

## Outlook of Congress' "Phase 4" COVID-19 Stimulus Package

April 3, 2020

In response to the COVID-19 outbreak, Congress has passed three major pieces of legislation to provide relief to families and the U.S. economy. On March 6, 2020, President Trump signed into law H.R. 6074, the [Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020](#) (Phase 1), which allocated \$8.3 billion of aid to the United States' public health response to COVID-19. On March 10, 2020, President Trump signed into law H.R. 6201, the [Families First Coronavirus Response Act](#) (Phase 2), which provided relief for both employers and employees who were affected by COVID-19. On March 27, 2020, President Trump signed into law the most recent legislation, S. 3548, the [Coronavirus Aid, Relief and Economic Security \(CARES\) Act](#) (Phase 3), a \$2.2 trillion bailout and stimulus package to aid industries suffering from the pandemic and provide economic relief to families and small businesses who are suffering.

Both the House and Senate are now adjourned and it is expected they will remain in their districts and states until April 20 for the safety of both members and congressional staff. Despite members not being in D.C., discussions have already begun on a "Phase 4" stimulus bill. Following the CARES Act passage, Speaker of the House Nancy Pelosi (D-CA) stated, "This is not going to be the last bill," a sign that House Democrats are looking towards another piece of legislation to include additional stimulus items.

Earlier this week, Speaker Pelosi announced that she would establish a new bipartisan House Select Coronavirus Oversight Committee to oversee the Administration's distribution of the \$2 trillion COVID-19 economic relief funds. The committee, which will be led by House Majority Whip Jim Clyburn (D-SC), would have subpoena powers and the ability to oversee any future legislation related to the virus. Speaker Pelosi's announcement faced resistance from House Republicans who have argued that the committee is "duplicative" and would require a full chamber vote to create.

House and Senate Republicans also seem open to the discussion of a Phase 4 and potentially Phase 5 piece of stimulus legislation, but have prioritized implementing the CARES Act fully before next steps are taken. Senate Majority Leader Mitch McConnell (R-KY) indicated that a fourth bill should focus on healthcare needs and addressing any gaps or shortcomings of the CARES Act.

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On Friday, Speaker Pelosi made it clear to reporters that the next round of relief should build upon the policies implemented in the CARES Act before moving to the broader policies that the Democratic caucus spoke on earlier in the week. The Speaker acknowledged the need to ensure that funds are being directed to states, cities and small businesses to provide relief through the pandemic. As discussions continue, Congress could reconvene in late April to pass additional legislation to address shortcomings and replenish critical funds in the CARES Act.

Prior to the Senate passage of the CARES Act, Speaker Pelosi released the **Take Responsibility for Workers and Families Act**, legislation which offered insight into House Democrats' priorities. The package was based on submissions from the chairs of all relevant House committees and represents a broad view of potential policy measures that will be refined further based on changing circumstances related to COVID-19 and the overall economic outlook.

While it is now likely the next bill will be narrower in scope, below is a list of potential policy proposals which could be talking points in Phase 4 or Phase 5 negotiations:

### **Health Care:**

- Additional funding for hospitals and other providers, especially rural health care providers.
- Further telehealth expansion, including for rural providers and additional types of health professionals.
- Enhanced liability protections for manufacturers and distributors.
- Addressing patients' unmet financial needs.
- Enhanced federal Medicaid payments to states.
- Delay of the Medicaid Fiscal Accountability Regulation (MFAR).
- Health insurance market stabilization measures.
- Affordable Care Act (ACA) Special Enrollment period.
- Increased flexibility for health savings accounts (HSAs), flexible spending accounts (FSAs) and health reimbursement arrangements (HRAs) to pay for additional products.
- Competitive bidding reform.
- Financial relief for associations.

**Emergency Health & Safety Regulations:** Include more safeguards for first responders during the pandemic by issuing regulations from the Occupational Safety and Health Administration (OSHA) that were left out of previous legislation.

**Expand Family and Medical Leave:** Clarify the definition of who qualifies for family and medical leave and expand the provision to include parents who are not associated with health centers.

**Transportation and Infrastructure:** In January, House Democrats released their five-year, \$760 billion infrastructure framework ([press release](#); [framework](#); [fact sheet](#)) which will likely be the jumping off point for many of their ideas. Additionally, Speaker Pelosi has indicated the package will also include:

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- Buy America protections.
- Focus on stronger/safer/smarter infrastructure creation.
- Initial plan will include transportation and energy infrastructure, with additional housing and school infrastructure down the line.
- Increase rural broadband.
- Clean water/wastewater infrastructure.

### **Telecommunication Provisions:**

- Increased funding for the Lifeline and E-Rate programs.
- Funding for Wi-Fi hotspot connectivity for students, low income households and unserved communities.
- Rural broadband, high-cost area, unserved support funding.
- Removal of data caps, speed requirements and no throttling or blocking.
- Prohibition on disconnecting customers for lack of payment, with possible funding to support carriers whose customers cannot pay their bills.
- Funding to implement the recently signed rip and replace law.
- Spectrum sharing.
- Spectrum for emergency services/first responders.

**Elections Security and Assistance:** Secure a federal mandate that would require states to provide remote voting options, including vote-by-mail, with funding for states to implement the measure, which would cost nearly \$4 billion to implement.

**Direct Relief for Individuals:** Include stronger worker protections, raise direct cash payments to American from \$1,200 to \$1,500, provide free testing and treatment and increase Supplemental Nutrition Assistance Program (SNAP) by 15 percent.

**Expansion of Refundable Tax Credits:** Many of the tax provisions included by Speaker Pelosi were already included in the CARES Act, however, the Speaker's legislation also broadened the Earned Income Tax Credit (EITC), Child Tax Credit (CTC) and Child & Dependent Care Tax Credit (CDCTC) and expanded the tax credits for paid sick leave and paid family leave in the Families First Coronavirus Response Act. Additionally, Speaker Pelosi and House Democrats have shown strong support for another round of stimulus checks going to individuals and families.

**State and Local Aid:** Increase funding for state and local governments to enable and strengthen their response efforts against the COVID-19 outbreak.

**Funding for the District of Columbia and U.S. Territories:** Provide equitable funding in emergency assistance for residents of D.C. and U.S. territories that was deemed to be insufficient as a result of nonstate status.

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