We spoke with key offices in the House and the Senate and reached out to a leading stakeholder in this push, the National Association of Counties. Our discussion with them was productive and we are now looped into an informal coalition that includes NACo, NAMI, and other organizations that are working on this issue. We will participate in periodic strategy discussions with them and coordinate our Hill outreach to have the most impact. Our hope is to get something into the stimulus package but if not, we anticipate that this collaboration will increase our odds of achieving success in the near future.

## **Small Business Support Items**

Pandemic Risk Insurance Act – Our team continue to be the leading advocates for this bill on the Hill. In the last month we've aggressively reached out to over a dozen Republican offices in order to build bipartisan support and heighten odds of passage.

Travel America Act – this bill captures part of the proposal that I've highlighted previously that would provide refundable tax credit for eligible business travel, including conferences and business events. Currently the most prominent group advocating for it is US Travel and we are working closely with their team and the broader coalition.

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