



Monthly Legislative Report – March 2020

March Advocacy Meetings

We have been in regular contact with the Orange County Congressional Delegation throughout the month of March to discuss OCTA Appropriations requests for FY2021, the impacts of COVID-19, and the policy recommendations outlined in the March OCTA letter that we distributed to the OC delegation, Congressional Leadership, and the Department of Transportation. We also facilitated a support letter for two OCTA grant applications for the Buses and Bus Facilities Program and the Low or No Emission Vehicle Program. The entire Orange County delegation signed onto that letter.

We have also been in communication (primarily teleconferences) with dozens of Members outside of the delegation to advocate for robust FTA formula funding in the third stimulus package. After the passage of the third stimulus bill, we have also been discussing the need for additional investments infrastructure/ job creation and opportunities to include OCTA priorities in that legislation. Those offices include the following:

- Office of Senate Majority Leader Mitch McConnell (R-KY)
- Office of House Speaker Nancy Pelosi (D-CA)
- Congressman Sam Graves (R-MO)
- Congresswoman Grace Napolitano (D-CA) and staff
- Congresswoman Julia Brownley (D-CA) and staff
- Senator Joni Ernst (R-IA)
- Senator Pat Roberts (R-KS)
- Senator Tom Cotton (R-AR)
- Senator Cory Gardner (R-CO)
- Senator Thom Tillis (R-NC)

We also have participated in teleconference briefing with a several federal agencies as well as following up with several administration officials in the following agencies:

- Department of Transportation (DOT)
 - Federal Transit Administration (FTA)
 - Federal Railroad Administration (FRA)
 - Federal Aviation Administration (FAA)
 - Office of the Secretary
- Department of Labor (DoL)
- Small Business Administration (SBA)
- Department of Commerce

- Health and Human Services (HHS)
 - Centers for Disease Control and Prevention (CDC)
 - Centers for Medicare and Medicaid Services (CMS)
 - Office of the Secretary
- Department of Agriculture
- Department of Defense
- Department of Homeland Security
 - Federal Emergency Management Administration (FEMA)
 - Office of the Secretary
- White House National Security Council
- White House Office of Management and Budget
- House Transportation and Infrastructure Committee staff
- Department of the Treasury

COVID-19 Federal Response

To date, Congress has passed three stimulus bills in response to the Coronavirus (COVID-19) crisis. There are discussions that Congress may need to consider a fourth and fifth stimulus package aimed at infrastructure and local governments, but these talks are in preliminary stages. Summaries of each bill are included below. For ease of access, here is a link to each bill in chronological order:

Stimulus 1 – H.R. 6074 (\$8.3 billion)

- Link to [Text](#)
- Link to [Summary](#)

Stimulus 2 – H.R. 6201 (Paid Leave Provisions)

- Link to [Text](#)
- Link to [Summary](#)

Stimulus 3 – H.R. 748 (\$2 Trillion+)

- Link to [Text](#)
- Link to Division B (Appropriations) [Summary](#)

The **first stimulus bill** (H.R. 6074), signed into law by President Trump on March 6, is a 28-page supplemental spending bill that provides \$8.3 billion in emergency funding for responding to the ongoing outbreak of the coronavirus, including resources for research and development of a vaccine as well as support for state and local response efforts. Of the bill's \$8.3 billion total spending amount, \$2.2 billion is allocated to the Centers for Disease Control and Prevention (CDC) to support the federal, state, and local response to COVID-19, of which \$950 million would go to States and local governments to conduct public health preparedness and response activities (surveillance, lab testing, etc.), and \$300 million would be used to replenish the Infectious Disease Rapid Response Reserve Fund to support immediate response activities.

The supplemental also includes provisions to reimburse State and local costs incurred in responding to COVID-19 between January 20, 2020 and the bill's date of enactment, and

to allow funds to be used for the construction or renovation of facilities to improve preparedness and response at the State and local level. Additionally, more than \$3 billion is allocated towards the research and development of vaccines and diagnostics, and nearly \$1 billion is provided for grants to localities to support Community Health Centers and the procurement of pharmaceuticals and medical supplies (masks, protective equipment, testing equipment, etc.).

The **second stimulus** (H.R. 6201), was signed into law on March 18th. This bill primarily focused on changes to existing laws to provide flexibility to employers and help provide paid sick and family leave to individuals ordered to stay home as a result of COVID-19. It also included \$500 million in additional funding for the SNAP and WIC programs, as well as \$1 billion for HHS' Public Health and Social Services Emergency Fund to pay the claims of providers for health services related to COVID-19.

The **third stimulus** was approved by the House after passing the Senate on March 27. This is by far the most substantial piece of legislation passed so far, totaling \$2.3 trillion in federal spending and loans. A summary of key provisions for transportation entities, local governments, and workforce is provided below:

Mass Transit Grants.

- **\$25 billion** from the general fund of the Treasury “to remain available until expended, to prevent, prepare for, and respond to coronavirus...Provided further, That notwithstanding subsection (a)(1) or (b) of section 5307 of title 49, United States Code, funds provided under this heading are available for the operating expenses of transit agencies related to the response to a coronavirus public health emergency as described in section 319 of the Public Health Service Act, including, beginning on January 20, 2020, reimbursement for operating costs to maintain service and lost revenue due to the coronavirus public health emergency, including the purchase of personal protective equipment, and paying the administrative leave of operations personnel due to reductions in service...”
- The provision specifically target use for operating costs at transit agencies.
- These funds must be apportioned to transit agencies no later than seven days after enactment with California estimated to receive a total of \$3.767 billion.

Amtrak and State Supported Routes Grants.

- \$1.018 billion is appropriated from the general fund for grants to Amtrak.
 - \$492M for Northeast Corridor and \$526 for the National Network account.

Coronavirus Relief Fund

- Provides \$150 billion to States, Territories, and Tribal governments to use for expenditures incurred due to the public health emergency with respect to COVID-19 in the face of revenue declines, allocated by population proportions, with a minimum of \$1.25 billion for states with relatively small populations.
- All funds must be used for:
 - Necessary expenditures incurred due to the public health emergency with respect to COVID-19

- Costs that were not accounted for in the budget most recently approved as of the date of enactment of this section for the state or government
- Costs that were incurred during the period that begins on March 1, 2020 and ends December 30, 2020.
- **CERTIFICATION.**—In order to receive a payment under this section, a unit of local government shall provide the Secretary with a certification signed by the Chief Executive for the unit of local government that the local government's proposed uses of the funds are consistent with subsection (d).

Department of Health and Human Services (HHS)

Centers for Disease Control and Prevention (CDC)

CDC-Wide Activities and Program Support:

- **\$4.3 billion** to remain available until Sept. 30, 2024.
 - Not less than **\$1.5 billion** is to be used for grants or cooperative agreements with States, localities, territories, and tribes for surveillance, epidemiology, laboratory capacity, **infection control, mitigation, communications, and other preparedness and response activities.**
 - Further, Every grantee that received a Public Health Emergency Preparedness (PHEP) grant in FY19 shall receive no less than 100% of that grant level from these funds.

Direct Appropriations for Small Business Loans

- **\$349 billion** for Small Business Administration Business Loans, of which
 - **\$265 million** for SBA Entrepreneurial Development Programs outlined in Sec. 1103(b)
 - Education, Training and Advising Grants: The Administration may provide financial assistance in the form of grants to resource partners to provide education, training, and advising to covered small business concerns.
 - **USE OF FUNDS:**
 - Accessing and applying for resources provided by the Administration and other federal resources relating to access capital and business resiliency
 - The hazards and prevention of COVID-19
 - The potential effects of COVID-19 on supply chains, distribution and sale of products, and more (page 35)
 - 80% of these grants will be disseminated through Small Business Development Centers

Emergency EIDL Grants: \$10 billion

- For businesses with less than 500 employees, EIDL loans have been given additional flexibility for who may apply.
- Funds may be used for:
 - Providing sick leave to employees unable to work due to COVID-19
 - Maintaining payroll to retain employees during business disruptions or slowdowns

- Meeting increased costs to obtain materials unavailable from the applicant's original source due to interrupted supply chains
- Making rent or mortgage payments
- Repaying obligations that cannot be met due to revenue losses

Emergency Unemployment Relief for Governmental Entities and Nonprofit Organizations

- (a) Flexibility In Paying Reimbursement. —The Secretary of Labor may issue clarifying guidance to allow States to interpret their State unemployment compensation laws in a manner that would provide maximum flexibility to reimbursing employers as it relates to timely payment and assessment of penalties and interest pursuant to such State laws.
- States will receive one-half of the amounts of compensation attributable under the State law to service to which section 3309(a)(1) of such Code applies that were paid by the State for weeks of unemployment beginning and ending during such period.
 - Such transfers shall be made at such times as the Secretary of Labor considers appropriate.
- Notwithstanding any other law, funds transferred to the account of a State under subparagraph (A) shall be used exclusively to reimburse governmental entities and other organizations described in section **3309(a)(2)** (*refers to 3306(c)(7), below*) of such Code for amounts paid (in lieu of contributions) into the State unemployment fund pursuant to such section.
 - (3306(c)(7)) service performed in the employ of a State, or any political subdivision thereof, or in the employ of an Indian tribe, or any instrumentality of any one or more of the foregoing which is wholly owned by one or more States or political subdivisions or Indian tribes; and any service performed in the employ of any instrumentality of one or more States or political subdivisions to the extent that the instrumentality is, with respect to such service, immune under the Constitution of the United States from the tax imposed by section 3301;

Temporary Full Federal Funding of The First Week of Compensable Regular Unemployment for States with No Waiting Week.

- A State is eligible to enter into an agreement under this section if the State law (including a waiver of State law) provides that compensation is paid to individuals for their first week of regular unemployment without a waiting week. An agreement under this section shall not apply (or shall cease to apply) with respect to a State upon a determination by the Secretary that the State law no longer meets the requirement under the preceding sentence.

Recovery Rebates for Individuals

- In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by subtitle A for the first taxable year beginning in 2020 an amount equal to the sum of:
 - \$1,200 (\$2,400 for eligible individuals filing jointly)

- An amount equal to the product of \$500 multiplied by the number of qualifying children
- Limitation Based On Adjusted Gross Income.—The amount of the credit allowed by subsection (a) (determined without regard to this subsection and subsection (e)) shall be reduced (but not below zero) by 5 percent of so much of the taxpayer's adjusted gross income as exceeds:
 - \$150,000 in the case of a joint return,
 - \$112,500 in the case of a head of household, and
 - \$75,000 in the case of a taxpayer not described in paragraph (1) or (2).

Workforce Response Activities

- Provides local workforce boards with additional flexibility to use funds received under the Workforce Innovation and Opportunity Act for administrative costs, including for online resources. Allows Governors to utilize reserved workforce funds on rapid response activities in response to COVID-19.

Limitation on Paid Leave

- Creates a limitation stating an employer shall not be required to pay more than \$200 per day and \$10,000 in the aggregate for each employee under this section.

Emergency Paid Sick Leave Limitation

- Creates a limitation stating an employer shall not be required to pay more than \$511 per day and \$5,110 in the aggregate for sick leave or more than \$200 per day and \$2,000 in the aggregate to care for a quarantined individual or child for each employee under this section.

Unemployment Insurance

- Provides that applications for unemployment compensation and assistance with the application process, to the extent practicable, be accessible in two ways: in person, by phone, or online.

Advance Refunding of Credits

- Allows employers to receive an advance tax credit from Treasury instead of having to be reimbursed on the back end. Creates regulatory authority to implement the tax credit advances.

Emergency Relief and Taxpayer Protections

- Provides \$500 billion to Treasury's Exchange Stabilization Fund to provide loans, loan guarantees, and other investments, distributed as follows:
 - Direct lending, including:
 - \$25 billion for passenger air carriers, eligible businesses that are certified under part 145 of title 15, Code of Federal Regulations, and approved to perform inspection, repair, replace, or overhaul services, and ticket agents;
 - \$4 billion for cargo air carriers; and

- \$17 billion for businesses important to maintaining national security.
- \$454 billion, as well as any amounts available but not used for direct lending, for loans, loan guarantees, and investments in support of the Federal Reserve's lending facilities to eligible businesses, states, and municipalities. Federal Reserve 13(3) lending is a critical tool that can be used in times of crisis to help mitigate extraordinary pressure in financial markets that would otherwise have severe adverse consequences for households, businesses, and the U.S. economy.
- Treasury will endeavor to implement a special 13(3) facility through the Federal Reserve targeted specifically at nonprofit organizations and businesses between 500 and 10,000 employees, subject to additional loan criteria and obligations on the recipient, such as:
 - The funds received must be used to retain at least 90 percent of the recipient's workforce, with full compensation and benefits, through September 30, 2020;
 - The recipient will not outsource or offshore jobs for the term of the loan plus an additional two years;
 - The recipient will not abrogate existing collective bargaining agreements for the term of the loan plus an additional two years; and
 - The recipient must remain neutral in any union organizing effort for the term of the loan.

Suspension of Certain Aviation Excise Taxes.

- Repeals Federal Excise Taxes collected in relation to commercial aviation. Excise taxes are applied to the transportation of persons (i.e., ticket tax), the transportation of property (i.e., cargo tax), and aviation fuel.

Foreclosure Moratorium and Consumer Right to Request Forbearance.

- Prohibits foreclosures on all federally-backed mortgage loans for a 60-day period beginning on March 18, 2020. Provides up to 180 days of forbearance for borrowers of a federally-backed mortgage loan who have experienced a financial hardship related to the COVID-19 emergency. Applicable mortgages included those purchased by Fannie Mae and Freddie Mac, insured by HUD, VA, or USDA, or directly made by USDA. The authority provided under this section terminates on the earlier of the termination date of the national emergency concerning the coronavirus or December 31, 2020.

Temporary Moratorium on Eviction Filings.

- For 120 days beginning on the date of enactment, landlords are prohibited from initiating legal action to recover possession of a rental unit or to charge fees, penalties, or other charges to the tenant related to such nonpayment of rent where the landlord's mortgage on that property is insured, guaranteed, supplemented, protected, or assisted in any way by HUD, Fannie Mae, Freddie Mac, the rural housing voucher program, or the Violence Against Women Act of 1994.

Real ID Enforcement Deadline Extended.

- Section 16006 of the bill extends the Real ID enforcement deadline from Oct. 1 2020 to Oct. 1 2021. The Acting Secretary of Homeland Security Chad Wolf had announced a similar extension just before the bill was passed.

As mentioned earlier a 4th stimulus package is now being contemplated by House Democrats. This bill could include additional transportation funding for construction and other capital projects. At the end of the month, House Speaker Nancy Pelosi said they are in the early stages of drafting this forth package aimed at protecting health care workers and new spending on infrastructure. Senate Republicans, however, have said it is too early to begin consideration of a “Phase 4” since the third relief package has not even begun to be implemented. Pelosi is also floating the idea of lifting retroactively the current limits of state and local tax deductions that become law in the 2017 tax bill.

Additional Links Regarding Federal Response Efforts:

- [FEMA COVID-19 Emergency Declaration Factsheet](#)
- [Centers for Disease Control - COVID-19 Updates](#)
 - [Situation Summary](#)
 - [Pandemic Guidance](#)
- [Public Health Emergency Preparedness \(CDC\)](#)
 - [National Response Framework](#)
 - [Public Health Emergency Preparedness and Response Capabilities: National Standards for State, Local, Tribal and Territorial Public Health \(Full Document\) – October 2018; Updated January 2019](#)
- [Stafford Act Text](#)
- [Public Health Response to H1N1](#)
- [CDC Twitter](#)