



FROM:	Bose Public Affairs Group
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RE:	Weekly COVID-19 Update

## **BIG PICTURE**

The number of confirmed coronavirus infections has increased to more than 1.6 million people worldwide. The highest death toll remains in Italy with more than 18,279 people. The number of cases in the United States has nearly doubled over the past week from 260,000, to 475,000. However, the amount of deaths due to the virus nearly tripled from last week's 6,600 deaths to nearly 18,000 today.

[List of federal agency resources in response to COVID-19](#)

[Institutional and Agency Guidance Specific to Federal Award Impact on COVID-19](#)

[COVID-19 School Closure Map](#)

## **ADMINISTRATION**

Second Coronavirus Task Force?

President Donald Trump is expected to announce the [creation](#) of a second coronavirus task force to examine how to respond to the economic impacts of the virus and how to prepare and revive the business community once the economy reopens. The task force will be made up of a mix of private-sector and administration officials.

Rule on Paycheck Protection Lending

Financial regulators on Thursday announced an interim final rule to encourage lending to the Paycheck Protection Program (PPP). The new guidelines modify rules on capital to neutralize the regulatory impacts of participating in the Federal Reserve's PPP facility because of the lack of risk from Fed-backed loans. Read the Federal Reserve press release [here](#).



### IRS Online Portal for Payment Tracking, Payments Expected to Start Going Out Next Week

The IRS is expected to launch a new, online portal—Where's My Economic Impact Payment—for individuals to obtain information about their direct cash payments as authorized in the CARES Act. The new site will also provide banking instructions so Individuals can obtain their payment via direct deposit, a system similar to how taxpayers can track their tax return payments. According to House Ways and Means Chairman Richard Neal (D-MA), the portal is expected to be online beginning April 13. Read more [here](#). The IRS also launched [an online tool](#) on Friday with information specifically for taxpayers who normally don't file tax returns. This portal provides information these individuals need to receive the relief payments from the federal government.

The Treasury Department [is expected](#) to begin clearing direct deposit payments with banks this afternoon to confirm that money will be deposited into the correct accounts according to tax filings. Treasury will then begin to process the payments on Monday, April 13.

### Education Department's Plan for Distributing Higher Education Stimulus Aid

On Thursday, the Department of Education ([ED](#)) [announced its plan to distribute the \\$6.3 billion in aid Congress](#) intended to go directly to students in higher education for emergency assistance to help them face the economic challenges as a result of the coronavirus. . The funding is only part of the \$14 billion appropriated for higher education in the Cares Act. According to the Department's press release, colleges and universities will be required to use the funds to "provide cash grants to students for expenses related to disruptions to their educations due to the COVID-19 outbreak, including things like course materials and technology as well as food, housing, health care, and childcare. In order to access the funds, the Department must receive a signed certification from the higher education institution affirming they will distribute the funds in accordance with applicable law. The college or university will then determine which students will receive the cash grants."

## **CONGRESS**

Congress was in recess this week as leaders continued working on plans for another relief package to address economic and health concerns from the pandemic.

### Phase 4(a) Package

On Thursday, the Senate failed to advance either of the competing proposals to provide additional funding to help small businesses through the Paycheck Protection Program (PPP). Senate Majority Leader Mitch McConnell's (R-KY) proposal would add more than \$250 billion into the small-business aid program that saw overwhelming demand when it launched last week, prompting the swift and unexpected action by Congress's upper chamber.



Meanwhile, the Democrats' offered a counter proposal which includes \$250 billion in new funding for the PPP, with \$125 billion aimed at helping businesses that might have had trouble accessing the initial aid; \$100 billion for health-care providers; \$150 billion in aid to states and local governments; and a 15% increase in food assistance. Treasury Secretary Steven Mnuchin said the President wanted Congress to send a bill to his desk by today, April 10<sup>th</sup>, to provide more money for the small-business lending program, but Thursday's unsuccessful votes in the Senate on both packages means any agreement likely won't be considered or enacted until next week.

According to reports on Friday, the White House has agreed to begin negotiations with Senate Democrats and House Democratic leadership on the small business relief package immediately. This prompted Senate Minority Leader Chuck Schumer to state his belief that an agreement can be reached by "early next week." The Senate has a proforma session scheduled for Monday.

A tracker outlining funding priorities that have been suggested by lawmakers, advocacy groups, and other stakeholders is available [here](#).

#### FY2021 Spending Caps

According to reports Friday morning, House Appropriations Committee leaders have received their spending caps for FY2021 and plan to move ahead with finalizing appropriations bills remotely to prepare for markups when Congress returns to Washington later this month. Lawmakers on certain subcommittees are pushing for relaxed spending caps as they grapple with additional spending that will be needed to respond to COVID-19.

The current bipartisan budget agreement allows for only about a 0.5% increase in discretionary spending levels from fiscal year 2020 to 2021, setting spending caps at \$671.5 billion for defense and \$626.5 billion for nondefense. Without a change to those caps, any substantial increase in funding for programs such as vaccine development and testing would have to be mostly offset by cuts to other initiatives. There seems to be bipartisan agreement on easing the caps for the Labor, Health and Human Services, Education subcommittee and the Transportation, Housing, and Urban Development subcommittee, both of which oversee funding for agencies on the front line of the coronavirus response, but only time will tell.

Both chambers of Congress remain recessed until April 20<sup>th</sup>.

#### **BUSINESS AND INDUSTRY**

Despite the economic free fall, record rises in unemployment claims, and global commerce that has essentially grinded to a halt, the stock market had its best week in over four decades,



with all three major indexes gaining more 10%. In explaining this juxtaposition, analysts note that a sudden rise in unemployment might actually help the stock market, as it propels the federal government to take quicker action to make capital more readily available to individuals and corporations, as the Federal Reserve has done this week.

### New Federal Reserve Actions to Stimulate the Economy

On Thursday, the Federal Reserve [announced](#) additional actions to provide up to \$2.3 trillion in loans to support the economy. The Federal Reserve announcement included the following:

- The Paycheck Protection Program Liquidity Facility (PPPLF) will extend credit to eligible financial institutions that originate Paycheck Protection Program (PPP) loans, taking the loans as collateral at face value.
- The purchase of up to \$600 billion in loans through the Main Street Lending Program. The Department of the Treasury, using funding from the CARES Act, will provide \$75 billion in equity to the facility. The Main Street Lending Program is aimed at providing credit to small and mid-sized businesses.
- Expanding the size and scope of the Primary and Secondary Market Corporate Credit Facilities (PMCCF and SMCCF) as well as the Term Asset-Backed Securities Loan Facility (TALF). These three programs will now support up to \$850 billion in credit backed by \$85 billion in credit protection provided by the Treasury.
- The establishment of the Municipal Liquidity Facility that will offer up to \$500 billion in lending to states and municipalities. The Treasury will provide \$35 billion of credit protection to the Federal Reserve for the Municipal Liquidity Facility using funds appropriated by the CARES Act.

## **HEALTH CARE**

### Administration to Begin Disbursing CARES Act Funds to Hospitals

The administration is expected to start allocating \$30 billion from the \$100 billion fund for hospitals and providers passed by Congress last month to support healthcare related expenses and help off-set lost revenue as a result of COVID-19. The initial \$30 billion will be allocated to providers based on claims filed in Fee for Service Medicare in 2019. For example, if the Centers for Medicare and Medicaid Services (CMS) paid out \$100 billion in claims last year and Hospital X was paid \$1B (1%), they would receive 1% of the \$30 billion. The government has partnered with UnitedHealth Group to deliver the initial funds.

### Apple, Google Team Up on Effort to Trace Coronavirus Cases



Apple and Google announced on Friday a joint initiative to help health officials trace coronavirus exposure risks through the use of Bluetooth technology on people's phones. A rare alliance for major competitors in the tech space, the firms hope to have the technology ready by May to help track individuals who have come into contact with the virus or with other individuals who have contracted the virus. Noting privacy concerns, the technology will be employed with public health officials to ensure individual privacy laws are adhered to while collecting data to help inform containment efforts.

#### 90% of National Health Supply Stockpile Has Been Disbursed

On Wednesday, the House Oversight and Reform Committee Department published a document they received from Health and Human Services Department staff members [detailing](#) that 90 percent of the emergency stockpile's inventory of N95 respirators, surgical and face masks, face shields, gowns and gloves have gone out to the states and that the last 10 percent is designated for federal workers. "Now that the national stockpile has been depleted of critical equipment, it appears that the administration is leaving states to fend for themselves, to scour the open market for these scarce supplies, and to compete with each other and federal agencies in a chaotic, free-for-all bidding war," committee Chairwoman Carolyn Maloney (D-NY) said in a statement.

#### **CONCLUSION**

The Bose Public Affairs Group team will continue to monitor all relevant developments over the weekend and will be providing ongoing updates as they develop.

