Winning Strategies Washington

Legislative Update - May 21, 2020

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|  After House passage of the $3 Trillion HEROES Act last Friday, the Senate this week provided no official indication on a plan or timing for another major aid package, with Majority Leader McConnell mostly sticking to his "wait and see" approach. However, behind the scenes, many Senate Republicans are hoping the Senate [**will start moving in June**](http://r20.rs6.net/tn.jsp?f=001ucx4wRrOuDmciYdba2BAyut2h0vHYvEuCMKaL26RaFouOPk486wnXZ8XpaK9aCODzF8RtUrr48RZ0IORuG67-z538Ua_tam_Tt5PUsTML44N0ix9dd1mmdFDYQfmuXCiN0tfd15tQ98KMK9CAr4v2mk89zIca_58DCSJ2MygOqiHv70xaGqoO7nFwMqybqgahV7mVMCvHXvIbmJOBG0ZOe_0n4mcsfHUBXrMzbPKjfluq5zpgHvjsSQMtEgE1wh1W5NEub4bQE0=&c=oXQ058QnXUmAjCxBssqtAM8jQP_CttpWYqHAbDXWQg_b85Oa5PDPGw==&ch=pGXNpjhYLNJSqh9ESkZT1RZbRzD2kW5pqhdIimfiZG3EEyFW-nwb4Q==). Bipartisan coalitions have emerged in both the House and Senate around key components that need addressing, including renewed discussions about infrastructure funding, as well as specific [**modifications**](http://r20.rs6.net/tn.jsp?f=001ucx4wRrOuDmciYdba2BAyut2h0vHYvEuCMKaL26RaFouOPk486wnXZ8XpaK9aCODgyfzviJa5SY3EtpCMD8ngkabeVJxtMuW5ufkcGrTQm2RS6HYzXj5-fSx65YKUABFK2EVarqzqQqckE5juR_V5P-Y1OCFdlEdeGjKE8u_7MSnmeLOxZsgleHm2-pQQZTpIj8QpeSiWGY_p7gkwscbXrXZJ_oKUvtGhQ3Iy05SSdzIq4xRQLk9GEzM7pM1YF_onRKJ8tQ1NzWoSAegBSJqAg==&c=oXQ058QnXUmAjCxBssqtAM8jQP_CttpWYqHAbDXWQg_b85Oa5PDPGw==&ch=pGXNpjhYLNJSqh9ESkZT1RZbRzD2kW5pqhdIimfiZG3EEyFW-nwb4Q==) to the Paycheck Protection Program, state and local aid, COVID test and tracing resources, and even possibly some form of liability protection as class action and other lawsuits start to proliferate across the country and across a broad range of sectors of the economy and which could hinder economic recovery.**Economic Aid Proposals Under Consideration at the White House.**Trump Administration proposals to aid the economy are [**beginning to emerge**](http://r20.rs6.net/tn.jsp?f=001ucx4wRrOuDmciYdba2BAyut2h0vHYvEuCMKaL26RaFouOPk486wnXZ8XpaK9aCODNMhEm_yOQc0mOp7jHXVXoDthJc5cDoFz3fN_6kI58UE70rQ1O09T2NM0tMs3XYE7dwA37s5M2j_NCok2V_4XxRJ6fatbw0HHYHvw7ZcAH0XFP5_kTmv34WbRC9FVs-qlUGboZq47ZK_vf-9Vv1rh_HVb4zgJ45nh8tgCzEmrGQBapx8JwFbEufzZKt-TL05azn5QXUgc51xRzlEMfPLbyNtj1MQD9bil-chyxz9XGBxGI3apLznvq_PLF6bsjZUWx2llAV_RZ8bbegK_tfVVLOWxfT2sx1_7&c=oXQ058QnXUmAjCxBssqtAM8jQP_CttpWYqHAbDXWQg_b85Oa5PDPGw==&ch=pGXNpjhYLNJSqh9ESkZT1RZbRzD2kW5pqhdIimfiZG3EEyFW-nwb4Q==), with White House Economic Advisor Larry Kudlow discussing a payroll tax holiday, a capital gains exclusion for several years, a tax deduction for business spending at restaurants, significant incentives for companies to move back to the United States (commonly referred to as "onshoring") to include full expensing for return moves, a cut in the corporate tax rate, and a targeted tax credit.  **Remote and Proxy Voting Starts Next Week in the House.**Speaker Pelosi sent a [**letter**](http://r20.rs6.net/tn.jsp?f=001ucx4wRrOuDmciYdba2BAyut2h0vHYvEuCMKaL26RaFouOPk486wnXZ8XpaK9aCOD739yBTQvHh68w7JFNu_snzEyK7Zxo9VvvoLtmJPa9kooZjQAc4E6apsjLO2S_PzghZtaj61DMREMF7KH_bbKAB1OYCeTLU6M8TdBHoBVKRuQ2rwjyFAlBOrqanyKf_VE&c=oXQ058QnXUmAjCxBssqtAM8jQP_CttpWYqHAbDXWQg_b85Oa5PDPGw==&ch=pGXNpjhYLNJSqh9ESkZT1RZbRzD2kW5pqhdIimfiZG3EEyFW-nwb4Q==) to all Members this week announcing the availability of remote voting for 45 days due to the Coronavirus Public Health Emergency. Members can now authorize a colleague to serve as a proxy to vote on their behalf if they are unable to travel to the Capitol. **Proxy voting is optional, and Members are still allowed to vote in person as usual.**House Republicans were cool to this rule change, and most are expected to return to the Capitol to vote in person.Wednesday starts the 45-day period of authorized proxy voting, but it can be extended.**Senate Banking Committee hearing on the Quarterly CARES Act Report.**During a Tuesday [**hearing**](http://r20.rs6.net/tn.jsp?f=001ucx4wRrOuDmciYdba2BAyut2h0vHYvEuCMKaL26RaFouOPk486wnXZ8XpaK9aCOD5yFPQuQXlOI7VpiNeS20uuSoFVDKls6j7MBtEKa7aLkAoM7P1uQ0atKD62fPf9ZA26ZLFd3mW9dc98rFiXZ6dgd7Mo32Hwf0K8MF-U5ItTNBgoBok1Z2r0hWH_37udpf_r50xG5NzNmF-OD4vm_zddKqyjmdW61kWmvSNlm2ivVStpbT8XWgjMGIdOyU_aVL&c=oXQ058QnXUmAjCxBssqtAM8jQP_CttpWYqHAbDXWQg_b85Oa5PDPGw==&ch=pGXNpjhYLNJSqh9ESkZT1RZbRzD2kW5pqhdIimfiZG3EEyFW-nwb4Q==), Treasury Secretary Steven Mnuchin and Federal Reserve Chairman Jerome Powell provided the first public update on implementation of the Coronavirus Aid, Relief and Economic Security (CARES) Act. Mnuchin expressed optimism about the economic recovery by the third and fourth quarter of this year, while Federal Reserve Chair Powell left open the strong possibility that additional steps may be necessary as we gauge the success or failure of economic reopenings in various states and public confidence is restored to participate in economic and social activities depending on the rate of COVID-19 infections.  Powell also faced criticism on what is perceived as the slow roll out of the Federal Reserve facilities to aid the economy.  Powell committed that the Fed facilities will be fully operational by the end of this month, or early June. Both Powell and Mnuchin emphasized that they still have significant resources and tools to continue to mitigate economic damage and aid in recovery. On the question of the need for state and local aid, Secretary Mnuchin emphasized existing dollars and flexibility for the state in use of these existing dollars, while a bipartisan group of Senators led by Sen. Menendez (D-NJ) [**introduced legislation**](http://r20.rs6.net/tn.jsp?f=001ucx4wRrOuDmciYdba2BAyut2h0vHYvEuCMKaL26RaFouOPk486wnXZ8XpaK9aCODhJY1bdPvKrcLKh9VRalKu_dZ_ftyy9hwTaa_2PSb1RTZTV0i55tD-hAQ1v_mWbVt9m25f9uPdxrCiyj30wC_bZl_pdW-s3WOmyGvmj3bvjNQft79iAWlYQNXHmx0E-wkJjUoQQdVDoO_KcQqe5cx71t9-QrrLkjUV3oEnQOoVgTc_oxvEEXOb2bWnfgzmtSE26qYkZjuW5_-7l3mWmw1ika6rjwF19bD&c=oXQ058QnXUmAjCxBssqtAM8jQP_CttpWYqHAbDXWQg_b85Oa5PDPGw==&ch=pGXNpjhYLNJSqh9ESkZT1RZbRzD2kW5pqhdIimfiZG3EEyFW-nwb4Q==) pressing for significantly more funding, including aid to the smaller municipalities. **Payroll Paycheck Program Guidance on Loan Forgiveness.**The SBA's Paycheck Protection Program loan forgiveness rules and application were released last Friday evening.  The documents are available [**here**](http://r20.rs6.net/tn.jsp?f=001ucx4wRrOuDmciYdba2BAyut2h0vHYvEuCMKaL26RaFouOPk486wnXZ8XpaK9aCODgp2yPVmaceJcecIWG0SxOiM8Bypz2F7aWXIrcsO597ubFHaU32dSVrxOKUFsTDdHGOiD_9TKuPQf9J6A-V5EjVcub6UwJ3M8yjasD_WDZrL-cnaG6wxt2MvOXmBMIWmk18xL9jmLNmBg4EXvhlDO-0Ba9tQcyC5O5038xhSJlX9BDxRXIpL1uEXrXbtFHWmurTktUh9K_abi3COQHnfvXBTBhVlzlUe_RKJSObspVE6YU_wJrp9ueCAf4YJ1MY8iBjU1E7muIv0=&c=oXQ058QnXUmAjCxBssqtAM8jQP_CttpWYqHAbDXWQg_b85Oa5PDPGw==&ch=pGXNpjhYLNJSqh9ESkZT1RZbRzD2kW5pqhdIimfiZG3EEyFW-nwb4Q==).  The SBA press release is [**here**](http://r20.rs6.net/tn.jsp?f=001ucx4wRrOuDmciYdba2BAyut2h0vHYvEuCMKaL26RaFouOPk486wnXZ8XpaK9aCODj418qJnQtpilmO1EStgIePx5o4TQGid7sO2vUivhReBRws7_izS43LmQ9OypN6w0tg151pTlSbARt4EKKMV0LFWyisvAHCj2XHyQmsGTM5SigyBcOLQ7IsmfBleILhyKftGKTDiXVj8ARhlx4Ekd_YYA2JqysvbFQCmfeRXJVRUiWUc6N0jaZQEGjjluX3si-yVROtce4CXAIqQxc5d6oip1qjakdjqoSWoZ2vbX4_5r-uU9vw8Foft6p1yCBTewWQhMPoXVDYr85trpmpDgYQhaDnSOykTup94ffMbnrr8=&c=oXQ058QnXUmAjCxBssqtAM8jQP_CttpWYqHAbDXWQg_b85Oa5PDPGw==&ch=pGXNpjhYLNJSqh9ESkZT1RZbRzD2kW5pqhdIimfiZG3EEyFW-nwb4Q==). WSW's Special Report is [**here**](http://r20.rs6.net/tn.jsp?f=001ucx4wRrOuDmciYdba2BAyut2h0vHYvEuCMKaL26RaFouOPk486wnXZ8XpaK9aCODwnQT8ipShh5Z8_V6MFaJ462eZ-ZEvQJ2UhiKvCrPEiRqJwOiY_ATgqjCDzf22lXeNmCvZlMX143egXwN6730CKZ2LzKgch8hAKXuP1td_pRuJQLBllz-NHKldD-Cmd37n2zvfXPzD7EZrYWmKws8oPwNrrUTj0HHdNWIroUY_qlzMfE3L8w-8We7mFcBykM6&c=oXQ058QnXUmAjCxBssqtAM8jQP_CttpWYqHAbDXWQg_b85Oa5PDPGw==&ch=pGXNpjhYLNJSqh9ESkZT1RZbRzD2kW5pqhdIimfiZG3EEyFW-nwb4Q==).**House Progressive Members Push to Slash Fiscal Year 2021 Defense Budget.**Nearly 30 House Democrats, most of whom are members of the Congressional Progressive Caucus, are calling for a reduction in the defense budget amid the coronavirus pandemic. In a [**letter**](http://r20.rs6.net/tn.jsp?f=001ucx4wRrOuDmciYdba2BAyut2h0vHYvEuCMKaL26RaFouOPk486wnXZ8XpaK9aCODej1KyyrBJO6FjEuEq9Hf0rppD2pNb_kgUOphMKqahn0lsFDIaFdeYbwVsBN5ixIWk7Z8eTPMuIP9BKj9LlZ4oruVjfRqvjkryCgHZL0ue9uY1zdQmuAfyrpvgtzlipP9ZqYduMRuXR2RhikiFnrXk9EhFfTDNpF3K95T4gj6tsDDVAT2vSwxmqe-79APErW-BK0gqXxzUuIaAvBepXI_PgqF1VSLIpUIgWoSleGUjmw3IycRcFBH4-hMKDB-JCm8KBgM93FdSIAECLiKHyOwYOPaUfzr55AS0RpLy47ys1U=&c=oXQ058QnXUmAjCxBssqtAM8jQP_CttpWYqHAbDXWQg_b85Oa5PDPGw==&ch=pGXNpjhYLNJSqh9ESkZT1RZbRzD2kW5pqhdIimfiZG3EEyFW-nwb4Q==) to House Armed Services Committee Chairman Adam Smith (D-WA) and Ranking Member Rep. Mac Thornberry (R-TX), the Members wrote, "These are unparalleled times. We encourage you to constrain defense spending during this pandemic so that we can defeat the greatest threat to our nation - the coronavirus." Read the full letter HERE.  Despite this public push, it is unlikely that there will be significant cuts in the FY21 Defense budget.  **Work on FY21 Appropriations bills is expected to finally begin in the House and Senate Appropriations Committee in June, as well as Committee action on the National Defense Authorization Act.****President Trump Signs Executive Order on Regulatory Relief to Support Economic Recovery.**On May 19, 2020, President Trump issued an [**Executive Order**](http://r20.rs6.net/tn.jsp?f=001ucx4wRrOuDmciYdba2BAyut2h0vHYvEuCMKaL26RaFouOPk486wnXZ8XpaK9aCODNWfXzwd-U2y7rE2kHnVCSFz0W2wl4yJmIpWt7-vXz7mHno61csb8AQhG3BCKyse6x1PwXdaMFO1C7ZUgvbGym6mF9Co43CdUh142EtAGZrWQ4tBRGQB0bUV9hrp5FgQzwFKM9qaBoqxqpzGtQbzf1YBj_wLu-h5j3LDYBp8HS0C_ODF6iZfVQ_-6nRbZqBa22UeTGu2rvf5z1UUPbWkL-h11a9OwwUMO&c=oXQ058QnXUmAjCxBssqtAM8jQP_CttpWYqHAbDXWQg_b85Oa5PDPGw==&ch=pGXNpjhYLNJSqh9ESkZT1RZbRzD2kW5pqhdIimfiZG3EEyFW-nwb4Q==) (EO) on Regulatory Relief to Aid Economic Recovery. This EO builds upon pre-COVID efforts by the Trump Administration to reduce the federal regulatory burden on companies large and small.  The previous effort is often referred to as the "2 for 1" plan, where for every new regulation issued, Federal Departments and Agencies are required to propose the repeal of two other existing regulations. The President has broad authorities to suspend or alter federal regulations (as well as accelerate them) in emergency situations which are clearly applicable during COVID-19.  The Administration has already temporarily suspended many regulatory requirements to aid the public health response to COVID-19 as well as to stem economic harm from COVID-19.This new EO directs Departments and Agencies to further determine which of these changes should be made *permanent,*by directing them to "address this economic emergency by rescinding, modifying, waiving, or providing exemptions from regulations and other requirements that may inhibit economic recovery."Acknowledging that the power to do so is not absolute, the EO repeatedly includes the reference as "consistent with applicable law".  Any permanent repeal of regulations (and even those that have already been made on a temporary basis) will inevitably face significant legal and Congressional challenges, particularly post the emergency period directly related to COVID-19. [**This Forbes article**](http://r20.rs6.net/tn.jsp?f=001ucx4wRrOuDmciYdba2BAyut2h0vHYvEuCMKaL26RaFouOPk486wnXZ8XpaK9aCODKCy9jaICg0lq46PV2tzP0J-qrQV7mQf0YUyBAc2wM-biSOC6zoOWjKwzFlQ0pMrkBlGDNHEDQp1H4wlEM9Dvtq1ttthZCyT3zbzpjvmbJetbwmAkPdulP9B4kpZr0pvaDkn5uA7dGLIMYw3nK4tx3G-7-R3PECYrnMH77xSuduZOuBRuHc7sumwwsc0j5tvvc0wE26cYBUR7XGnavpZEw8SZK3yv1r8ORrV-Hz3NcuA-vM9R0Y5d8cqzuapffNAK2lM-PXAPtc8S0FuvHAOaMEXMlI84_4kwlfzry7F4wj0=&c=oXQ058QnXUmAjCxBssqtAM8jQP_CttpWYqHAbDXWQg_b85Oa5PDPGw==&ch=pGXNpjhYLNJSqh9ESkZT1RZbRzD2kW5pqhdIimfiZG3EEyFW-nwb4Q==) provides a good overview of the EO.**WSW Coronavirus Information Library**Below are links to our updated Special Reports, which captures all of this last week's key developments in each area.[**Counties and Municipalities**](http://r20.rs6.net/tn.jsp?f=001ucx4wRrOuDmciYdba2BAyut2h0vHYvEuCMKaL26RaFouOPk486wnXZ8XpaK9aCODRhBccuk37N7oDlpV19I6JqqpUDZLH8tn9AFQUVqv9LXegQXF_4hSyfvNYnfpTI-xZF97ClbyA05BI5CqUoVJ3wTgburn8ptnx8-FOUkHDcxTJigYKAh_r3E9j11IrDqLEDo4I6Aqh3GgoyL2QaYcKATn5vt7mK1LsmqPtVLsGHzOqgjbvYF3pFk14pOj34LM&c=oXQ058QnXUmAjCxBssqtAM8jQP_CttpWYqHAbDXWQg_b85Oa5PDPGw==&ch=pGXNpjhYLNJSqh9ESkZT1RZbRzD2kW5pqhdIimfiZG3EEyFW-nwb4Q==)[**Health Care**](http://r20.rs6.net/tn.jsp?f=001ucx4wRrOuDmciYdba2BAyut2h0vHYvEuCMKaL26RaFouOPk486wnXZ8XpaK9aCODTkO6l5I2YvkLr1t5F2zbmQohotxbAAdEIHJrAEjAL6r6LBwnZQltlJRjTHNTF9uuOBphSKPl5dbTnIQJn-7AF8_WoiTyfEQUXYl08GH0giooDOWucb_EZkgfZCEcffbb_pIt14J0DVl2jHuZN4Sc5hrGTdNxUyqF9LxQgMa6HIIF70fniH_1x_VC22iZAIRA&c=oXQ058QnXUmAjCxBssqtAM8jQP_CttpWYqHAbDXWQg_b85Oa5PDPGw==&ch=pGXNpjhYLNJSqh9ESkZT1RZbRzD2kW5pqhdIimfiZG3EEyFW-nwb4Q==)[**Higher Education**](http://r20.rs6.net/tn.jsp?f=001ucx4wRrOuDmciYdba2BAyut2h0vHYvEuCMKaL26RaFouOPk486wnXZ8XpaK9aCODwqp78Wr9g2Pky2YwchBD6nOTez5T_eQCc-S2VKsGILLzf38dc9W6leU3qw1fgIuNELhAx98NcRWH12KEzqNLuzkNAqqv-3No8Iqb5Ix-gDWrn47OoM0RMHfuVVvptowlzXQ1diiKcPYXNS1GnfvFGidr3y3Gouu1q7VIwDAFPXwl43eNAqN_jcHBcqoyX9RH&c=oXQ058QnXUmAjCxBssqtAM8jQP_CttpWYqHAbDXWQg_b85Oa5PDPGw==&ch=pGXNpjhYLNJSqh9ESkZT1RZbRzD2kW5pqhdIimfiZG3EEyFW-nwb4Q==) [**Non-Profit**](http://r20.rs6.net/tn.jsp?f=001ucx4wRrOuDmciYdba2BAyut2h0vHYvEuCMKaL26RaFouOPk486wnXZ8XpaK9aCOD_dhv1fz2cVNgOUU3DZLhnc9GIpbT2b0APocRiD5Y6w67ZKwR_9-JDvcnI19uzh1FwFU2IBGvDngKnB0WmD_1XmS6MjAQlcmmsG_bE8NlZ3IrWk7Y5XN0VEfl250ZE4TIgGghFvaVPsGIGGtRfB6nLcPLNabGDzy4rNWnrKbUF-ch9ZWf0ZJ1MyHw1buM6cwr&c=oXQ058QnXUmAjCxBssqtAM8jQP_CttpWYqHAbDXWQg_b85Oa5PDPGw==&ch=pGXNpjhYLNJSqh9ESkZT1RZbRzD2kW5pqhdIimfiZG3EEyFW-nwb4Q==)[**Small Businesses**](http://r20.rs6.net/tn.jsp?f=001ucx4wRrOuDmciYdba2BAyut2h0vHYvEuCMKaL26RaFouOPk486wnXZ8XpaK9aCODx9GFU1dDAlpPAZdfXSAixR_6N2zs5oL9bdqBjOen3DHvskUDm2PPNYxM5ClLvwH5R-EM8scjJUD_evKJ2dAir6DlT2dU00js08VDNqTpAare6I09LR4C1OW_WTmK6aPwSUmlZL5MWmZuKvQtQ9HynSfzrTrfHO3etQAR4rlFai7TIJ23PX4vxzHbYMme61vh&c=oXQ058QnXUmAjCxBssqtAM8jQP_CttpWYqHAbDXWQg_b85Oa5PDPGw==&ch=pGXNpjhYLNJSqh9ESkZT1RZbRzD2kW5pqhdIimfiZG3EEyFW-nwb4Q==) |

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