

Washington Update: April 20

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By: Omar Franco



While the pandemic continues to ravage parts of our country, the signature economic recovery program for small businesses, the Paycheck Protection Program (PPP), ran out of funds last week. Congress began this week with some optimism for a new deal. House Democrats awoke this morning to find a note from House Majority

Leader Steny Hoyer telling them to prepare for a possible vote as early as Wednesday morning and this afternoon, Senate Majority Leader Mitch McConnell scheduled an additional Senate Pro Forma session for tomorrow afternoon at 4 p.m. These are signs that a deal may be reached soon on a bill that could pass both chambers of Congress through expedited processes. While everything in these times is subject to change, at the moment, most outlets are reporting that the outline of the deal totals \$470 billion, including \$310 billion to replenish the Paycheck Protection Program with a \$60 billion carveout for small banks, \$75 billion for hospitals, and \$25 billion for coronavirus testing. Unfortunately, efforts so far to include more funding for state/local governments have fallen flat for this round of funding

If the above framework does end up being the next bill Congress passes, it will be viewed more as a Phase 3.5, or Cares Act II, than the broad economic stimulus package some House Democrats were pushing for immediately after passing the CARES Act. Despite the potentially limited scope of this bill and the signs of optimism, obstacles do remain. Once again, Rep. Thomas Massie (R-KY) has signaled that he will attempt to force a recorded vote in the House. Beyond Rep. Massie, rank and file House Republicans have been fairly quiet and will need to understand the odds of a smooth passage for Phase 3.5. Democrats also have their issues with the currently reported framework of the deal. The biggest issue for now is likely funding for state and local governments. Democrats are continuing to push for state/local governments to receive aid in the next bill and seem to be making headway with the Trump Administration. The President himself has even publicly signaled a willingness to provide funding for state/local governments despite House Republican Leadership saying they can wait until the next bill. However, that may not be enough for some Democrats. Progressive Caucus Chairwoman Pramila Jayapal (D-WA) said

earlier today that she has serious concerns about giving away leverage without getting more Democratic priorities funded. Rep. Alexandria Ocasio-Cortez (D-NY) has said she will oppose the bill if it matches up with what is currently being reported. Also of note: during a very brief pro forma session of the Senate this afternoon, Sen. Maria Cantwell (D-WA) spoke on the Senate floor about the need to provide relief for broadcasting and newspaper associations, who were cut out of PPP relief due to affiliation rules. It remains to be seen whether this will be a sticking point for negotiations on the current bill, but it will be something to watch for if a bill is not passed this week.

As always, I hope everyone is staying safe and healthy and we will continue to update you since things do tend to change very quickly in this ever-evolving process.