

INTERIM EMERGENCY COVID-19 RELIEF ACT

House and Senate Democrats agree that we need to expand and improve the Small Business Administration's emergency relief programs for small businesses. However, Leader McConnell's two-page bill does not adequately help our nation's struggling small businesses nor does it address the public health and services crisis facing our States.

The Democratic interim emergency bill would immediately address five key issues as the House and Senate continue to develop a fourth, comprehensive COVID-19 bill, or "CARES 2."

1. Small Business Plus – Additional Funding and Critical Improvements to the SBA programs

This bill provides a total of \$250 billion in new funding for our small businesses.

- \$125 billion in additional Paycheck Protection Program funding
- \$125 billion in new funding for small businesses divided as follows:
 - \$60 billion in dedicated funding for community-based lenders, further divided as follows:
 - \$45 billion for small community-based lenders (CDFIs, minority depository institutions, certified development corporations, microlenders), and small banks and credit unions with less than \$10 billion in consolidated assets
 - \$15 billion for community banks and credit unions with less than \$50 billion in consolidated assets, and also for community-based lenders
 - \$50 billion for SBA's Economic Injury Disaster Loans (to support up to \$300 billion in direct lending)
 - \$15 billion for SBA's Emergency Economic Disaster Grant Program
- To streamline PPP lending, banks of all sizes are required to gather, in the application stage, certain documentation that aligns with federal know-your-customer regulations
- To streamline PPP lending, Treasury is directed to update its guidance to non-bank CDFI lenders dispensing with reverifying know-your-customer information if the borrower has a banking relationship that dates back two years
- Makes the payroll forgivable amount calculation more generous for PPP
- Makes farms eligible for EIDL loans and grants and for PPP

2. Health Provider Relief

This bill includes \$100 billion in additional funding for the new program to provide grants to hospitals, public entities, not for profit entities, and Medicare and Medicaid enrolled suppliers and institutional providers to cover unreimbursed health care related expenses or lost revenues attributable to the public health emergency resulting from the coronavirus.

Additionally, the bill requires a report to Congress regarding COVID-19 testing strategy: HHS, FEMA and other agencies shall report to Congress every 30 days and provide information about allocation of testing and supplies throughout the United States.

The bill also requires a report to Congress by May 15 on demographic information of patients with COVID-19 and proposals to reduce COVID-19 related health disparities.

3. Enhanced Funding for Coronavirus Relief for States, Tribal Governments and Municipal and County Governments.

This bill provides an additional \$150 billion in fiscal relief to states, tribes and localities. *These funds are available to be used for lost revenues.* The bill also makes the \$150 billion Coronavirus Relief Fund (CRF) in the CARES Act available to be used for lost revenues. The District of Columbia is considered a State under this bill and for the CRF in the CARES Act.

- \$65.45 billion of the fund is allocated to States (including D.C.) based on population, with a small-state minimum of \$500 million.
- \$53.55 billion of the fund is allocated to localities based on the Community Development Block Grant formula. According to the CDBG formula, 70% of funds go to “entitlement areas,” which are either (a) cities of more than 50,000 or (b) urban counties with more than 200,000, with any eligible cities removed from that total. The other 30% goes to all other localities below these thresholds.
- \$20 billion of the fund is allocated to States by their share of the national infection rate according to the most recent CDC tracking data.
- \$8 billion of the fund is set aside for Tribes.
- \$3 billion of the fund is set aside for territories.
- Treasury has 15 days to allocate this funding (was 30 days under CARES).
- States and localities can now use all CRF funding to mitigate lost revenue due to COVID-19.

4. SNAP 15 percent benefit increase and critical access improvements

This bill increases the SNAP maximum benefits to 115% of the thrifty food plan. This means everyone will see their SNAP benefits increase. While it will vary by household, the average increase will be about \$25 a month per person.

- Waives time limits/work requirements beginning May 1.
 - Work requirements are temporarily waived during the health crisis because of the COVID 2 package, but this would lift them for 2 years to provide flexibility for the height of the economic crisis
- Increases minimum benefit to \$30 (currently \$16).
 - Seniors and disabled individuals are the most common recipients of minimum benefit.
- Provides additional flexibility and funding for states to administer SNAP
 - Waives certain reporting and administrative requirements in SNAP
 - Provides additional funding for states to address increased caseload and needs

- Bars implementation of 3 Trump SNAP rules that would deny access and reduce benefits for struggling families
 - Implementation of SNAP rules on Able-Bodied Adults Without Dependents, Broad Based Categorical Eligibility and application of the Standards Utility Allowance would be prevented

5. Technical Fixes to Election Assistance funding from the CARES Act requested by Republican and Democratic Secretaries of State